

# 2007

Oxford BioMedica. Interim Report



# Chairman's and Chief Executive's report

## Corporate mission

Oxford BioMedica's mission is to be the leading company in the development and commercialisation of gene-based medicines, which provide safe and effective treatments for patients with diseases that have an unmet medical need. Oxford BioMedica operates to high standards of integrity in its dealings with all parties, including shareholders, employees, patients, healthcare professionals, partners, licensees and the wider community, and seeks significant returns for shareholders through the application of scientific, commercial and operational excellence.

In the first half of 2007, the Company achieved a major objective in securing a global partner for TroVax. The agreement with sanofi-aventis brings the experience and resources of a leading oncology company to bear on the programme. The payments to Oxford BioMedica could amount to €518 million if TroVax is registered for certain defined indications, plus additional undisclosed commercial milestones and royalties. This is one of the most valuable licensing agreements for an active cancer immunotherapy to date. The initial payment was €29 million. A further payment of €9 million was triggered by the achievement of the first development milestone, which was announced on 11 September 2007. Other significant events since the beginning of 2007 include further encouraging Phase II results for TroVax in renal cancer, the acquisition of Oxxon Therapeutics to strengthen the Company's intellectual property position in immunotherapy, a regulatory submission for clinical development of ProSavin in Parkinson's disease, and initiation of a new anti-cancer development programme.

### STRATEGY

Oxford BioMedica's mission is to be the leading company in the development and commercialisation of innovative gene-based medicines, thereby creating a highly profitable biopharmaceutical company. Following the Company's global collaboration with sanofi-aventis for TroVax, Oxford BioMedica has reassessed its development priorities to ensure that internal resources are focused on product candidates that offer the greatest potential value to shareholders.

The evaluation considered the potential commercial opportunity together with the anticipated profile, timelines and costs of development of each product.

In oncology, the strategy is to expand the immunotherapy platform, as demonstrated by the acquisition in March 2007 of Oxxon Therapeutics, which included key assets in prime-boost immunotherapy. The acquisition value for Oxxon was £16 million, which was satisfied by the issue of Oxford BioMedica shares. The assets acquired included cash and cash equivalents of £3.8 million.

In addition to its immunotherapy efforts, the Company's priority in oncology will be to develop gene-based approaches that have the broadest possible application, and thus the greatest commercial opportunity. In particular, the Company initiated a new anti-cancer programme, called EndoAngio-GT, in July 2007, through a licensing agreement with Children's Hospital Boston for two genes that block blood vessel growth (angiogenesis). The new programme is expected to benefit from development synergies with the Company's RetinoStat product candidate, which uses the same genes to treat vision loss due to macular degeneration. EndoAngio-GT's anti-angiogenic approach could be applied to the treatment of a wide range of solid tumours. The mode of action is similar to Roche/Genentech's product Avastin®, but with potential advantages in terms of safety and dosing regimens. Avastin® generated global sales of approximately £1.2 billion in 2006.

As a result of the strategic review of its anti-cancer product opportunities, Oxford BioMedica is seeking industry partners for further development of MetXia and its Gene-Directed Enzyme Prodrug Therapy (GDEPT) technology. MetXia has applications in niche markets as a localised treatment for certain cancers. It has been successfully evaluated in Phase I/II trials in locally accessible breast and an ongoing Phase II trial in non-resectable pancreatic cancer. These studies have confirmed that MetXia can transform tumour tissue in a manner expected to increase the local activity of chemotherapy.

The strategic prioritisation of the pipeline is consistent with the Company's objective of starting clinical development with at least one new product per year. The first clinical priority is to start the planned trial of ProSavin. This novel gene therapy could offer a major advance to the treatment of Parkinson's disease. The second priority is RetinoStat for wet age-related macular degeneration. Regulatory approval of the Phase I/II trial of ProSavin is expected before the end of 2007 and a submission to start trials of RetinoStat is planned for 2008.

Following the licensing of TroVax, the Company has reviewed its strategy for later-stage development and commercialisation of its in-house programmes and core technologies. For certain products and territories, the Company will look to co-develop and co-commercialise with partners, enabling Oxford BioMedica to retain more value from the commercialisation of its products and move towards a fully integrated business model with specialty sales and marketing capabilities.

## R&D PIPELINE

### TROVAX®

TroVax is Oxford BioMedica's lead cancer immunotherapy product candidate. It is designed to stimulate a specific anti-cancer immune response and has potential application in most solid tumours and at all stages of disease. The product induces an immune response against

the tumour associated antigen 5T4, which is broadly distributed throughout a wide range of solid tumours. The product consists of a Modified Vaccinia Ankara (MVA) vector, engineered to include the gene for 5T4.

In March 2007, a global licensing agreement was signed with sanofi-aventis for rights to develop and commercialise TroVax in all cancers. Subsequently, new Phase II results in renal cancer were reported, the Data Safety Monitoring Board conducted its first analysis of the Phase III TRIST study, and progress was made towards the start of two Phase III trials in colorectal cancer. Both new trials are expected to commence enrolment of patients within the next 12 months.

The agreement with sanofi-aventis is one of the largest alliances in the field of cancer immunotherapy. Under the terms of this agreement, Oxford BioMedica received an initial payment of €29 million. A further payment of €9 million was triggered by the achievement of the first development milestone, on recruitment of 350 patients in the TRIST study, which was announced on 11 September 2007. The Company could receive a total of €518 million in initial and milestone payments if development and registration targets are met for certain defined indications. The agreement includes additional undisclosed regulatory milestone payments for other cancer types, undisclosed commercial milestones when sales reach certain levels, and escalating royalties on global sales. Sanofi-aventis and Oxford BioMedica are co-funding the ongoing TRIST study and sanofi-aventis is committed to funding all other research, development, regulatory and commercialisation activities. Furthermore, Oxford BioMedica retains an option to participate in the promotion of TroVax in the USA and the European Union.

The Phase III TRIST (TroVax Renal Immunotherapy Survival Trial) study commenced in November 2006 in patients with locally advanced or metastatic clear cell renal carcinoma. The trial is a randomised, placebo-controlled, two-arm study comparing TroVax in combination with standard of care to placebo with standard of care. The standard of care therapy is Sutent® (sunitinib),

interferon-alpha or interleukin-2. The protocol stratifies treatment between the standard of care options to ensure that the allocation of TroVax and placebo is rigorously balanced.

