



For immediate release

10 March 2008

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

Interim Results for the Six Months ended 31 December 2007

Cambridge, UK: Abcam plc (AIM: ABC), the rapidly growing bioscience company which markets antibodies via its own online catalogue, is pleased to announce its interim results for the six months ended 31 December 2007.

Highlights

- Sales in the half year increased 38.3% to £15.3m (H1 2007: £11.1m)
- Underlying pre-tax profits increased 19% to £3.0m (H1 2007: £2.5m as restated following adoption of IFRS) pre potential offer related costs of £0.25m (H1 2007: nil)
- Product range expanded by 44% to 40,800 (31 December 2006: 28,300) through organic growth and the completion of new licensing deals
- Net cash at 31 December 2007 of £11.6m (31 December 2006: £10.7m)
- Proposed interim dividend up 30% to 1.04p per share (H1 2007: 0.8p)
- EPS of 5.55p per share (H1 2007: 5.28p after IFRS restatement). The EPS for H1 2008 uses the weighted average of 34.8m shares (H1 2007: 34.5 m shares)

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

"This has been an important half year for Abcam. At this time last year we reported sales growth of 33.7%, achieving 38.3% growth this half year clearly demonstrates the potential of the business and how we are continuing our commitment to profitable growth and the delivery of healthy returns for our shareholders. Demand for research antibodies continues to grow in all our markets as does our market penetration. Through our partnerships with trusted suppliers and increasing in-house production capacity we have been able to grow our catalogue significantly during the first half of the year, whilst continuing to offer the highest quality 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 offices in Cambridge, Massachusetts, USA and Tokyo, Japan. 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. Product ordering is available through the Company's website www.abcam.com, where customers are also able to access up-to-date and detailed technical product data sheets. All the antibodies are sold under the Abcam brand name and the Company's vision is to build the world's largest online resource of high quality and commercially viable antibodies. Abcam now has an online catalogue of over 41,000 products, most of which are antibodies, from over 200 suppliers and employs 168 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 delighted to report another strong period of growth over the six months to 31 December 2007, with sales increasing by 38.3% to £15.3m (H1 2007: £11.1m). Investment in the High Throughput Production ("HTP") facility and £0.25m of costs associated with the bid process undertaken in the late summer of last year restricted the increase in profit before tax to £2.7m (H1 2007 £2.5m), growth of 9.2%.

Operational review

Sales in the Company's main market, North America, grew by 34% (in local currency terms) compared with the same period last year. During the period, our US subsidiary has improved its service to customers by extending the latest time by which customers can order for next-day delivery. This means that west coast customers can order up to 5.00pm (local time) and receive goods the following morning before 10.30am. 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 particularly strong in the Asia-Pacific region. Our Japanese subsidiary has made an important transition and is now handling our largest accounts directly rather than through our local distributor. Sales into Japan (in local currency terms) have risen by 94% compared with the same period last year and this move will both help us to increase margins and provide more direct support for our key customers.

Sales growth into Europe in local currency terms has also been outstanding at more than 50% ahead of the same period last year – particularly into Germany where we have had a specific marketing initiative based on the growth potential we see there. Europe is a highly attractive market and we are well placed for further penetration, building on the initiatives already in place such as language specific virtual offices.

Our distribution capability enables us to continue to attract leading antibody manufacturers as suppliers and in October 2007 we concluded another major distribution agreement, bringing 2,700 products into the catalogue.

During the first half of the year, the HTP facility has been principally producing new and existing polyclonal antibodies, which contribute 16% of our sales, while HTP staff have been developing the new automation process for monoclonal antibody production. We have been particularly pleased with the first sales from the new HTP-produced monoclonal antibodies, which have shown a higher uptake by our customers than expected. However, we have adjusted down our initial planned rate of increase of monoclonal antibodies output in order to ensure that we are able to hit target production efficiencies.

Sales of our in-house produced antibodies continue to be the most popular, outselling those sourced externally by over four times and the transition to monoclonal output will allow us both to meet increasing production demand more easily and derive ownership over the clone that produces the antibody. These antibodies will increasingly complement the existing ranges of excellent antibodies that we obtain from our trusted suppliers.

