For immediate release 9 March 2010

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

Interim Results for the Six Months ended 31 December 2009

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 2009.

Highlights

- Sales in the half year increased 37.8% to £31.8m (H1 2009: £23.1m), representing an increase of 25.3% on a constant currency basis.
- Pre-tax profits increased 64.0% to £11.2m (H1 2009: £6.8m).
- Catalogue expanded by 21.1% to 57,960 products (31 December 2008: 47,870).
- Net cash at 31 December 2009 was £33.0m (31 December 2008: £20.9m) with cash generation of 98.9%.
- Basic EPS increased by 63.1% to 23.29p per share (H1 2009: 14.28p).
- Doubling of interim dividend to 5.42p per share (H1 2009: 2.71p), payable 1 April 2010, reflecting the desire to pay a higher proportion of the full year dividend at the interim stage.

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

"The demand for products, such as antibodies, in the rapidly expanding protein detection and regulation markets continues apace and Abcam is well positioned to capitalise on its expertise in these areas. I am pleased to report that trading so far in the second half of the financial year has been in line with expectations. This is encouraging, although it is still too early to assess what impact if any there will be on our trading as governments and companies across the world deal with the legacy of the recession."

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Notes for editors

About Abcam plc

Abcam is a producer and distributor of research-grade antibodies headquartered in Cambridge, United Kingdom, with subsidiaries in Cambridge, Massachusetts, Tokyo and Hong Kong. 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 and related products 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. Abcam's mission is to develop the largest catalogue of the best antibodies in the world, with the vision of becoming a global leader in the wider protein detection and regulation markets. Abcam now has a rapidly growing online catalogue and as at 31 December 2009 it contained 57,960 products, most of which are antibodies, from over 250 suppliers. Abcam employs 250 staff in its four 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.

INTERIM MANAGEMENT REPORT

Overview

We are pleased to report on an excellent set of results for the six months ended 31 December 2009. There was an overall increase in sales of 37.8% to £31.8m (H1 2009: £23.1m). This was aided by a positive contribution from the relative weakness of sterling over the corresponding period last year, without which the underlying sales growth was still a very strong 25.3%. The continuation of tight cost control and our ongoing drive for operational efficiency contributed to an increase of 64.0% in profit before tax to £11.2m (H1 2009: £6.8m).

Operational and financial review

Our superior business model and strong focus on its execution enables us to offer an extensive range of well characterised, high quality products. Their relevance to researchers across the globe has allowed us to continue to take market share in all regions.

Sales in North America grew by 20.2% to $22.8m or £13.9m (H1 2009: $19.0m or £10.6m). This is one of our more mature markets, but nevertheless we have continued to see growth as we gain market share and deepen our account penetration.

Growth in local currency sales in Europe was 22.1% to €10.4m or £9.2m (H1 2009: €8.5m or £6.8m). We continue to see growth in our largest markets in Germany and France but are also significantly increasing penetration in southern Europe, noticeably Spain and Italy.

The calendar year 2009 was the first full year in which all sales from our Japanese office were made directly to sub-dealers, having made approximately 50% of sales through our original distributor in 2008. This switch has been extremely successful, enabling us to be in closer communication with the local distribution network, which is a key element of our marketing approach. Consequently local sales were both 61.2% higher than the corresponding period last year at ¥441m or £2.9m (H1 2009: ¥273m or £1.5m) and made at enhanced margins.

In July 2009 we opened a sales and marketing office in Hong Kong to serve the Chinese market. With local management, we have begun building a network of distributors in key regions and planning our strategy to improve the service levels we are able to offer Chinese researchers. China is currently our fastest growing market, with sales to China and Hong Kong increasing by 87.0% over the comparative period to HK$16.5m or £1.3m (H1 2009: HK$8.8m or £0.6m) representing 4.1% of Group sales (H1 2009: 2.8%).

Sales to the Rest of the World were 27.1% higher at $3.0m or £1.9m (H1 2009 $2.4m or £1.3m), driven by strong growth in Asia. We plan to continue to develop our distribution strategy by transferring responsibility for the management of our local distributors in Korea, Taiwan and Singapore to our new Hong Kong operation. This should enable us to improve customer service in those regions and strengthen our market presence.