Over 350 patients have been randomised out of a target enrolment of approximately 700 patients. Approximately 100 sites are open for recruitment in the USA, the European Union and Eastern Europe. The primary endpoint for the trial is survival improvement; secondary endpoints include progression-free survival, tumour response rates and quality-of-life scores. The trial is being conducted under a Special Protocol Assessment (SPA) agreement from the US Food and Drug Administration (FDA). It is expected to complete in 2009.

In July 2007, the independent Data Safety Monitoring Board (DSMB) for the TRIST study completed its first scheduled interim analysis. The DSMB concluded that the trial should continue as planned without modification. The DSMB reviewed safety and anti-cancer immune responses from the first 50 patients enrolled. The DSMB is independent of Oxford BioMedica and sanofi-aventis. It is comprised of leading clinicians and a biostatistician with relevant expertise in the treatment of renal cancer and the conduct of clinical trials.

At the Annual Meeting of the American Society of Clinical Oncology in June 2007, Oxford BioMedica and sanofi-aventis reported new data from two Phase II trials of TroVax in renal cancer. TroVax was well tolerated with no serious adverse events attributable to the treatment and the product induced anti-5T4 antibody responses in 91% of patients. Twenty-four of 35 evaluable patients with clear cell renal carcinoma (68%) showed disease control. Two patients had complete responses, three had partial responses and 19 had stable disease for periods exceeding three months, including three patients that were stable for more than 17 months. Preliminary analysis of clinical benefit showed a statistically significant relationship between reduction in tumour burden in patients with clear cell renal carcinoma and patients' anti-5T4 antibody responses ( $p=0.028$ ). This supports the hypothesis that the 5T4-specific

immune response induced by TroVax has therapeutic benefit.

Over the next 12 months, several significant events are anticipated in the development of TroVax. Sanofi-aventis plans to start a randomised Phase III trial of TroVax with first-line standard therapy in patients with metastatic colorectal cancer. The provisional trial plan is to recruit over 1,000 patients from sites worldwide. The trial design is expected to be finalised and submitted to regulatory authorities within the next few months, with patient recruitment commencing in the first half of 2008. Separately, the QUASAR group is planning a randomised, placebo-controlled Phase III trial of TroVax in early-stage (Stage II/III) colorectal cancer, which is designed to enrol approximately 3,000 patients. QUASAR is a UK-based clinical trials network that is funded from a variety of sources including the UK Medical Research Council and the Department of Health.

### PROSAVIN®

ProSavin is the Company's lead gene therapy product based on its proprietary LentiVector® gene delivery technology. ProSavin has the potential to revolutionise the treatment of Parkinson's disease. The product uses the LentiVector system to deliver the genes for three enzymes that are required for the synthesis of dopamine. It is administered locally to the region of the brain called the striatum, converting cells into a replacement dopamine factory within the brain, thus replacing the patient's own lost source of the neurotransmitter.

In the first half of 2007, Oxford BioMedica completed non-clinical safety studies of ProSavin, required for a regulatory submission to start trials. In July 2007, the Company submitted a Clinical Trials Application (CTA) to the French Health Products Safety Agency (Agence Française de Sécurité Sanitaire des Produits de Santé - AFSSAPS). The CTA includes a proposed Phase I/II trial to be conducted at the Henri Mondor Hospital in Paris, France, which is a centre of excellence for neurosurgery. The proposed trial will enrol up to 18 patients who are failing on the current standard

therapy of L-DOPA but who are not experiencing disabling dyskinesias (movement disorders that occur following prolonged treatment with L-DOPA). There will be suitable intervals between the treatments of each patient in the early stage of the trial. This cautious approach is commensurate with a “first in man” trial and has been discussed with AFSSAPS. Oxford BioMedica hopes to begin the clinical trial at the end of 2007 or in early 2008.

In an industry-standard preclinical model of Parkinson's disease, ProSavin's therapeutic effect from a single administration has been maintained for over 20 months. Efficacy was similar to that expected with standard daily treatment with L-DOPA but with no evidence of the disabling dyskinesias associated with L-DOPA treatment.

#### RETINOSTAT®

RetinoStat is the Company's novel gene-based treatment for wet age-related macular degeneration (AMD) and diabetic retinopathy (DR), which are caused by the unregulated and aberrant growth of leaky and disruptive blood vessels in the retina. The product uses the LentiVector system to deliver two genes, angiostatin and endostatin, that block the formation of new blood vessels. Oxford BioMedica licensed the right to use these genes for treatment of ocular diseases in 2003. Endostatin and angiostatin are endogenous anti-angiogenic proteins discovered in the laboratory of Dr Judah Folkman, director of the Vascular Biology Program at Children's Hospital Boston.

In May 2007, Oxford BioMedica and collaborators at Johns Hopkins University School of Medicine in Baltimore presented encouraging preclinical data with RetinoStat at the Association for Research in Vision and Ophthalmology Annual Meeting. The presentation included preclinical proof of principle in an industry-standard model of neovascular AMD.

Oxford BioMedica with Johns Hopkins University and in partnership with the Foundation Fighting Blindness (FFB) and its support organisation, the National Neurovision Research Institute (NNRI), is conducting additional non-clinical studies with

RetinoStat to support a regulatory submission for the start of clinical trials. Preparations for manufacturing scale-up for the clinical material are underway. The objective is to submit an Investigational New Drug (IND) application to the US FDA for the start of trials in 2008.

#### STARGEN™

StarGen is Oxford BioMedica's novel gene-based therapy for the treatment of Stargardt's disease. The disease is caused by a mutation of the ABCR gene which leads to the degeneration of photoreceptors in the retina and vision loss. StarGen uses the Company's LentiVector system to deliver a corrected version of the ABCR gene. It is administered directly to the retina.

At the Association for Research in Vision and Ophthalmology Annual Meeting in May 2007, Oxford BioMedica presented preclinical data with StarGen, showing efficacy in an industry-standard model of Stargardt's disease. The StarGen programme is part of a broad collaboration with the FFB and the NNRI to develop gene-based therapies for ocular diseases. Further preclinical studies are being conducted with researchers at Columbia University in New York.

#### ENDOANGIO-GT

During the first half of 2007, Oxford BioMedica initiated a new anti-cancer development programme, EndoAngio-GT, based on the anti-angiogenic genes, endostatin and angiostatin. These are the same therapeutic genes utilised in RetinoStat. The Company secured a licence to use the genes for the treatment of cancer from Children's Hospital Boston in July 2007.