Financial review

These are the first results of the Group to be stated under International Financial Reporting Standards (IFRS) as discussed in Accounting standards below.

The gross margins for the period under review were 58.8% against 59.4% for the same period last year. This reduction is attributable to the impact of changes in exchange rates and the lower margins in the early stages of the exclusive product line acquisition deals.

Expenses have risen as a percentage of sales in the period due to higher levels of costs associated with the development of the production processes at the new HTP facility and £0.25m of costs incurred in relation to discussions with potential offerors for the Company as announced to the market on 27 July 2007. These costs are included under administrative expenses in the Consolidated Income Statement.

The comparative profit before tax for the period ended 31 December 2006 has been increased by £0.12m on the adoption of IFRS, for forward cover currency contracts in existence at the period end. This adjustment reverses in the full year comparatives.

The Company's cashflow continues to be strong, with £4.2m (H1 2007: £2.4m) being generated from operations in the period. A total of £1.7m was spent in the period on capital equipment, mostly in connection with the HTP facility, and £0.1m was spent on the licensing of exclusive distribution rights.

The tax rate in the income statement for the current year is expected to be approximately 29.4% since the potential offer related costs of £0.25m are disallowable for tax. A relatively high number of options were exercised in the period, which results in a tax credit for the Company. However whilst this credit will reduce the actual tax payable for the year, in order to comply with IFRS, £84k has been added back to the tax charge in the income statement. This amount will be released back to reduce the reported tax charge in future in line with the IFRS 2 charge made for options issued.

Earnings per share (EPS) were 5.55p. (H1 2007: 5.28p). The EPS for H1 2008 uses the weighted average of 34.8m shares (H1 2007: 34.5 m shares).

Accounting standards

These are the first results of the Group to be stated under International Financial Reporting Standards (IFRS) and consequently there are a number of changes to both presentation and content of these unaudited statements. The principal impact of IFRS has been the implementation of hedge accounting on the foreign exchange contracts outstanding at the end of the period and the treatment of deferred tax arising on the outstanding share options. The effect of these adjustments on the results, income statement, balance sheet and equity of the Group, including the restatement of comparative figures, is shown in note 8 to the financial information.

Dividend

The Company's Directors intend to propose a 30% increase in the interim dividend in respect of the current year to 1.04p (2007: 0.8p). At the time of the preliminary statement of last year's results the Board indicated that the dividend distribution would be increased to 33% of annual post tax profits and the final dividend for the year was increased accordingly. In the Board's view this now means that the split of the annual dividend is unduly weighted towards the final dividend and this increase goes some way to redressing this. The record date will be 25 March 2008, and the dividend will be paid on 18 April 2008.

Foreign exchange

The value of sales reported in sterling has been reduced by approximately £0.5m after allowing for the weakening of the dollar and the strengthening of the Euro compared to the same period last year. Around half of the impact of the reduced sales on the current period's profitability was compensated for through gains made on foreign exchange contracts.

Outlook

The strength of the business model is demonstrated with these results and the Company is well placed to continue growth through:

- the addition of more quality products to the catalogue from new and existing suppliers;
- the production and sale of polyclonal antibodies from the HTP facility;
- the optimisation of the monoclonal antibody production process through the next financial year and the transition in new antibody production at the HTP towards mainly monoclonal antibodies in the subsequent periods; and
- further penetration in our key markets of North America, Europe and Japan with new marketing strategies.

I would like to thank the Company's shareholders, customers and suppliers for their continued support, and once again to highlight the key contribution made by our staff.