Sales in the UK grew by 13.3% to £2.5m representing 8.0% of Group revenue. This is a satisfactory result given that the UK is seeing research funding pressures, notably in those areas such as cancer research, that are supported by charitable donations.

Gross margins for the period were 66.2% against 64.9% for the same period last year. Increases came primarily from improvements in pricing and product mix and a one off benefit which added a percentage point coming from our exclusive in-licensing deals.

Expenses in the period were £9.9m, an increase of 16.8% over the previous year. As a percentage of sales, expenses fell by 5.7 percentage points in the six months to 31 December 2009 to 31.2% (H1 2009: 36.9%), assisted by the relative weakness of sterling since a relatively high proportion of our expenses are sterling denominated. On a constant currency basis, excluding gains on translation of foreign currency balances which are covered below, expenses increased by approximately £1.5m or 17.7%. This was primarily due to an increase in staff-related costs, the full year effect of which will have a larger impact in the second half of the year as the Company invests for growth. Higher manufacturing recoveries helped offset other net cost increases.

The net effect on the income statement of the retranslation of foreign currency denominated assets and liabilities and the impact of contracts for the forward selling of currency was a gain of £0.4m in the period (H1 2009: £0.2m), which is included within administration and management expenses.

In the 12 months ended 31 December 2009, the number of products in our catalogue has grown by 21.1% to 57,960. It is also encouraging to note that during that time the number of protein targets covered has increased by 23.2%. Within these figures we have continued to grow our portfolio of bioactive proteins, enzymes and peptides, which are also used by scientists undertaking protein detection. We continue to work closely with and add to our supplier base, and have a good pipeline of potential additions to the catalogue.

There has been a focus in the period on increasing antibody production, both of existing products for inventory and the development of new products. The result has been record production levels and improved efficiencies. Our production facility also spearheaded our drive to add to the characterisation information of our products, which made strong progress in the half year.

Our world leading conferences are an excellent forum for staying close to key leaders in research and they continue to attract huge interest; our next conference will see a record number of attendees for a single event. As well as arranging conferences around the world to maintain our profile, we also continue to develop our in-house market survey capability to enable us to follow market trends closely and incorporate its detailed findings into our marketing strategy.

The Group's cash flow continues to be strong, with net cash generated from operating activities of £10.5m (H1 2009: £7.1m excluding the receipt of £1.1m on the signing of a lease in December 2008) and a cash conversion ratio of 98.9%. A total of £0.4m was spent in the period on capital equipment.

Basic earnings per share (EPS) were 23.29p (H1 2009: 14.28p). The EPS for H1 2010 uses the weighted average of 35.6m shares (H1 2009: 35.2m).

Currency exposure

In the six months under review sales and profitability benefited from the weakness of sterling over the same period last year. Current exchange rates mean that it is possible that sterling will be relatively stronger for the second half than was the case last year, and that at least some of the benefit from comparative exchange rates may be reversed. Notably, the weighted average exchange rates applied to sales in the second half of last financial year were £1 : $1.461 and €1.092.

The Group continues to generate significant amounts of US dollars, euros and Japanese yen in excess of payments in these currencies, and has arrangements in place to reduce its exposure to currency fluctuations, details of which are set out in the notes to the Consolidated Balance Sheet below.

Dividend

The Company's Directors are pleased to declare a doubling of the interim dividend to 5.42p per share (H1 2009: 2.71p). In the 2009 financial year the percentage of annual post tax profit distributed as dividend was increased to 35%. This increase in the interim dividend continues the process of addressing what we believe to be an undue weighting towards the final dividend and should not be seen as impacting on the overall distribution percentage, which will be kept under review.

The dividend is payable on 1 April 2010 to shareholders whose names are on the Register of Members at close of business on 19 March 2010.

Outlook

In addition to the strength of the Company’s business model and brand, our results continue to demonstrate the resilience of the specialist area of research antibodies in which we operate. Trading so far in the second half of the financial year is in line with our expectations. This is encouraging, although it is still too early to assess what impact if any there will be on our trading as governments and companies across the world deal with the legacy of the recession.