RetinoStat is designed to block aberrant blood vessel growth in the retina, whereas EndoAngio-GT is targeting new blood vessels that enable tumours to grow and spread. The development of EndoAngio-GT is expected to benefit from synergies with the RetinoStat programme.

The formation of new blood vessels, known as angiogenesis, plays a critical role in the progression of most solid tumours. It has been

clinically proven that tumour growth can be suppressed by inhibiting tumour angiogenesis. Roche/Genentech's anti-angiogenic cancer treatment, Avastin®, generated global sales of approximately £1.2 billion in 2006. Oxford BioMedica believes that EndoAngio-GT has potential application as a treatment for a wide range of solid tumours, and has potential advantages over Avastin® in terms of safety and dosing regimens. Hence, the programme has substantial potential value.

#### HI-8® MEL

Hi-8 MEL is a therapeutic vaccine for metastatic melanoma, which was added to the pipeline following the Company's acquisition of Oxxon Therapeutics in March 2007. The product consists of two recombinant vectors, a plasmid DNA and a MVA virus. Both vectors encode the Mel3 polypeptide string derived from five different melanoma-associated antigens. The two vectors are administered separately (heterologous prime-boost) to induce broad melanoma-specific T-cell responses.

Oxxon Therapeutics has evaluated Hi-8 MEL in two clinical trials. Updated results from a Phase II trial were presented at the American Association of Immunologists Annual Meeting in May 2007. The trial, in 41 patients with Stage III/IV melanoma, was designed to evaluate the immune and clinical responses elicited by Hi-8 MEL. The product was highly immunogenic with 91% of patients that received the optimal dose showing an antigen-specific immune response. In terms of clinical benefit, eight patients (20%) showed a period of disease control. The presentation included follow-up of one patient that exhibited a sustained partial response for more than two years. The median survival for immune responders was 100 weeks versus 37 weeks for non-responders ( $p < 0.001$ ).

Oxford BioMedica plans to add further patients to the Phase II trial to confirm the optimal dose and formulation of Hi-8 MEL for Phase III development. The extension to the study is expected to start in 2008.

#### METXIA®

MetXia is Oxford BioMedica's localised anti-cancer therapy, designed to enhance the effectiveness of cyclophosphamide, which is a widely used anti-cancer agent. MetXia uses a highly engineered retroviral gene delivery system to deliver a specific human cytochrome P450 gene. The product is administered locally to the tumour site, enabling the P450 enzyme to be produced within the tumour. The enzyme activates the prodrug cyclophosphamide at the tumour site, thus increasing the effective concentration of the anti-tumour, cytotoxic derivative of cyclophosphamide in the tumour mass.

MetXia is potentially useful as a localised treatment of certain solid tumours, particularly those where cyclophosphamide is commonly used as a treatment. The Company is targeting its development efforts for MetXia on the treatment of pancreatic cancer through direct administration of both MetXia and cyclophosphamide to the tumour. A dose-escalation, two-stage Phase II trial in patients with non-resectable pancreatic tumours is expected to complete in 2007.

In this study, MetXia and cyclophosphamide are delivered directly to the pancreatic tumour via a catheter, which is inserted through an artery. Nineteen patients have been treated to date. The first part of the trial has been completed. This was an open-label evaluation of two dose levels of MetXia alongside a low dose of cyclophosphamide.

The second part of the study is ongoing. Patients are treated with MetXia at the optimal dose, and with ascending doses of cyclophosphamide to determine the maximum tolerated levels of cyclophosphamide. Three dose levels of cyclophosphamide have been fully evaluated to date. The results suggest that direct intra-arterial administration of MetXia and cyclophosphamide to the tumour is well tolerated, up to the completed dose level, and that MetXia induces efficient gene expression of P450 enzyme at the tumour site.

Encouragingly, of ten patients that are evaluable for analysis of tumour responses, two patients have shown disease stabilisation. Another patient has shown a reduction in tumour marker levels. Patient survival is difficult to interpret for this heterogeneous patient group but has ranged from four to more than 108 weeks.

The Company concluded in its recent strategic review and evaluation to seek partners for further development and commercialisation of MetXia. This will enable the Company to focus its resources on higher development priorities with greater potential commercial value.

### CME-548

In collaboration with Oxford BioMedica, Wyeth is developing a novel targeted antibody therapy for the treatment of cancer. The product, CME-548, uses Oxford BioMedica's monoclonal antibody against the 5T4 tumour associated antigen, linked to the anti-cancer agent calicheamicin. Preclinical development of CME-548 is ongoing.

### TROVAX-VET

TroVax-Vet is Oxford BioMedica's veterinary 5T4-targeted immunotherapy programme for the treatment of cancer in companion animals, focusing on dogs and cats. Oxford BioMedica entered a research agreement for the development of the product with a leading animal health firm in 2003. Following the sanofi-aventis collaboration for TroVax in human cancers, Oxford BioMedica has decided on commercial grounds not to renew the collaboration for TroVax-Vet.

### TECHNOLOGY LICENSING

Oxford BioMedica's technology licensing activities exploit the potential of its suite of gene delivery technologies by providing third-party access for research, product development or specific applications. Licensees of the Company's technology include GlaxoSmithKline, Merck & Co and Pfizer.

In July 2007, another major US-based biotechnology company licensed the LentiVector

gene delivery technology for research activities in a joint agreement with Sigma-Aldrich. Sigma-Aldrich is Oxford BioMedica's strategic partner and exclusive licensee for the commercialisation of the LentiVector technology for research use.

Viragen, which licensed the LentiVector technology in 2004 for the development of an avian transgenic biomanufacturing system, reported further progress with the technology and published results in a leading medical journal in January 2007. However, in June 2007, Viragen halted development of the programme as part of its efforts to streamline its research focus. Oxford BioMedica and the Roslin Institute, which was collaborating with Viragen on the development of the avian transgenic system, are exploring alternative ways to advance the technology.

### INTELLECTUAL PROPERTY

The Company broadened its intellectual property estate in immunotherapy through the acquisition of Oxxon Therapeutics in March 2007. The key technology within Oxxon was prime-boost, which is a method of producing a potent and specific T cell-mediated immune response to any disease-related antigen. The prime-boost platform has broad potential applications in developing prophylactic as well as therapeutic products. Oxxon owned or had exclusively licensed a number of patent families covering the prime-boost technology.