David Cleevely
Chairman
10 March 2008

ABCAM PLC

CONSOLIDATED INCOME STATEMENT

Six months ended 31 December 2007

		Six months ended 31.12.07	Six months ended 31.12.06 Restated*	Year ended 30.6.07 Restated*
	Note	£000's	£000's	£000's
REVENUE		15,318	11,079	24,519
Cost of sales		<u>(6,307)</u>	<u>(4,496)</u>	<u>(10,020)</u>
Gross profit		9,011	6,583	14,499
Administrative expenses		<u>(6,560)</u>	<u>(4,337)</u>	<u>(9,461)</u>
		2,451	2,246	5,038
Other operating income		<u>-</u>	<u>11</u>	<u>-</u>
OPERATING PROFIT		<u>2,451</u>	<u>2,257</u>	<u>5,038</u>
Investment income		<u>285</u>	<u>248</u>	<u>495</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>2,736</u>	<u>2,505</u>	<u>5,533</u>
Tax on profit on ordinary activities	3	<u>(804)</u>	<u>(680)</u>	<u>(1,472)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u><u>1,932</u></u>	<u><u>1,825</u></u>	<u><u>4,061</u></u>
EARNINGS PER SHARE				
Basic earnings	4	5.55 p	5.28 p	11.74 p
Fully diluted	4	5.44 p	5.13 p	11.43 p

*Restated to reflect the adoption of IFRS as per note 8

ABCAM PLC

CONSOLIDATED BALANCE SHEET

31 December 2007

	31.12.07	31.12.06 Restated*	30.6.07 Restated*
Note	£000's	£000's	£000's
NON-CURRENT ASSETS			
Intangible assets	1,664	1,660	1,691
Property, plant and equipment	3,967	1,606	2,832
Deferred tax assets	-	222	-
	<u>5,631</u>	<u>3,488</u>	<u>4,523</u>
CURRENT ASSETS			
Inventories	3,446	2,897	3,102
Trade and other receivables	3,614	3,185	4,327
Derivative financial instruments	-	289	168
Cash deposit	9,000	9,000	8,500
Cash and cash equivalents	2,623	1,692	2,209
	<u>18,683</u>	<u>17,063</u>	<u>18,306</u>
CURRENT LIABILITIES			
Trade and other payables	(3,662)	(3,132)	(3,368)
Derivative financial instruments	(123)	-	-
	<u>(3,785)</u>	<u>(3,132)</u>	<u>(3,368)</u>
NET CURRENT ASSETS	<u>14,898</u>	<u>13,931</u>	<u>14,938</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	20,529	17,419	19,461
NON-CURRENT LIABILITIES			
Deferred creditor	(377)	(635)	(386)
Deferred tax liabilities	(384)	-	(188)
NET ASSETS	<u>19,768</u>	<u>16,784</u>	<u>18,887</u>
EQUITY			
Share capital	350	346	346
Share premium account	10,803	10,603	10,619
Translation reserve	(38)	(28)	(36)
Share based compensation reserve	358	157	251
Hedging reserve	(117)	-	168
Retained earnings	8,412	5,706	7,539
TOTAL EQUITY	<u>19,768</u>	<u>16,784</u>	<u>18,887</u>

*Restated to reflect the adoption of IFRS as per note 8

ABCAM PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Restated*

Six months ended 31 December 2007

	Share capital	Share premium	Translation reserve	Share-based compensation reserve	Hedging reserve	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance as at 1 July 2006	345	10,573	(8)	89		4,068	15,067
Change in accounting policy for recognition of derivative instruments*						169	169
Tax effect of change in accounting policy for derivative instruments*						(51)	(51)
Tax effect of share based payment compensation*						290	290
Balance as at 1 July 2006 restated	345	10,573	(8)	89	-	4,476	15,475
Exchange differences on translating foreign operations			(28)				(28)
Share-based compensation				162			162
Deferred tax on outstanding share options						(30)	(30)
Deferred tax on recognition of derivative instruments							
Profit for the year						4,061	4,061
Total income and expense for the year	-	-	(28)	162	-	4,031	4,165
Issue of share capital	1	46					47
Movement on hedging reserve for the adoption of hedge accounting					168		168
Payment of dividends						(968)	(968)
Balance as at 30 June 2007	346	10,619	(36)	251	168	7,539	18,887
Exchange differences on translating foreign operations			(2)				(2)
Share-based compensation				107			107
Deferred tax on outstanding share options						57	57
Profit for the period						1,932	1,932
Total income and expense for the period	-	-	(2)	107	-	1,989	2,094
Issue of share capital	4	184					188
Movement on hedging reserve					(285)	-	(285)
Payment of dividends						(1,116)	(1,116)
Balance as at 31 December 2007	350	10,803	(38)	358	(117)	8,412	19,768