Our strategy is to continue to focus on sourcing high quality, scientifically relevant products. We do this by working with leading suppliers and establishing ever closer relationships with researchers. We aim to operate on a global basis by being well placed to access new markets and, through targeted marketing, to penetrate further the markets we currently serve. The demand for products such as antibodies in the protein detection and regulation markets continues apace and Abcam is well positioned to capitalise on its expertise in these areas.

Abcam’s success emanates from our employees and our thanks go to them for the tremendous knowledge and enthusiasm they bring to the Company, which sets it apart. Thanks also go to our shareholders, customers and suppliers, who continue to support us so effectively.

Michael Redmond
Chairman
8 March 2010

Jonathan Milner
Chief Executive Officer
8 March 2010

RESPONSIBILITY STATEMENT

We confirm to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- the Interim Management Report includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during the period; and also any changes in the related party transactions described in the last annual report that could do so.

By order of the Board,

Mike Redmond
Chairman
8 March 2010

Jeff Iliffe
Chief Financial Officer
8 March 2010

INDEPENDENT REVIEW REPORT
For the six months ended 31 December 2009

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2009 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated cash flow statement and related notes 1 to 11. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the AIM Rules of the London Stock Exchange.

As disclosed in the notes, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 December 2009 is not prepared, in all material respects, in accordance with the International Accounting Standard 34 as adopted by the European Union and the AIM Rules of the London Stock Exchange.

Deloitte LLP
Chartered Accountants and Statutory Auditors
Cambridge
8 March 2010

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 December 2009

	Notes	**(Unaudited) Six months ended 31 Dec 2009 £000**	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year ended 30 Jun 2009 £000
Continuing operations				
Revenue		**31,807**	23,074	56,801
Cost of sales		**(10,760)**	(8,103)	(19,420)
Gross profit		**21,047**	14,971	37,381
Administration and management expenses excluding share based compensation charge and impairment of property, plant and equipment		**(7,602)**	(7,027)	(16,985)
Share based compensation charge		**(365)**	(131)	(374)
Impairment of property, plant and equipment		**–**	–	(1,074)
Total administration and management expenses		**(7,967)**	(7,158)	(18,433)
Research and development expenses excluding share based compensation charge		**(1,882)**	(1,301)	(2,986)
Share based compensation charge		**(88)**	(50)	(90)
Total research and development expenses		**(1,970)**	(1,351)	(3,076)
Operating profit		**11,110**	6,462	15,872
Investment revenue		**77**	358	431
Profit before tax		**11,187**	6,820	16,303
Tax	4	**(2,892)**	(1,792)	(4,012)
Profit for the period attributable to shareholders		**8,295**	5,028	12,291
Earnings per share from continuing operations				
Basic	5	**23.29p**	14.28p	34.83p
Diluted	5	**22.74p**	14.10p	34.17p

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2009

	(Unaudited) Six months ended 31 Dec 2009 £000	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year ended 30 Jun 2009 £000
Profit for the period	**8,295**	5,028	12,291
Movements on cash flow hedges	**(940)**	(35)	1,296
Exchange differences on translation of foreign operations	**24**	429	245
Tax relating to components of other comprehensive income	**883**	297	247
Other comprehensive income for the period	**(33)**	691	1,788
Total comprehensive income for the period	**8,262**	5,719	14,079

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	Note	(Unaudited) As at 31 Dec 2009 £000	(Unaudited) As at 31 Dec 2008 £000	(Audited) As at 30 Jun 2009 £000
Non-current assets				
Intangible assets		**641**	1,102	793
Property, plant and equipment		**3,146**	4,547	3,541
Deferred tax asset		**997**	211	335
Derivative financial instruments		**85**	–	326
		4,869	5,860	4,995
Current assets				
Inventories		**7,638**	5,485	6,796
Trade and other receivables		**6,099**	5,057	6,486
Cash and cash equivalents		**32,968**	20,856	25,501
Derivative financial instruments		**412**	–	1,338
		47,117	31,398	40,121
Total assets		**51,986**	37,258	45,116
Current liabilities				
Trade and other payables		**(6,742)**	(5,816)	(6,694)
Current tax liabilities		**(2,584)**	(1,469)	(1,871)
Derivative financial instruments		–	(1,412)	–
		(9,326)	(8,697)	(8,565)
Net current assets		**37,791**	22,701	31,556
Non-current liabilities				
Deferred creditor		**(68)**	–	(83)
Total liabilities		**(9,394)**	(8,697)	(8,648)
Net assets		**42,592**	28,561	36,468
Equity				
Share capital	6	**359**	355	355
Share premium account		**12,750**	11,341	11,558
Own shares		**(719)**	(315)	(301)
Translation reserve		**216**	396	197
Share based compensation reserve		**1,418**	656	962
Hedging reserve		**256**	(35)	933
Deferred tax reserve		**1,990**	1,055	1,368
Retained earnings		**26,322**	15,108	21,396
Total equity attributable to shareholders		**42,592**	28,561	36,468