With the addition of Oxxon's intellectual property, Oxford BioMedica's patent portfolio expanded to 131 granted patents at 30 June 2007, compared to 116 in the previous year. A further 185 patent applications are pending. The Company has a further 18 licenses from third parties for key technologies.

In July 2007, Oxford BioMedica signed a license agreement with Children's Hospital Boston to extend the Company's existing rights for the anti-angiogenic genes, endostatin and angiostatin, for the treatment of cancer in the EndoAngio-GT programme. The Company had previously licensed rights to the genes for the treatment of ocular diseases, and is employing the genes in RetinoStat.

### FINANCE

The TroVax licence with sanofi-aventis has transformed the Company's financial outlook. Revenue of £2.0 million in the first half of 2007 was higher than in any previous financial period, and for the first time the Company was able to report a positive cash flow from operations. The acquisition of Oxxon Therapeutics brought in cash and cash equivalents of £3.8 million. The net loss for the first half of 2007 was £9.3 million (H1 2006: £8.7 million). The total of cash, cash equivalents and available for sale investments at 30 June 2007 was £42.5 million (30 June 2006: £38.7 million).

Revenue in the first half of 2007 was £2.0 million. The initial receipt from the sanofi-aventis TroVax licence was £19.7 million (£29 million), of which £1.9 million was recognised as revenue in the first half of 2007. The remaining £17.8 million was classified as deferred income and is expected to be recognised as revenue over the next 21 to 33 months. Technology licence income was £0.1 million (H1 2006: £0.2 million). Cost of sales of £0.1 million relates to royalties payable on relevant in-licensed patents.

Operating costs were £13.2 million: £2.4 million (22%) higher than the first half of 2006. Increased staff costs accounted for £1.3 million. Charges for share options were £0.2 million higher than the first half of 2006 at £0.4 million. External clinical and preclinical costs were similar to last year's level at £5.1 million (H1 2006: £5.3 million). Legal and professional fees associated with the TroVax licence in 2007 were approximately £0.3 million. Oxxon expenses were £0.6 million, comprising £0.3 million for closure of the former Oxxon offices and laboratories including severance payments, and £0.3 million running costs during the close-down period. The Oxxon business is now fully integrated into Oxford BioMedica.

Grant income was £0.2 million lower than the first half of 2006. Net interest income of £0.9 million was the same as in the first half of 2006. The tax credit of £1.1 million was £0.4 million higher than the first half of 2006, mostly due to higher eligible staff costs.

Overall the net loss was £9.3 million (H1 2006: £8.7 million).

The acquisition of Oxxon in March 2007 was valued at £16 million, and was satisfied by the issue of 27,551,628 Oxford BioMedica shares to Oxxon shareholders for the entire share capital of Oxxon and 4,219,618 shares for the repayment of a loan from Oxxon shareholders to Oxxon. The number of shares issued was determined by a reference price of 50.36p per share, being the average closing price of Oxford BioMedica shares over the 30 days to 8 March 2007. Oxxon's key investors, who currently retain an interest in Oxford BioMedica shares, are the venture capital firms Quester, MVM Life Science Partners and US-based East Hill Management.

The acquisition resulted in an increase of £13.1 million in Oxford BioMedica's intangible assets at 30 June 2007 due to the provisional fair value attributed to Oxxon's prime-boost intellectual property and the Hi-8 MEL melanoma vaccine programme. In accordance with the Companies Act, the premium of £13.6 million on the consideration shares for the Oxxon acquisition has been credited to a merger reserve.

Due to the £19.7 million initial receipt from sanofi-aventis, net cash generated from operations in the first half of 2007 was £9.0 million (H1 2006: net cash used in operations £5.8 million). Interest received was £0.8 million (H1 2006: £0.5 million) and tax credit received was £0.8 million (H1 2006: nil), making the net cash flow from operating activities £10.6 million (H1 2006: cash used £5.3 million). Purchases of tangible and intangible fixed assets, net of sale proceeds were £0.2 million (H1 2006: £0.1 million), resulting in net cash generated of £10.4 million (H1 2006 net cash burn £5.4 million).

Cash and cash equivalents (gross) acquired with Oxxon were £3.8 million. Current payables acquired, net of current receivables and tax credit, were £0.6 million. Cash expenses of the acquisition were £0.4 million. Issues of shares for cash on the exercise of share options raised £0.2 million (H1 2006: £0.2 million).

Overall, cash, cash equivalents and available for sale investments increased by £14.0 million from £28.5 million at 31 December 2006 to £42.5 million at 30 June 2007. The achievement of the first development milestone in the sanofi-aventis TroVax agreement, which was announced on 11 September 2007, triggers the payment to Oxford BioMedica of a further €9 million (approximately £6 million).

In summary, the Company's financial position remains strong, enabling it to move forward aggressively in the development of its prioritised product candidates.

## OUTLOOK

The collaboration with sanofi-aventis on TroVax has been a transforming event for Oxford BioMedica. It validates the programme and provides the resources to complete development and commercialisation of the product. Furthermore, the initial payment and milestone payments to Oxford BioMedica provide valuable funding for the Company's other in-house programmes. Importantly, the TroVax programme remains on track, including recruitment into the Phase III TRIST study in renal cancer and the start of other planned trials. In addition to TroVax, the Company has prioritised and is seeking to accelerate development of both ProSavin in Parkinson's disease and RetinoStat in wet age-related macular degeneration.

Following its strategic review, the Company is focusing in-house development efforts on programmes that offer the highest potential commercial value. This has led to the addition to the pipeline of a novel anti-cancer programme, EndoAngio-GT, which has broad potential application in the treatment of solid tumours, and the decision to seek partners for further development of MetXia and the GDEPT technology for the localised treatment of certain cancers.

The Company expects several clinical and commercial events over the next 12 months, including another milestone linked to the TRIST study of TroVax, the start of Phase III trials in colorectal cancer by sanofi-aventis and QUASAR, and the start of the Phase I/II trial of ProSavin in Parkinson's disease. In addition, the Company continues to evaluate new opportunities to expand its pipeline of novel gene-based medicines.