*Restated to reflect the adoption of IFRS as per note 8

ABCAM PLC

CONSOLIDATED CASH FLOW STATEMENT

Six months ended 31 December 2007

		Six months ended 31.12.07	Six months ended 31.12.06 Restated*	Year ended 30.6.07 Restated*
	Note	£000's	£000's	£000's
Net cash inflow from operating activities	5	<u>3,400</u>	<u>1,666</u>	<u>3,441</u>
Investing activities				
Interest received		285	248	495
Payments to acquire tangible fixed assets		(1,696)	(757)	(2,316)
Payments to acquire intangible fixed assets		(145)	(1,669)	(1,848)
Receipts from sales of tangible fixed assets		-	-	2
Net cash used in investing activities		<u>(1,556)</u>	<u>(2,178)</u>	<u>(3,667)</u>
Financing activities				
Dividends paid	7	(1,116)	(691)	(968)
Proceeds on issue of shares		188	31	47
(Increase)/decrease in cash deposit		(500)	2,000	2,500
Net cash (used in)/from financing activities		<u>(1,428)</u>	<u>1,340</u>	<u>1,579</u>
Net increase in cash and cash equivalents		416	828	1,353
Cash and cash equivalents at the beginning of period		2,209	884	884
Effect of foreign exchange rate changes		(2)	(20)	(28)
Cash and cash equivalents at the end of the period	6	<u><u>2,623</u></u>	<u><u>1,692</u></u>	<u><u>2,209</u></u>

*Restated to reflect the adoption of IFRS as per note 8

NOTES TO THE FINANCIAL INFORMATION

Six months ended 31 December 2007

1 Basis of preparation

The Group's previous financial statements have been prepared under UK Generally Accepted Accounting Principles (UK GAAP). For the financial year ending 30 June 2008, the Group is required to prepare its annual consolidated financial statements in accordance with IFRS as adopted by the European Union (EU) and implemented in the UK.

The Group's date of transition to IFRS was 1 July 2006 at which date the Group prepared its opening IFRS balance sheet. The financial information for the six months ended 31 December 2007 is unaudited and has been prepared in accordance with the Group's accounting policies based on IFRS standards that are expected to apply for the financial year 2008. The financial information for the six months ended 31 December 2006 is also unaudited and has been restated under IFRS.

The presentation of financial information under IFRS is governed by IFRS1. In some cases that will require the item in a different position, or the use of a different description in the IFRS income statement or balance sheet to that adopted in the UK GAAP profit and loss account or balance sheet. These reclassifications have been described in the explanatory notes.

An explanation of how the transition from UK GAAP to IFRS has affected the Group's results and income statements for the period ended 31 December 2006 and the year ended 30 June 2007 and the equity balance sheets as at 1 July 2006 (the date of transition), 31 December 2006 and 30 June 2007 is set out in note 8.

The interim financial information has not been audited and does not constitute statutory financial information within the meaning of Section 240 of the Companies Act 1985. The Company's statutory accounts for the year ended 30 June 2007, prepared under UK GAAP, have been delivered to the Registrar of Companies; the auditors report on those accounts was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

ABCAM PLC

NOTES TO THE FINANCIAL INFORMATION

Six months ended 31 December 2007

2 SIGNIFICANT ACCOUNTING POLICIES

The financial information is prepared in accordance with International Financial Reporting Standards (IFRS). The particular accounting policies, which have been applied consistently, are described below.

Accounting convention

The financial information is prepared under the historical cost convention, except for the revaluation of certain financial instruments.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Depreciation is provided at cost in equal instalments over the estimated lives of the fixed assets.

The depreciation rates generally used are shown below:

Office equipment, fixtures and fittings	20% per annum
Laboratory equipment	20% per annum
Computer equipment	33% per annum

Depreciation is accelerated if assets are deemed to have been impaired or there is a change in the residual economic life.

Intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Payments made to acquire distribution rights from certain suppliers are capitalised and are amortised over the period of the agreement.