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2009

	Share capital £000	Share premium £000	Own shares £000	Translation reserve[1] £000	Share based compensation reserve[2] £000	Hedging reserve[3] £000	Deferred tax reserve[4] £000	Retained earnings £000	Total £000
Balance as at 1 July 2009	**355**	**11,558**	**(301)**	**197**	**962**	**933**	**1,368**	**21,396**	**36,468**
Profit for the period	–	–	–	–	–	–	–	**8,295**	**8,295**
Exchange differences on translation of foreign operations	–	–	–	**19**	**3**	–	**2**	–	**24**
Movements on cash flow hedges	–	–	–	–	–	**(940)**	–	–	**(940)**
Tax relating to components of other comprehensive income	–	–	–	–	–	**263**	**620**	–	**883**
Total comprehensive income for the period	–	–	–	**19**	**3**	**(677)**	**622**	**8,295**	**8,262**
Issue of share capital	**4**	**1,192**	**(418)**	–	–	–	–	–	**778**
Share based compensation charge	–	–	–	–	**453**	–	–	–	**453**
Payment of dividends	–	–	–	–	–	–	–	**(3,369)**	**(3,369)**
Balance as at 31 December 2009	**359**	**12,750**	**(719)**	**216**	**1,418**	**256**	**1,990**	**26,322**	**42,592**

	Share capital £000	Share premium £000	Own shares £000	Translation reserve[1] £000	Share based compensation reserve[2] £000	Hedging reserve[3] £000	Deferred tax reserve[4] £000	Retained earnings £000	Total £000
Balance as at 1 July 2008	351	10,871	–	(33)	483	–	758	11,692	24,122
Profit for the period	–	–	–	–	–	–	–	5,028	5,028
Exchange differences on translation of foreign operations	–	–	–	429	–	–	–	–	429
Movements on cash flow hedges	–	–	–	–	–	(35)	–	–	(35)
Tax relating to components of other comprehensive income	–	–	–	–	–	–	297	–	297
Total comprehensive income for the period	–	–	–	429	–	(35)	297	5,028	5,719
Issue of share capital	4	470	(315)	–	–	–	–	–	159
Share based compensation charge	–	–	–	–	173	–	–	–	173
Payment of dividends	–	–	–	–	–	–	–	(1,612)	(1,612)
Balance as at 31 December 2008	**355**	**11,341**	**(315)**	**396**	**656**	**(35)**	**1,055**	**15,108**	**28,561**

1 Exchange differences on translation of overseas operations.
2 IFRS 2 charge for fair value of share options.
3 Gains and losses recognised on cash flow hedges.
4 Portion of deferred tax asset arising on outstanding share options and share options exercised and not taken to profit and loss in accordance with IAS12.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the six months ended 31 December 2009

	Note	**(Unaudited) Six months ended 31 Dec 2009 £000**	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year ended 30 Jun 2009 £000
Net cash inflow from operating activities	7	**10,508**	8,165	14,812
Investing activities				
Investment income		**75**	358	513
Proceeds on disposal of property, plant and equipment		**–**	16	–
Purchase of property, plant and equipment		**(424)**	(954)	(1,756)
Purchase of intangible assets		**(38)**	(223)	(259)
Net cash used in investing activities		**(387)**	(803)	(1,502)
Financing activities				
Dividends paid		**(3,369)**	(1,612)	(2,572)
Proceeds on issue of shares		**778**	159	375
Decrease in short term deposits		**–**	1,020	1,020
Net cash used in financing activities		**(2,591)**	(433)	(1,177)
Net increase in cash and cash equivalents		**7,530**	6,929	12,133
Cash and cash equivalents at beginning of period		**25,501**	13,473	13,473
Effect of foreign exchange rates		**(63)**	454	(105)
Cash and cash equivalents at end of period		**32,968**	20,856	25,501