# Consolidated income statement

FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Notes	Six months ended 30 June 2007 (Unaudited) £'000	Six months ended 30 June 2006 (Unaudited) £'000	Year ended 31 December 2006 (Audited) £'000
Revenue	3	2,041	208	760
Cost of sales		(124)	-	-
Research and development costs		(10,767)	(9,456)	(19,523)
Administrative expenses		(2,453)	(1,352)	(2,699)
Administrative expenses comprise:				
Administrative expenses before exceptionals		(2,123)	(1,352)	(2,699)
Exceptional administrative expenses	4	(330)	-	-
Total administrative expenses		(2,453)	(1,352)	(2,699)
Other operating income: grants receivable		16	249	360
<b>Operating loss</b>		<b>(11,287)</b>	<b>(10,351)</b>	<b>(21,102)</b>
Interest payable and similar charges		(17)	(13)	(29)
Interest receivable		955	952	1,743
<b>Loss before tax</b>		<b>(10,349)</b>	<b>(9,412)</b>	<b>(19,388)</b>
Taxation		1,097	744	1,762
<b>Loss for the period</b>		<b>(9,252)</b>	<b>(8,668)</b>	<b>(17,626)</b>
Basic loss and diluted loss per ordinary	5	(1.8p)	(1.7p)	(3.5p)

The notes on pages 15 to 24 form part of this financial information

# Consolidated balance sheet

AT 30 JUNE 2007

	Notes	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	6	14,814	1,641	1,665
Property, plant and equipment	7	761	944	819
		15,575	2,585	2,484
<b>Current assets</b>				
Trade and other receivables	8	3,822	1,772	2,202
Current tax assets		2,914	1,943	2,309
Financial assets: Available for sale investments		33,924	31,000	20,500
Cash and cash equivalents	9	8,611	7,651	8,043
		49,271	42,366	33,054
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	10	8,864	5,771	4,671
Deferred income	11	7,645	83	92
Provisions	12	56	61	58
		16,565	5,915	4,821
<b>Net current assets</b>		<b>32,706</b>	<b>36,451</b>	<b>28,233</b>
<b>Non-current liabilities</b>				
Other non-current liabilities	13	95	-	-
Deferred income	11	10,205	-	-
Provisions	12	587	671	627
		10,887	671	627
<b>Net assets</b>		<b>37,394</b>	<b>38,365</b>	<b>30,090</b>
<b>Shareholders' equity</b>				
Ordinary shares		5,341	4,996	5,014
Share premium		108,938	106,311	106,732
Merger reserve		14,310	711	711
Other reserves		(623)	(633)	(627)
Retained earnings - deficit		(90,572)	(73,020)	(81,740)
<b>Total equity</b>		<b>37,394</b>	<b>38,365</b>	<b>30,090</b>

The notes on pages 15 to 24 form part of this financial information

# Consolidated cash flow statement

FOR THE SIX MONTHS ENDED 30 JUNE 2007

Notes	Six months ended 30 June 2007 (Unaudited) £'000	Six months ended 30 June 2006 (Unaudited) £'000	Year ended 31 December 2006 (Audited) £'000	
<b>Cash flows from operating activities</b>				
Cash generated by/(used in) operations	14	9,029	(5,752)	(17,726)
Interest received		809	482	1,440
Tax credit received		771	-	650
Overseas tax paid		(8)	(25)	(25)
Net cash from operating activities		10,601	(5,295)	(15,661)
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment		1	-	1
Purchases of property, plant and equipment		(97)	(82)	(192)
Purchases of intangible assets		(63)	-	(24)
Net (purchase)/maturity of available for sale investments		(13,424)	(7,500)	3,000
Cash and cash equivalents acquired with subsidiary	15	3,759	-	-
Acquisition costs		(382)	-	-
Net cash (used in)/generated by investing activities		(10,206)	(7,582)	2,785
<b>Cash flows from financing activities</b>				
Net proceeds from issue of ordinary share capital		175	234	629
Effects of exchange rate changes		(2)	(23)	(27)
<b>Net increase/(decrease) in cash and cash equivalents</b>		568	(12,666)	(12,274)
Cash and cash equivalents at 1 January		8,043	20,317	20,317
Cash and cash equivalents at period end	9	8,611	7,651	8,043

The notes on pages 15 to 24 form part of this financial information

# Statement of changes in shareholders' equity

Group	Share capital £'000	Share premium £'000	Translation reserve £'000	Merger reserve £'000	Retained earnings (deficit) £'000	Total £'000
At 1 January 2006	4,984	106,097	(627)	711	(64,565)	46,600
Exchange adjustments	-	-	(6)	-	-	(6)
Loss for the 6 months ended 30 June 2006	-	-	-	-	(8,668)	(8,668)
Share options						
Proceeds from shares issued	12	214	-	-	-	226
Value of employee services	-	-	-	-	213	213
<b>At 30 June 2006 (unaudited)</b>	<b>4,996</b>	<b>106,311</b>	<b>(633)</b>	<b>711</b>	<b>(73,020)</b>	<b>38,365</b>
Exchange adjustments	-	-	6	-	-	6
Loss for the 6 months ended 31 December 2006	-	-	-	-	(8,958)	(8,958)
Share options						
Proceeds from shares issued	13	227	-	-	-	240
Value of employee services	-	-	-	-	238	238
Issue of shares excluding share options	5	155	-	-	-	160
Refund in respect of share issue costs	-	39	-	-	-	39
<b>At 31 December 2006 (audited)</b>	<b>5,014</b>	<b>106,732</b>	<b>(627)</b>	<b>711</b>	<b>(81,740)</b>	<b>30,090</b>
Exchange adjustments	-	-	4	-	-	4
<b>Loss for the 6 months ended 30 June 2007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,252)</b>	<b>(9,252)</b>
Shares issued in acquisition	318	2,083	-	13,599	-	16,000
Share options						
Proceeds from shares issued	9	133	-	-	-	142
Value of employee services	-	-	-	-	420	420
Costs of share issues	-	(10)	-	-	-	(10)
<b>At 30 June 2007 (unaudited)</b>	<b>5,341</b>	<b>108,938</b>	<b>(623)</b>	<b>14,310</b>	<b>(90,572)</b>	<b>37,394</b>

The notes on pages 15 to 24 form part of this financial information

# Notes to the financial information

## 1 BASIS OF PREPARATION

The financial information for the six months ended 30 June 2007 is unaudited and has been prepared in accordance with the Group's accounting policies as described in note 2 and in accordance with the Listing Rules of the Financial Services Authority. The financial information for the six months ended 30 June 2006 is also unaudited. These results have not been reviewed by the Group's Auditors. The financial information relating to the year ended 31 December 2006 has been extracted from the full report for that year. The report of the Auditors on the 2006 accounts was unqualified. The statutory accounts for the year ended 31 December 2006 were approved at the Company's Annual General Meeting on 3 May 2007 and have been delivered to the Registrar of Companies. The financial information in this report does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985.

