



For immediate release

22 February 2006

ABCAM PLC
("Abcam" or "the Company")

Interim Results for the Six Months ended 31 December 2006

Cambridge, UK: Abcam plc (AIM: ABC), the rapidly growing bioscience company that markets antibodies via its own online catalogue, is pleased to announce its interim results for the six months ended 31 December 2006.

Highlights

- Sales in the half year increased 34% to £11.1m (H1 2005-06: £8.3m)
- Pre-tax profits increased 18% to £2.4m (H1 2005-06: £2.0m)
- Product range expanded to 28,300 (31 December 2005: 18,900) through organic growth and the completion of two licensing deals in the period giving exclusive distribution rights to complementary product ranges. A third licensing, of at least 3,500 products over 5 years, has been announced today (*see separate announcement*)
- High throughput (HTP) laboratory construction underway to increase significantly the number of high margin in-house products. Operations are expected to begin in June 2007
- New subsidiary opened in Tokyo, which will help Abcam further develop its fast-growing Asia-Pacific sales
- Net cash at 31 December 2006 of £10.7m (31 December 2005: £10.8m)
- Proposed interim dividend up 14% to 0.8p per share (H1 2005-06: 0.7p)
- EPS of 4.97p per share (H1 2005-06: 5.03p). The EPS for H1 2006-07 uses the weighted average of 34.5m shares, while H1 2005-06 uses 30.0 million shares which reflects weighting of the new shares issued in November 2005 on the Company's flotation.

Commenting on today's interim results Jonathan Milner, Chief Executive Officer of Abcam, said:

"We are committed to profitable growth and delivering healthy returns for our shareholders. The requirement for research antibodies continues to grow and our strategy is to maximise our share of this market. To this end Abcam made good progress in the first half of the financial year. We have now completed a number of product line licensing deals, our Japanese office is performing well and our partnerships with trusted suppliers continue to strengthen to give us a product offering of the best quality. In addition we are also delighted to announce today our most substantial acquisition to date of a product line of at least 3,500 products."

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Notes for editors

About Abcam plc

Abcam is a producer and distributor of research-grade antibodies headquartered in Cambridge, UK, with a US office located in Cambridge, Massachusetts. Abcam was admitted to AIM in November 2005 and trades under the ticker symbol ABC. The Company produces and distributes its own and third party produced antibodies to academic and commercial users throughout the world with product information provided and ordering available through the Company's website, www.Abcam.com. The antibodies are sold under the Abcam brand name. The Company's vision is to build the largest online antibody resource in the world while also ensuring that the antibodies are of high quality and commercially viable. Abcam now has an online catalogue of approximately 29,000 products, most of which are antibodies, from over 200 suppliers supported by up-to-date and detailed technical data sheets, which are created by the Company. The Company currently employs 120 staff in its three operating companies.

About antibodies

Antibodies are proteins produced by white blood cells in response to the introduction of a foreign body known as an antigen. Antibodies, which have a wide variety of uses in research, diagnostics and therapeutics, are used by bioscientists in research into disease and into the human genome, where they are used to mark and identify specific cells and other living matter. The number of human antibodies of use in research is potentially greater than one million.

CHAIRMAN'S STATEMENT

Overview

I am pleased to report on Abcam's progress over the six months to 31 December 2006. The Company has maintained a good level of growth, with sales having increased by 34% to £11.1m (H1 2005-06: £8.3m). In the absence of the weakening dollar over the period, sales would have been 39% higher than last year. Profit before tax increased by 18% to £2.4m (H1 2005-06 £2.0m), which was pleasing, given the costs of setting up the new Tokyo operation and the additional costs of being a listed company. In the absence of any further adverse currency movement it is anticipated that in the second half the level of profits growth will be more in line with the increase in sales.

Against a background of continued growth, it was satisfying to achieve a number of important strategic milestones. In November we began work on the new high throughput laboratory facility in Cambridge, UK, which on completion will begin to provide the company with a much larger range of higher margin products. Our new Tokyo sales office opened in December and should allow us to expand our business in Japan at the same rate we are achieving in the rest of Asia-Pacific. Since the beginning of the financial year, we have completed two deals for the licensing of exclusive distribution rights of ranges of products. An important further deal of at least 3,500 products over five years is announced today (*see separate announcement*).