The Group acquires hybridomas for generating monoclonal antibodies either by licensing them in or by developing them itself. The up-front fees paid for licensing in hybridomas and the cost of developing hybridomas are capitalised in line with IAS 38. An internally-generated asset can be recognised only if all of the following conditions are met:

- an asset is created that can be identified
 - it is probable that the asset created will generate future economic benefits
 - the development cost of the asset can be measured reliably
- These assets are amortised over their estimated minimum useful lives of 3 years.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Inventories

Stocks are stated at the lower of cost and net realisable value.

The cost of Abcam own manufactured stock includes material, direct labour and an attributable portion of production overheads based on normal levels of activity.

Net realisable value is based on the estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements.

The Board has a policy of hedging some of the exposure reflected in the foreign currency net monetary assets arising on Euro and Dollar sales and purchases in order to reduce the short term exposure to currency risk.

The Chief Financial Officer and the Audit Committee monitor the level of hedges and may execute additional hedges if the anticipated exposure changes significantly.

The Group has a policy of hedge accounting where the forwards can be designated in a qualifying cash flow hedge relationship.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Pensions

The Group operates a defined contribution pension scheme in the UK, which is open to all employees and directors of the company.

The amount charged to the income statement in respect of pension costs is the contribution payable in the year. Any differences between contributions payable in the year, and contributions actually paid are shown either as accruals or prepayments in the balance sheet.

Research and development

Research and development expenditure, other than the development costs for internally produced hybridomas (see intangible assets above), is charged to the income statement as incurred.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Foreign Exchange

The results of the operations of the Company's overseas subsidiaries, Abcam Inc and Abcam KK, are translated at the average rate of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on the translation of the opening net assets and results of operations are classified as equity and recognised in the group's foreign currency translation reserve. All other exchange differences are included in the income statement.

Revenue Recognition

Revenue represents the amounts derived from the provision of goods and services which fall within the Group's ordinary activities after deduction of trade discounts and value added tax.

Revenue is recognised on despatch to the customer which is when the risks and rewards of ownership pass.

Share Based Payments

The Group issues equity-settled share based payments to certain employees. Equity-settled share based payments are measured at the fair value at the date of the grant. The fair value determined at the grant date of the equity-settled share based payments 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 market and non-market based performance conditions attached to the vesting and exercising of equity instruments. Fair value is measured by the use of the Monte Carlo Simulation. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of the non-transferability, exercise restrictions and behavioural considerations. Charges made to the income statement in respect of share-based payments are credited to retained earnings.

ABCAM PLC

NOTES TO THE FINANCIAL INFORMATION

Six months ended 31 December 2007

3 TAXATION

Income tax for the six month period is charged at 29.4% (six months ending 31 December 2006:27.1%; year ended 30 June 2007: 26.6%), representing the best estimate of the average annual effective income tax rate expected for the full year, applied to the pre-tax income for the six month period.

4 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 31.12.07	Six months ended 31.12.06 Restated*	Year ended 30.6.07 Restated*
Profit after tax £000's	1,932	1,825	4,061
Weighted average number of shares in issue	34,771,594	34,548,274	34,572,810
Basic earnings per share	5.55 p	5.28 p	11.74 p

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 account any shares that the Company could be called under to issue under the Group's share option schemes to the extent that they are dilutive.

Fully diluted weighted average number of shares	35,526,434	35,600,661	35,516,484
Fully diluted earnings per share	5.44 p	5.13 p	11.43 p

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

	Six months ended 31.12.07 £000's	Six months ended 31.12.06 Restated* £000's	Year ended 30.6.07 Restated* £000's
Operating profit	2,451	2,257	5,038
Depreciation and amortisation	731	321	795
Share based compensation charge	107	68	162
(Decrease)/Increase in derivative financial instruments	6	(120)	41
Increase in stocks	(343)	(539)	(745)
Decrease/(Increase) in debtors	713	(423)	(1,565)
Increase in creditors	563	868	1,188
Cash generated by operations	<u>4,228</u>	<u>2,432</u>	<u>4,914</u>
Income taxes paid	(828)	(766)	(1,473)
Net cash from operating activities	<u><u>3,400</u></u>	<u><u>1,666</u></u>	<u><u>3,441</u></u>