Copies of the interim results for the six months ended 30 June 2007 are being sent to all shareholders. Details can also be found on the Company's website at [www.oxfordbiomedica.co.uk](http://www.oxfordbiomedica.co.uk). Further copies of the interim results and copies of the full report and accounts for the year ended 31 December 2006 can be obtained by writing to the Company Secretary, Oxford BioMedica plc, Medawar Centre, Oxford Science Park, Oxford, OX4 4GA.

This announcement was approved by the Board of Oxford BioMedica plc on 10 September 2007.

## USE OF ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and judgements are continually made and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances.

### Critical accounting estimates and assumptions

Where the Group makes estimates and assumptions concerning the future, the resulting accounting estimates will seldom exactly match actual results. Due to the amounts involved, the estimates and assumptions of the amounts accrued for clinical trial costs have a greater risk of causing a material adjustment to the carrying amounts of assets and liabilities within the present financial year. The Group uses a percentage-of-completion method to accrue for such costs. This method requires the Group to estimate the services performed by contractors to date as a proportion of total services to be performed.

## 2 ACCOUNTING POLICIES

The Group accounting policies are set out in the annual report for the year ended 31 December 2006. The following policies have been expanded to take account of business developments in 2007. The accounting policies have been applied consistently to all the financial periods presented.

### REVENUE

The Group generates revenue as a result of product and technology licence transactions. Product licence transactions typically have an initial upfront non-refundable payment on execution of the licence, and the potential for further payments conditional on achieving specific milestones, plus royalties on product sales. Technology licence transactions typically have an initial upfront non-refundable payment on execution of the licence and the potential for further annual maintenance payments for the term specified in the licence. Where the initial fee paid is non-refundable and there are no ongoing commitments from the Group and the licence has no fixed end date, the Group recognises the element received up front as a payment in consideration of the granting of the licence on execution of the contract. Amounts receivable in respect of milestone payments are recognised as revenue when the specific conditions stipulated in the licence agreement have been met. Maintenance fees within the contracts are spread over the period to which they relate, usually a year. Otherwise, amounts receivable are recognised in the period in which related costs are incurred, or over the period to completion of the relevant phase of development. Amounts recognised exclude value added tax. Differences between cash received and amounts recognised are included as deferred revenue where cash received exceeds revenue recognised and as accrued revenue where revenue has yet to be billed to the customer.

### EXCEPTIONAL ITEMS

Exceptional items represent significant items of income and expense which due to their nature or the expected infrequency of the events giving rise to them, are presented separately on the face of the income statement to give a better understanding to shareholders of the elements of financial performance in the period, so as to facilitate comparison with prior periods and to better assess trends in financial performance. Exceptional items include non-recurring reorganisation costs.

### INTANGIBLE ASSETS

Intangible fixed assets, relating to intellectual property rights acquired through licensing or assigning patents and know-how are carried at historic cost, less accumulated amortisation, where the useful life of the asset is finite and the asset will probably generate economic benefits exceeding costs. Where a finite useful life of the acquired intangible asset cannot be determined, the asset is not subject to amortisation but is tested annually for impairment. No amortisation has been charged to date, as the products underpinned by the intellectual property rights are not yet available for commercial use.

Expenditure on product development is capitalised as an intangible asset and amortised over the expected useful life of the product concerned. Capitalisation commences from the point at which technical feasibility and commercial viability of the product can be demonstrated and the Group is satisfied that it is probable that future economic benefits will result from the product once completed. Capitalisation ceases when the product receives regulatory approval for launch. No such costs have been capitalised to date.

Expenditure on research activities and development activities that do not meet the above criteria, including ongoing costs associated with acquired intellectual property rights and intellectual property rights generated internally by the Group, is charged to the income statement as incurred. Intellectual property and in-process research and development from acquisitions are recognised as intangible assets at fair value. Any residual excess of consideration over the fair value of net assets in an acquisition is recognised as goodwill in the financial statements.

### 3 SEGMENTAL ANALYSIS

The Group's primary segment reporting is by geographical location of assets, with business sector as the secondary format. Revenue and loss on ordinary activities before taxation are derived entirely from the principal activity, biotechnology research and development. The business segments comprise the Group's UK and US operations. The majority of the Group's activities take place in the UK, with the US subsidiary providing intellectual property management and business development support to the UK operation. Since the reorganisation of US activities in 2004, expenditure in the USA accounts for less than 10% of the Group costs. Purchases and sales between subsidiaries are eliminated on consolidation.

The Group's revenue derives wholly from assets located in the UK. By destination, revenue derives from the European Union and the USA

Revenue by destination	Six months ended 30 June 2007 (Unaudited) £'000	Six months ended 30 June 2006 (Unaudited) £'000	Year ended 31 December 2006 (Audited) £'000
European Union	1,919	28	56
North America	122	180	704
Total revenue	2,041	208	760

### 4 EXCEPTIONAL ADMINISTRATIVE EXPENSES

Exceptional administrative expenses of £330,000 (2006: nil) were restructuring costs associated with the integration of Oxxon Therapeutics Limited ('Oxxon') and closure of the former Oxxon offices and laboratories following the acquisition of Oxxon in March 2007. Severance and related costs for former Oxxon employees were £247,000. Fixed asset write-offs (mostly leasehold improvements) were £73,000. Other expenses were £10,000.

### 5 BASIC LOSS AND DILUTED LOSS PER ORDINARY SHARE

The basic loss per share has been calculated by dividing the loss for the period by the weighted average number of shares of 521,354,933 in issue during the six months ended 30 June 2007 (six months ended 30 June 2006: 499,147,326; year ended 31 December 2006: 499,865,620).

The Company had no dilutive potential ordinary shares in either period which would serve to increase the loss per ordinary share. There is therefore no difference between the loss per ordinary share and the diluted loss per ordinary share.