Operational review

Sales in the Company's main market, North America, grew by 39% (in local currency terms) compared with the same period last year, with some slow-down in the second quarter as compared with the first. During the period, the US subsidiary has improved its service to customers by extending opening times so as to be able to offer next-day delivery to more customers, particularly to those on the West coast. Saturday working has also been introduced to offer Monday deliveries. This higher level of service has been combined with a new sales and marketing programme to maintain a high rate of growth in what is a competitive US market.

Growth in the period has been very strong in Asia-Pacific, where we have recently opened a subsidiary in Tokyo. Although it is early days yet in this important market we are encouraged by the number of orders that the office has already started receiving.

Sales into Europe have also grown well, with the volume of business increasing by 36% (in local currency terms) compared with the same period last year. We are seeking to increase our sales further in this area by continuing to promote and develop our French and German virtual offices so that customers can contact us in their own language. The UK market has grown by 25% in comparison and, as in the US market, we believe that with a greater sales and marketing push higher growth rates are achievable.

In August 2006 we concluded our first exclusive distribution deal for a range of 350 antibodies from Triple Point Biologics Inc. The sales of these products are now increasing as they become established under the Abcam brand, and we expect this trend to continue. This deal was followed in December by a similar but relatively small one which will further augment our product range.

Financial review

The gross margins reported for the period under review are 59.4% against 61.5% for the same period last year. Most of the difference is due to a reallocation of cost from new product development into cost of sales but this change has no impact on overall profitability.

There were significant costs associated with the opening of the new Japanese office, and also incremental costs resulting from being a public company, however, excluding these costs, expenses for the period increased in line with the level of business. Total expenses were 40.3% higher in comparison to the prior period, which is reflected in lower operating margins of 19.3% (2005-06: 23.4%).

The Company's cashflow continues to be strong, with £2.3m (2005-06: £1.4m) being generated from trading in the period. A total of £1.6m was spent in the period on the licensing of exclusive distribution rights.

The effective tax rate for the current year is expected to be about 28.0% as compared with 25.4% for the whole of last year. This increase is mainly due to the large number of share options exercised last year, with consequent tax credits, while this year far fewer options are expected to be exercised.

The EPS for the period was 4.97p (2005-06: 5.03p). The figure is lower than that for the previous period despite earnings increasing by 14% because of the increase in the weighted number of shares in issue following the Company's IPO in 2005.

Accounting standards

The results for the period ended 31 December 2006 have been produced on the same basis as the statutory accounts at 30 June 2006. These accounts conform fully with UK Generally Accepted Accounting Principles. Abcam will move to report under International Financial Reporting Standards for the year beginning in July 2007.

The accounting standard FRS 20 on share based payments has been applied to the Company's accounts for the first time, and this has resulted in a charge of £68,000 for the period. As the first application of this standard is a change of accounting policy the results for the same period last year have been restated by including a corresponding charge in the expenses for that period of £31,000.

Dividend

The Company's Directors intend to propose a dividend in respect of the current year of 0.8p (2005-06: 0.7p) in line with the increase in profits. The record date will be 9 March 2007, and the dividend will be paid on the 9 April 2007.

Foreign exchange

The value of sales reported in sterling has been reduced by some 5% because of the weakening of the dollar compared to the same period last year. The impact on the current year's profitability has however largely been compensated for through foreign exchange contracts taken out before the start of the year at a rate of £1 = \$1.795 and which cover the rest of this financial year.

Outlook

Abcam is well placed to continue its growth into the future. In particular the following opportunities are being pursued:

- the Company will continue to add new and exciting products to its catalogue from existing and new sources;

- the high-throughput facility will dramatically increase the number of Abcam's own products;
- further opportunities for the exclusive distribution of ranges of products will be sought and, if the terms are satisfactory, deals concluded.
- full advantage will be taken of the opportunity presented by having a presence in Japan.

The Company's financial position remains very strong with net cash at the half year end of £10.7m leaving the Group well placed to capitalise on the various opportunities to build the Group's market position.

I would like to end by thanking the Company's shareholders for their support and acknowledging the contribution to Abcam's success made by its customers and suppliers and, above all, by its staff.