NOTES TO THE INTERIM FINANCIAL INFORMATION
For the six months ended 31 December 2009

1. General Information

The information for the year ended 30 June 2009 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation
The annual financial statements of Abcam plc are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union.

Changes in accounting policy
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2009, except for the adoption of new standards and interpretations, noted below. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

IAS 1 (revised): Presentation of Financial Statements
The Group has adopted IAS 1 (revised) "Presentation of Financial Statements" during the period. The standard requires the presentation of a statement of changes in equity as a primary statement, separate from the income statement and statement of comprehensive income. As a result, a consolidated statement of changes in equity has been included in the primary statements, showing changes in each component of equity for each period presented.

IAS 34: Interim Financial Reporting
The Group has adopted IAS 34 "Interim Financial Reporting" during the period. The standard prescribes the minimum content of an interim financial report and the principles for recognition and measurement in financial statements presented for an interim period. As a result, certain additional disclosures have been made.

Risks and uncertainties
An outline of the key risks and uncertainties faced by the Group was described in the 2009 financial statements, including cross-border trade regulations and exposure to foreign exchange rate fluctuation, in particular the strength of sterling relative to the US dollar, euro and Japanese yen. It is anticipated that the risk profile will not significantly change for the remainder of the year. Risk is an inherent part of doing business and the strong cash position of the Group along with the underlying profitability of the core business leads the Directors to believe that the Group is well placed to manage business risks successfully.

Going concern
The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, support the conclusion that there is a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the going concern basis has been adopted in preparing the half-yearly financial statements.

3. Operating segments

The Group has only one reportable segment, which is 'sales of antibodies and related products'. There has been no change in the basis of segmentation or the basis of measurement of segment profit or loss since the last annual financial statements. The Group's revenue and assets for its one reportable segment can be determined by reference to the Group's income statement and balance sheet.

The Group has no individual product or customer which comprises more than 10% of its revenues. Sales of antibodies are traditionally more heavily weighted towards the second half of the year.

4. Income tax

The major components of income tax expense in the income statement are as follows:

	(Unaudited) Six months ended 31 Dec 2009 £000	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year ended 30 Jun 2009 £000
Current tax	**3,087**	1,877	4,539
Deferred tax	**(195)**	(85)	(527)
	2,892	1,792	4,012

Corporation tax for the six month period is charged at 25.9% (six months ended 31 December 2008: 26.3%; year ended 30 June 2009: 24.6%), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the six month period. This effective tax rate reflects the receipt of R&D tax credits that result in a tax deduction for the Company.

5. Earnings per share

The calculation of basic and diluted earnings per share is based upon the following data:

	(Unaudited) Six months ended 31 Dec 2009 £000	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year ended 30 Jun 2009 £000
Earnings			
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	**8,295**	5,028	12,291
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	**35,619,900**	35,205,255	35,287,943
Effect of dilutive potential ordinary shares:			
Share options	**862,510**	465,878	679,385
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**36,482,410**	35,671,133	35,967,328

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated on the same basis as basic earnings per share but with a further adjustment for the weighted average shares in issue to reflect the effect of all dilutive potential ordinary shares. The number of dilutive potential ordinary shares is derived from the number of share options and awards granted to employees where the exercise price is less than the average market price of the Company's ordinary shares during the period.

6. Share capital

Share capital as at 31 December 2009 amounted to £358,887. During the period, the Group issued 363,202 shares as a result of the exercise of share options. These exercises increased the number of shares in issue from 35,525,450 to 35,888,652.