## 6 INTANGIBLE ASSETS

	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
<b>Cost</b>			
<b>At 1 January</b>	1,927	1,920	1,920
Additions – through business combination	13,086	-	-
Additions – separately	63	-	24
Disposals	-	(17)	(17)
<b>At period end</b>	15,076	1,903	1,927
<b>Impairment</b>			
<b>At 1 January</b>	262	279	279
Disposals	-	(17)	(17)
<b>At period end</b>	262	262	262
<b>Net book amount at period end</b>	14,814	1,641	1,665

The value of intangibles acquired with the acquisition of Oxxon Therapeutics Limited (note 15) is provisional, as a formal valuation has not yet been completed. The valuation is expected to be finalised in the financial statements for the year ended 31 December 2007.

## 7 PROPERTY, PLANT & EQUIPMENT

	Short leasehold improvements £'000	Office equipment, fixtures and fittings £'000	Computer equipment and software £'000	Laboratory equipment £'000	Total £'000
<b>Cost</b>					
<b>At 1 January 2007</b>	2,608	87	281	2,670	5,646
Exchange adjustments	(8)	-	-	-	(8)
Additions – through business combination	79	10	2	8	99
Additions – separately	2	6	9	77	94
Dilapidation asset - effect of change in discount rate	(10)	-	-	-	(10)
Disposals	(79)	(9)	-	(13)	(101)
<b>At 30 June 2007</b>	2,592	94	292	2,742	5,720
<b>Depreciation</b>					
<b>At 1 January 2007</b>	2,267	81	224	2,255	4,827
Exchange adjustments	(8)	-	-	-	(8)
Charge for the period	52	5	21	90	168
Disposals	(12)	(3)	-	(13)	(28)
<b>At 30 June 2007</b>	2,299	83	245	2,332	4,959
<b>Net book amount at 30 June 2007</b>	293	11	47	410	761

	Short leasehold improvements £'000	Office equipment, fixtures and fittings £'000	Computer equipment and software £'000	Laboratory equipment £'000	Total £'000
<b>Cost</b>					
<b>At 1 January 2006</b>	2,270	86	270	2,650	5,276
Exchange adjustments	(27)	-	(1)	-	(28)
Additions at cost	36	1	14	62	113
Dilapidation asset recognised in the period	338	-	-	-	338
Disposals	-	(1)	(10)	(40)	(51)
<b>At 30 June 2006</b>	<b>2,617</b>	<b>86</b>	<b>273</b>	<b>2,672</b>	<b>5,648</b>
<b>Depreciation</b>					
<b>At 1 January 2006</b>	2,093	74	212	2,066	4,445
Exchange adjustments	(27)	-	(1)	-	(28)
Charge for the period	158	6	16	157	337
Disposals	-	(1)	(10)	(39)	(50)
<b>At 30 June 2006</b>	<b>2,224</b>	<b>79</b>	<b>217</b>	<b>2,184</b>	<b>4,704</b>
<b>Net book amount at 30 June 2006</b>	<b>393</b>	<b>7</b>	<b>56</b>	<b>488</b>	<b>944</b>

	Short leasehold improvements £'000	Office equipment, fixtures and fittings £'000	Computer equipment and software £'000	Laboratory equipment £'000	Total £'000
<b>Cost</b>					
<b>At 1 January 2006</b>	2,270	86	270	2,650	5,276
Exchange adjustments	(47)	-	(2)	-	(49)
Additions at cost	50	3	34	111	198
Dilapidation asset recognised in the period	335	-	-	-	335
Disposals	-	(2)	(21)	(91)	(114)
<b>At 31 December 2006</b>	<b>2,608</b>	<b>87</b>	<b>281</b>	<b>2,670</b>	<b>5,646</b>
<b>Depreciation</b>					
<b>At 1 January 2006</b>	2,093	74	212	2,066	4,445
Exchange adjustments	(47)	-	(1)	-	(48)
Charge for the period	221	9	34	273	537
Disposals	-	(2)	(21)	(84)	(107)
<b>At 31 December 2006</b>	<b>2,267</b>	<b>81</b>	<b>224</b>	<b>2,255</b>	<b>4,827</b>
<b>Net book amount at 31 December 2006</b>	<b>341</b>	<b>6</b>	<b>57</b>	<b>415</b>	<b>819</b>

## 8 TRADE AND OTHER RECEIVABLES

	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
<b>Amounts falling due after more than one year</b>			
Other receivables – rent deposit	146	190	150
<b>Amounts falling due within one year</b>			
Trade receivables	9	158	241
Other receivables	1,362	881	765
Other tax receivable	330	173	220
Prepayments	1,903	349	603
Accrued income	72	21	223
	<b>3,676</b>	<b>1,582</b>	<b>2,052</b>
<b>Total trade and other receivables</b>	<b>3,822</b>	<b>1,772</b>	<b>2,202</b>

Other receivables include £652,000 (June 2006: £34,000; December 2006: £245,000) due from the Group's collaborative partner Sigma-Aldrich for reimbursement of legal costs in respect of litigation in the United States of America against Open Biosystems.

## 9 CASH AND CASH EQUIVALENTS

	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
Cash at bank and in hand	5,777	252	2,343
Short term bank deposits	2,834	7,399	5,700
<b>Total cash and cash equivalents</b>	<b>8,611</b>	<b>7,651</b>	<b>8,043</b>

In addition to the cash and cash equivalents described above, the Group held bank deposits of £33,924,000 (June 2006: £31,000,000; December 2006: £20,500,000) with an initial term to maturity between five and twelve months classified as available for sale investments.

Cash at bank and in hand includes £15,000 (June 2006: nil; December 2006: £182,000) held in escrow for expenses of the TRIST Phase III clinical trial.

## 10 TRADE AND OTHER PAYABLES - CURRENT

	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
Trade payables	3,397	851	1,579
Other taxation and social security	157	122	315
Accruals	5,310	4,798	2,777
	<b>8,864</b>	<b>5,771</b>	<b>4,671</b>

## 11 DEFERRED INCOME

At 30 June 2007 the Group had deferred income of £17,850,000 (June 2006: £83,000; December 2006: £92,000). £7,645,000 (June 2006: £83,000; December 2006: £92,000) was current, and £10,205,000 (June 2006 and December 2006: nil) was non-current. Of this total balance, £17,780,000 (June 2006 and December 2006: nil) relates to initial receipts from sanofi-aventis in April 2007 under the TroVax licence agreement, which are being recognised as revenue over a period of 24 to 36 months.