David Cleevly
Chairman
21 February 2007

ABCAM PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Six months ended 31 December 2006

| | | Six months ended 31.12.06 | Six months ended 31.12.05 Restated * Unaudited | Year ended 30.6.06 Restated * Audited |
|--|-------------|--|---|--|
| | Note | Unaudited £000's | £000's | £000's |
| TURNOVER | | 11,079 | 8,287 | 19,362 |
| Cost of sales | | <u>(4,496)</u> | <u>(3,188)</u> | <u>(7,485)</u> |
| Gross profit | | 6,583 | 5,099 | 11,877 |
| Administrative expenses | | <u>(4,457)</u> | <u>(3,175)</u> | <u>(7,373)</u> |
| | | 2,126 | 1,924 | 4,504 |
| Other operating income | | <u>11</u> | <u>12</u> | <u>42</u> |
| OPERATING PROFIT | | 2,137 | 1,936 | 4,546 |
| Interest receivable and similar income | | <u>248</u> | <u>90</u> | <u>313</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,385 | 2,026 | 4,859 |
| Tax on profit on ordinary activities | | <u>(667)</u> | <u>(515)</u> | <u>(1,199)</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | 3 | <u>1,718</u> | <u>1,511</u> | <u>3,660</u> |
| EARNINGS PER SHARE | | | | |
| Basic earnings per share | 2 | 4.97p | 5.03p | 11.47p |
| Fully diluted earnings per share | 2 | 4.83p | 4.89p | 11.07p |
| Undiluted weighted shares in issue (000's) | | 34,548 | 30,019 | 31,915 |

*Restated for the effects of FRS 20 "Share based payment". The effects of adopting this standard resulted in a prior period adjustment to expense the fair value of the options granted being £31k for the six month period ended 31 December 2005 and £72k for the year ended 30 June 2006.

ABCAM PLC**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
Six months ended 31 December 2006

| | | Six months ended 31.12.06 | Six months ended 31.12.05 | Year ended 30.6.06 |
|-----------------------------------|---|--|--|--|
| | | Unaudited £000's | Restated * Unaudited £000's | Restated * Audited £000's |
| Profit | | 1,718 | 1,511 | 3,660 |
| Foreign exchange differences | 3 | (20) | 8 | (23) |
| | | <hr/> | <hr/> | <hr/> |
| | | 1,698 | 1,519 | 3,637 |
| Prior period adjustment | | (50) | - | - |
| Total recognised gains and losses | | <hr/> <u>1,648</u> | <hr/> <u>1,519</u> | <hr/> <u>3,637</u> |

*Restated for the effects of FRS 20 "Share based payment". The effects of adopting this standard resulted in a prior period adjustment to expense the fair value of the options granted being £31k for the six month period ended 31 December 2005 and £72k for the year ended 30 June 2006.

ABCAM PLC

CONSOLIDATED BALANCE SHEET
Six months ended 31 December 2006

| | | 31.12.06 | 31.12.05 | 30.6.06 |
|---|-------------|-----------------------------|---|---|
| | Note | Unaudited £000's | Restated* Unaudited £000's | Restated* Audited £000's |
| FIXED ASSETS | | | | |
| Intangible assets | | 1,660 | - | 77 |
| Tangible assets | | <u>1,606</u> | <u>927</u> | <u>1,094</u> |
| | | <u>3,266</u> | <u>927</u> | <u>1,171</u> |
| CURRENT ASSETS | | | | |
| Stocks | | 2,897 | 1,678 | 2,358 |
| Debtors | | 3,185 | 2,205 | 2,762 |
| Investment: cash deposit | | 9,000 | 8,112 | 11,000 |
| Cash at bank and in hand | | <u>1,692</u> | <u>2,666</u> | <u>884</u> |
| | | 16,774 | 14,661 | 17,004 |
| CREDITORS: amounts falling due within one year | | (3,168) | (2,345) | (3,023) |
| | | <u>13,606</u> | <u>12,316</u> | <u>13,981</u> |
| NET CURRENT ASSETS | | | | |
| | | <u>13,606</u> | <u>12,316</u> | <u>13,981</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 16,872 | 13,243 | 15,152 |
| CREDITORS: amounts falling due After one year | | (635) | - | - |
| Provisions for liabilities and charges | | (69) | (74) | (90) |
| | | <u>16,168</u> | <u>13,169</u> | <u>15,062</u> |
| NET ASSETS | | <u>16,168</u> | <u>13,169</u> | <u>15,062</u> |
| CAPITAL AND RESERVES | | | | |
| Called up share capital | 3 | 346 | 344 | 345 |
| Share premium account | 3 | 10,603 | 10,569 | 10,573 |
| Foreign exchange reserve | 3 | (28) | 23 | (8) |
| Share based compensation reserve | 3 | 157 | 63 | 89 |
| Profit and loss account | 3 | 5,090 | 2,170 | 4,063 |
| | | <u>16,168</u> | <u>13,169</u> | <u>15,062</u> |
| TOTAL EQUITY SHAREHOLDERS' FUNDS | 8 | <u>16,168</u> | <u>13,169</u> | <u>15,062</u> |