*Restated to reflect the adoption of IFRS as per note 8

ABCAM PLC

NOTES TO THE FINANCIAL INFORMATION

Six months ended 31 December 2007

6 ANALYSIS OF NET FUNDS

	At 01.07.07 £000's	Cash flow £000's	At 31.12.07 £000's
Cash and cash equivalents	2,209	414	2,623
Cash deposit	8,500	500	9,000
Total	10,709	914	11,623

7 DIVIDENDS

	Six months ended 31.12.07 £000's	Six months ended 31.12.06 £000's	Year ended 30.6.07 £000's
Ordinary dividend:			
Dividends paid	1,116	691	968

NOTES TO THE FINANCIAL INFORMATION

Six months ended 31 December 2007

8 Explanation of the transition to IFRS

This is the first period that the company has presented its financial information under IFRS. The following disclosures are required in the year of transition. The last financial statements under UK GAAP were for the year ended 30 June 2007 and the date of transition to IFRS was therefore 1 July 2006.

The principal impact of IFRS on these interim financial statements has been in relation to the following:

- a. The scope of IAS 32 and IAS 39, Financial Instruments: Presentation and Financial Instruments: Recognition and measurement respectively. The Group designates foreign exchange contracts as cash flow hedges and has implemented hedge accounting.
- b. The scope of IAS12: Income taxes. This deferred tax asset arising on the outstanding options has been fully accounted for.

Reconciliation of income statement for the six months ended 31 December 2006

		UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
Revenue		11,079	-	11,079
Cost of sales		(4,496)	-	(4,496)
Gross profit		6,583	-	6,583
Administrative expenses	a	(4,457)	120	(4,337)
		2,126	120	2,246
Other operating income		11	-	11
OPERATING PROFIT		2,137	120	2,257
Investment income		248	-	248
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,385	120	2,505
Tax on profit on ordinary activities	b	(667)	(13)	(680)
				-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,718	107	1,825

Reconciliation of income statement for the year ended 30 June 2007

		UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
REVENUE		24,519	-	24,519
Cost of sales		(10,020)	-	(10,020)
Gross profit		14,499	-	14,499
Administrative expenses	a	(9,293)	(168)	(9,461)
Other operating income		-	-	-
OPERATING PROFIT		5,206	(168)	5,038
Investment income		495	-	495
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,701	(168)	5,533
Tax on profit on ordinary activities	b	(1,554)	82	(1,472)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,147	(86)	4,061

ABCAM PLC

NOTES TO THE FINANCIAL INFORMATION
Six months ended 31 December 2007

8 Explanation of the transition to IFRS

Reconciliation of equity as at 1 July 2006,
31 December 2006 and 30 June 2007

	01.07.06	31.12.06	30.06.07
Total Equity under UK GAAP	15,067	16,168	18,427
Loss/gains arising on derivatives in a designated cash flow hedge	a 118	324	204
Loss/gains arising on deferred tax on outstanding options	b 290	292	256
Total Equity under IFRS	<u>15,475</u>	<u>16,784</u>	<u>18,887</u>

Reconciliation of balance sheet presentation at 1 July 2006

	UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
NON-CURRENT ASSETS			
Intangible assets	77	-	77
Property, plant and equipment	1,094	-	1,094
	<u>1,171</u>	<u>-</u>	<u>1,171</u>
CURRENT ASSETS			
Inventories	2,358	-	2,358
Trade and other receivables	2,762	-	2,762
Derivative financial instruments	a -	169	169
Cash deposit	11,000	-	11,000
Cash and cash equivalents	884	-	884
	<u>17,004</u>	<u>169</u>	<u>17,173</u>
CURRENT LIABILITIES			
Trade and other payables	a (3,023)	(51)	(3,074)
NET CURRENT ASSETS	<u>13,981</u>	<u>118</u>	<u>14,099</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	15,152	118	15,270
NON-CURRENT LIABILITIES			
Deferred creditor	-	-	-
Deferred tax liabilities	b (85)	290	205
NET ASSETS	<u>15,067</u>	<u>408</u>	<u>15,475</u>
EQUITY			
Share capital	345	-	345
Share premium account	10,573	-	10,573
Translation reserve	89	-	89
Share based compensation reserve	(8)	-	(8)
Retained earnings	a,b 4,068	408	4,476
TOTAL EQUITY	<u>15,067</u>	<u>408</u>	<u>15,475</u>