7. Notes to the cash flow statement

	(Unaudited) Six months ended 31 Dec 2009 £000	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year Ended 30 Jun 2009 £000
Operating profit for the period	**11,110**	6,462	15,872
Adjustments for:			
Depreciation of property, plant and equipment	**620**	684	1,417
Impairment losses on property, plant and equipment	**–**	–	1,074
Loss on disposal of property, plant and equipment	**–**	–	160
Amortisation of intangible assets	**94**	114	261
Impairment losses on intangible assets	**98**	–	201
Change in fair value of derivatives outstanding at year end	**227**	1,216	(565)
Share based compensation charge	**453**	173	464
Operating cash flows before movements in working capital	**12,602**	8,649	18,884
Increase in inventories	**(842)**	(979)	(2,289)
Decrease/(increase) in receivables	**528**	(197)	(1,263)
Increase in payables	**172**	1,502[1]	2,182[2]
Cash generated by operations	**12,460**	8,975	17,514
Income taxes paid	**(1,952)**	(810)	(2,702)
Net cash inflow from operating activities	**10,508**	8,165	14,812

[1] This increase in payables includes £1.1m received as an incentive from the landlord of premises leased by Abcam plc with effect from December 2008.

[2] This increase in payables includes £1.0m of the total balance of £1.1m described above.

8. Related party transactions

Under a new product development agreement with a laboratory associated with Tony Kouzarides (a non-executive Director of the Company), Abcam provided products from its catalogue free of charge, with a resale value of £13,157 (six months ended 31 December 2008: £9,628; year ended 30 June 2009: £24,018) and paid £21,103 in royalties (six months ended 31 December 2008: £21,504; year ended 30 June 2009: £41,166). £6,629 relating to these royalties was outstanding at the period end (31 December 2008: £17,368; 30 June 2009: £5,889).

Abcam Plc purchased services with a value of £31,000 (six months ended 31 December 2008: £37,050; year ended 30 June 2009: £51,050) from Cambridge Network Limited and its subsidiaries, which are non-profit making entities of which David Cleevely (Chairman of the Company until 2 November 2009) is chairman. £16,712 was prepaid at the end of the year (31 December 2008: £1,000; 30 June 2009: £7,912). These services were purchased at the market value.

9. Dividends

	(Unaudited) Six months ended 31 Dec 2009 £000	(Unaudited) Six months ended 31 Dec 2008 £000	(Audited) Year Ended 30 Jun 2009 £000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 30 June 2009 of 9.40p (2008: 4.56p) per share	**3,369**	1,612	1,612
Interim dividend for the year ended 30 June 2009 of 2.71p per share	**–**	–	960
Total distributions to equity holders in the period	**3,369**	1,612	2,572
Proposed interim dividend for the year ended 30 June 2010 of 5.42p (2008: 2.71p) per share	**1,945**	960	–
Proposed final dividend for the year ended 30 June 2009 of 9.40p per share	**–**	–	3,339

The proposed interim dividend of 5.42p per share was approved by the board on 8 March 2010 and has not been included as a liability as at 31 December 2009.

10. Foreign currency exchange rates

The Group continues to generate significant amounts of US dollars, euros and Japanese yen in excess of payments in these currencies, and has arrangements in place to reduce its exposure to currency fluctuations. Maturing in the six months ending 30 June 2010 the Group has forward exchange contracts in place to sell $8.0m, €7.8m and ¥150m at average rates of £1 to $1.50, €1.14 and ¥157. The Group also has contracts in place maturing in the year ending 30 June 2011 to sell $9.6m, €8.2m and ¥201m at average rates of £1 : $1.54, €1.12 and ¥145 and for the year ending 30 June 2012 of $1.8m, €0.9m and ¥42m at average rates of £1 : $1.57, €1.09 and ¥139.

The weighted average exchange rates applied to sales in the period were £1 : $1.636, €1.128, ¥149.6 (six months ended 31 December 2008: £1 : $1.792, €1.256, ¥183.6). The exchange rates reported for sales in the second half of last year were £1 : $1.461, €1.092, ¥136.9.

11. Date of approval of interim financial statements

The interim financial statements cover the period 1 July 2009 to 31 December 2009 and were approved by the Board on 8 March 2010.

Further copies of the interim financial statements are available from the Company’s registered office, 330 Cambridge Science Park, Cambridge, CB4 0FL and can be accessed on the Abcam plc website, www.abcamplc.com.