*Restated for the effects of FRS 20 "Share based payment". The effects of adopting this standard resulted in a prior period adjustment to expense the fair value of the options granted Being £31k for the six month period ended 31 December 2005 and £72k for the year ended 30 June 2006.

CONSOLIDATED CASH FLOW STATEMENT
Six months ended 31 December 2006

| | | Six months ended 31.12.06 | Six months ended 31.12.05 Restated* | Year ended 30.6.06 Restated* |
|---|-------------|--|--|---|
| | Note | Unaudited £000's | Unaudited £000's | Audited £000's |
| Net cash inflow from operating activities | 4 | 2,321 | 1,405 | 3,506 |
| Returns on investments and servicing of finance | | | | |
| Interest received | | 248 | 90 | 313 |
| Corporation tax paid | | (766) | (381) | (954) |
| Capital expenditure and financial investment: | | | | |
| Payments to acquire tangible fixed assets | | (757) | (259) | (597) |
| Payments to acquire intangible fixed assets | | (1,669) | - | (100) |
| Receipts from sales of tangible fixed assets | | - | 4 | 6 |
| Net cash outflow from capital expenditure and financial investment | | (2,426) | (255) | (691) |
| Equity dividends paid | 7 | (691) | (912) | (1,153) |
| Net cash outflow before use of liquid Resources and financing | | (1,314) | (53) | 1,021 |
| Management of liquid resources | | | | |
| Decrease/(increase) in short term deposits | | 2,000 | (7,112) | (10,000) |
| Financing | | | | |
| Issue of ordinary share capital | | 31 | 9,317 | 9,322 |
| Increase in cash | 5,6 | <u>717</u> | <u>2,152</u> | <u>343</u> |

*Restated for the effects of FRS 20 "Share based payment". The effects of adopting this standard resulted in a prior period adjustment to expense the fair value of the options granted being £31k for the six month period ended 31 December 2005 and £72k for the year ended 30 June 2006.

ABCAM PLC

NOTES TO THE ACCOUNTS

Six months ended 31 December 2006

1 Basis of Preparation

The financial information has been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The accounting policies used are consistent with those used in the 30 June 2006 audited accounts, with the addition of the requirements of FRS 20 Share based payment.

These interim financial statements do not constitute statutory financial statements within the meaning of section 240 of the Companies Act 1985. Results for the six months ended 31 December 2006 included in this statement do not constitute full Group Accounts within the meaning of section 227 of the Companies Act 1985. Full accounts for the year ended 30 June 2006, on which the auditors made an unqualified audit report, have been filed with the Registrar of Companies. The Group issues equity-settled Share based payments to certain employees. Equity settled share-based payments are measured at fair Value at the date of the grant. The fair value determined at the grant date is expensed on a straight line Basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. There are both non market and market based performance conditions attached to the vesting and exercising of Equity instruments. Fair value is measured by use of the trinomial or binomial model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of shares in issue during the period.