NOTES TO THE FINANCIAL INFORMATION
Six months ended 31 December 2007

8 Explanation of the transition to IFRS

Reconciliation of balance sheet presentation at 31 December 2006

	UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
NON-CURRENT ASSETS			
Intangible assets	1,660	-	1,660
Property, plant and equipment	1,606	-	1,606
	<u>3,266</u>	<u>-</u>	<u>3,266</u>
CURRENT ASSETS			
Inventories	2,897	-	2,897
Trade and other receivables	3,185	-	3,185
Derivative financial instruments	a	289	289
Cash deposit	9,000	-	9,000
Cash and cash equivalents	1,692	-	1,692
	<u>16,774</u>	<u>289</u>	<u>17,063</u>
CURRENT LIABILITIES			
Trade and other payables	a	36	(3,132)
	<u>13,606</u>	<u>325</u>	<u>13,931</u>
NET CURRENT ASSETS			
	<u>16,872</u>	<u>325</u>	<u>17,197</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
NON-CURRENT LIABILITIES			
Deferred creditor	(635)	-	(635)
Deferred tax liabilities	b	291	222
	<u>16,168</u>	<u>616</u>	<u>16,784</u>
NET ASSETS			
EQUITY			
Share capital	346	-	346
Share premium account	10,603	-	10,603
Translation reserve	(28)	-	(28)
Share based compensation reserve	157	-	157
Retained earnings	a,b	616	5,706
	<u>16,168</u>	<u>616</u>	<u>16,784</u>
TOTAL EQUITY			

NOTES TO THE FINANCIAL INFORMATION
Six months ended 31 December 2007

8 Explanation of the transition to IFRS

Reconciliation of balance sheet presentation at 30 June 2007

	UK GAAP £000's	IFRS adjustment £000's	IFRS £000's
NON-CURRENT ASSETS			
Intangible assets	1,691	-	1,691
Property, plant and equipment	2,832	-	2,832
	<u>4,523</u>	<u>-</u>	<u>4,523</u>
CURRENT ASSETS			
Inventories	3,102	-	3,102
Trade and other receivables	4,327	-	4,327
Derivative financial instruments	a	168	168
Cash deposit	8,500	-	8,500
Cash and cash equivalents	2,209	-	2,209
	<u>18,138</u>	<u>168</u>	<u>18,306</u>
CURRENT LIABILITIES			
Trade and other payables	a	(3,404)	36
	<u>(3,404)</u>	<u>36</u>	<u>(3,368)</u>
NET CURRENT ASSETS			
	<u>14,734</u>	<u>204</u>	<u>14,938</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	19,257	204	19,461
NON-CURRENT LIABILITIES			
Deferred creditor	(386)	-	(386)
Deferred tax liabilities	b	(444)	256
	<u>(444)</u>	<u>256</u>	<u>(188)</u>
NET ASSETS			
	<u>18,427</u>	<u>460</u>	<u>18,887</u>
EQUITY			
Share capital	346	-	346
Share premium account	10,619	-	10,619
Translation reserve	(36)	-	(36)
Share based compensation reserve	251	-	251
Hedging reserve	a	-	168
Retained earnings	a,b	7,247	292
	<u>18,427</u>	<u>460</u>	<u>18,887</u>
TOTAL EQUITY			
	<u>18,427</u>	<u>460</u>	<u>18,887</u>

ABCAM PLC

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr David Cleevely	Chairman	
Dr Jonathan Milner	Chief Executive Officer	
Mr Jeff Illiffe	Chief Finance Officer	(Appointed 20 November 2007)
Mr Jim Warwick	Managing Director	
Mr Tim Dye	Non-executive Director	
Mr Peter Keen	Non-executive Director	
Professor Tony Kouzarides	Non-executive Director	
Mr Mark Webster	Non-executive Director	

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