## 12 PROVISIONS

	Dilapidation £'000	Onerous lease £'000	Total £'000
At 1 January 2006	-	460	460
Exchange adjustments	-	(31)	(31)
Credited to the income statement	-	(7)	(7)
Tangible fixed asset recognised in the period	338	-	338
Utilised in the period	-	(41)	(41)
Amortisation of discount	4	9	13
<b>At 30 June 2006</b>	<b>342</b>	<b>390</b>	<b>732</b>
Exchange adjustments	-	(21)	(21)
Credited to the income statement	-	(1)	(1)
Tangible fixed asset recognised in the period	(3)	-	(3)
Utilised in the period	-	(38)	(38)
Amortisation of discount	8	8	16
<b>At 31 December 2006</b>	<b>347</b>	<b>338</b>	<b>685</b>
Exchange adjustments	-	(7)	(7)
(Credited)/charged to the income statement	-	(6)	(6)
Tangible fixed asset recognised in the period	(10)	-	(10)
Utilised in the period	-	(36)	(36)
Amortisation of discount	9	8	17
<b>At 30 June 2007</b>	<b>346</b>	<b>297</b>	<b>643</b>

	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
Current	56	61	58
Non-current	587	671	627
<b>Total provisions</b>	<b>643</b>	<b>732</b>	<b>685</b>

The dilapidation provision relates to anticipated costs of restoring the leasehold property in Oxford, UK to its original condition at the end of the present leases in 2011, discounted at 5.69% per annum (June 2006: 4.74%; December 2006: 4.96%). The provision will be utilised at the end of the leases if they are not renewed.

The onerous lease provision relates to the estimated rental shortfall in respect of a redundant property in San Diego, USA which has been sub-let for the remainder of the lease term until June 2012, discounted at 5.63% per annum (June 2006: 4.72%; December 2006: 4.88%). The provision will be utilised over the remaining term of the lease.

## 13 NON-CURRENT LIABILITIES

	30 June 2007 (Unaudited) £'000	30 June 2006 (Unaudited) £'000	31 December 2006 (Audited) £'000
Other non-current liabilities – rent deposit held	95	-	-

## 14 CASH FLOW FROM OPERATING ACTIVITIES

### RECONCILIATION OF LOSS BEFORE TAX TO NET CASH FROM OPERATING ACTIVITIES

	Six months ended 30 June 2007 (Unaudited) £'000	Six months ended 30 June 2006 (Unaudited) £'000	Year ended 31 December 2006 (Audited) £'000
<b>Continuing operations</b>			
Loss before tax	(10,349)	(9,412)	(19,388)
Adjustment for:			
Depreciation	168	337	537
Loss on disposal of property, plant and equipment	72	1	(1)
Interest income	(955)	(952)	(1,743)
Interest expense	17	13	29
Charge in relation to employee share schemes	420	213	451
Changes in working capital:			
(Increase)/decrease in trade and other receivables	(1,425)	447	(107)
Increase in payables	3,364	3,671	2,596
Increase/(decrease) in deferred income	17,758	(22)	(13)
Decrease in provisions	(41)	(48)	(87)
<b>Net cash generated by/(used in) operations</b>	<b>9,029</b>	<b>(5,752)</b>	<b>(17,726)</b>

## 15 ACQUISITION OF OXXON THERAPEUTICS LIMITED

On 9 March 2007 the Company purchased the entire issued share capital including all voting rights of Oxxon Therapeutics Limited ('Oxxon'). In addition, a loan of £1.7 million from the former owners of Oxxon was acquired. The purchase has been accounted for as an acquisition. The assets acquired included cash and cash equivalents of £3.8 million. On 2 April 2007 in an internal reorganisation, the trade of Oxxon Therapeutics Limited together with all its assets and liabilities was sold to the Group's principal operating subsidiary Oxford BioMedica (UK) Limited.

From the date of acquisition to 2 April 2007 the net loss of Oxxon was £95,000. From 2 April 2007 the Oxxon business was integrated with that of Oxford BioMedica (UK) Limited, and the facilities formerly occupied by Oxxon were closed down. From 2 April 2007 to 30 June 2007 the net loss attributable to the Oxxon acquisition was approximately £517,000 of which closure and severance costs of £330,000 are classified as exceptional administrative expenses.

All intangible assets were recognised at their provisional respective fair values. Any residual excess of the consideration over the fair value of net assets acquired will be recognised as goodwill in the financial statements.

The fair value adjustments contain some provisional amounts which will be finalised in the accounts for the year ended 31 December 2007. Shares issued were valued at the average market price over the 30 days ended 8 March 2007.

	Carrying values pre acquisition £'000	Provisional fair value adjustment £'000	Provisional fair value £'000
<b>Acquisition of Oxxon Therapeutics Limited</b>			
Intangible fixed assets	243	12,843	<b>13,086</b>
Property, plant and equipment	99	-	<b>99</b>
Receivables	100	-	<b>100</b>
Payables	(930)	-	<b>(930)</b>
R&D tax credit receivable	268	-	<b>268</b>
Deferred tax liability on fair value of intangibles	-	(3,926)	<b>(3,926)</b>
Deferred tax asset - tax losses	-	3,926	<b>3,926</b>
Cash and cash equivalents	3,759	-	<b>3,759</b>
Loans	(1,700)	1,700	-
Net assets acquired	1,839	14,543	<b>16,382</b>
Goodwill			-
<b>Consideration</b>			<b>16,382</b>
Consideration satisfied by:			
Shares issued to acquire Oxxon share capital			<b>13,875</b>
Shares issued to redeem loan from former parent of Oxxon			<b>2,125</b>
Expenses of acquisition			<b>382</b>
			<b>16,382</b>

The net inflow of cash and cash equivalents on the acquisition of Oxxon was:

	£'000
Cash and cash equivalents acquired	<b>3,759</b>
Cash costs of acquisition	<b>(382)</b>
	<b>3,377</b>

The provisional value of the intangibles acquired as part of the acquisition of Oxxon was:

	£'000
Hi-8 MEL melanoma vaccine and prime-boost intellectual property	<b>13,086</b>



Oxford BioMedica plc  
Medawar Centre | Robert Robinson Avenue  
The Oxford Science Park | Oxford OX4 4GA | UK

t: +44 (0)1865 783000  
f: +44 (0)1865 783001  
[www.oxfordbiomedica.co.uk](http://www.oxfordbiomedica.co.uk)