The calculations for the periods are:

| | Six months Ended 31.12.06 Unaudited | Six months Ended 31.12.05 Unaudited | Year ended 30.6.06 Audited |
|--|--|--|---|
| Profit after tax £000's | 1,718 | 1,511 | 3,660 |
| Weighted average number of shares in issue | 34,548,274 | 30,018,707 | 31,914,845 |
| Basic earnings per share | 4.97p | 5.03p | 11.47p |

Diluted earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of shares in issue during the period Taking into account any shares that the company could be called on to issue Under the group's share option schemes to the extent that they are dilutive.

| | | | |
|---|------------|------------|------------|
| Fully diluted weighted average number of shares | 35,600,661 | 30,915,181 | 33,050,430 |
| Fully diluted earnings per share | 4.83p | 4.89p | 11.07p |

3 MOVEMENT IN SHARE CAPITAL AND RESERVES FOR THE GROUP

| | Share capital Unaudited £000's | Share premium account Unaudited £000's | Foreign exchange reserve Unaudited £000's | Reserve for share options granted Unaudited £000's | Profit and loss account Unaudited £000's |
|---|--------------------------------------|---|---|---|--|
| As at 1 July 2006 | 345 | 10,573 | (8) | 89 | 4,063 |
| Profit for the six months | - | - | - | - | 1,718 |
| Dividends paid | - | - | - | - | (691) |
| Currency translation difference on foreign currency net investments | - | - | (20) | - | - |
| FRS 20 Charge | - | - | - | 68 | - |
| Shares issued | 1 | 30 | - | - | - |
| At 31 December 2006 | <u>346</u> | <u>10,603</u> | <u>(28)</u> | <u>157</u> | <u>5,090</u> |

4 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

| | Six months ended 31.12.06 Unaudited £000's | Six months ended 31.12.05 Unaudited £000's | Year ended 30.6.06 Audited £000's |
|--|--|--|---|
| Operating profit | 2,137 | 1,936 | 4,546 |
| Depreciation and amortisation | 321 | 172 | 355 |
| (Profit)/loss on sale of tangible fixed assets | - | (5) | (3) |
| Increase in stocks | (539) | (491) | (1,171) |
| Increase in debtors | (423) | (293) | (850) |
| Increase in creditors | 825 | 86 | 629 |
| Net cash inflow from operating activities | <u>2,321</u> | <u>1,405</u> | <u>3,506</u> |

ABCAM PLC

NOTES TO THE ACCOUNTS

Six months ended 31 December 2006

5 ANALYSIS OF NET FUNDS

| | At 01.07.06 £000's | Cash flow £000's | Exchange movement £000's | At 31.12.06 £000's |
|---------------------------|--------------------------|------------------------|--------------------------------|--------------------------|
| Cash in hand and at bank | 884 | 717 | 91 | 1,692 |
| Current asset investments | 11,000 | (2,000) | - | 9,000 |
| Total | <u>11,884</u> | <u>(1,283)</u> | <u>91</u> | <u>10,692</u> |

6 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | Six months ended 31.12.06 Unaudited £000's | Six months ended 31.12.06 Unaudited £000's | Six months ended 31.12.05 Unaudited £000's | Six months ended 31.12.05 Unaudited £000's |
|--|--|--|--|--|
| Increase in cash in the period | 717 | | 2,152 | |
| Cash(inflow)/outflow from (decrease)/ increase in liquid resources | <u>(2,000)</u> | | <u>7,112</u> | |
| Change in net funds resulting from cash flows | | (1,283) | | 9,264 |
| Translation difference | | 91 | | 4 |
| Movement in net funds in the period | | <u>(1,192)</u> | | <u>9,268</u> |
| Net funds at start of period | | <u>11,884</u> | | <u>1,510</u> |
| Net funds at end of period | | <u>10,692</u> | | <u>10,778</u> |

7 DIVIDENDS

| | Six months ended 31.12.06 Unaudited £000's | Six months ended 31.12.05 Unaudited £000's | Year ended 30.06.06 Audited £000's |
|--------------------------------------|--|--|--|
| Ordinary dividend: Dividends paid | <u>691</u> | <u>912</u> | <u>1,153</u> |

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | Six months ended 31.12.06 Unaudited £000's | Six months ended 31.12.05 Unaudited £000's | Year ended 30.06.06 Audited £000's |
|-------------------------------------|---|---|---|
| Profit for the financial period | 1,718 | 1,511 | 3,660 |
| Dividends Paid | (691) | (912) | (1,153) |
| New shares issued (net of expenses) | 31 | 9,317 | 9,322 |
| Equity reserve adjustment | 48 | 54 | 34 |
| Net increase in shareholders' funds | 1,106 | 9,970 | 11,863 |
| Opening shareholders' funds | 15,062 | 3,199 | 3,199 |
| Closing shareholders' funds | 16,168 | 13,169 | 15,062 |