

For immediate release

8 March 2011

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

Interim Results for the Six Months ended 31 December 2010

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 2010.

Highlights

- Sales in the half year increased 23.7% to £39.4m (H1 2010: £31.8m), representing an increase of 20.2% on a constant currency basis.
- Profit before tax increased 35.4% to £15.2m (H1 2010: £11.2m).
- Catalogue expanded by 19.3% to 69,160 products (31 December 2009: 57,960).
- Net cash and short-term deposits at 31 December 2010 of £47.0m (31 December 2009: £33.0m) with strong cash generation of 94.0%.
- Basic EPS increased by 32.4% to 6.17p per share (H1 2010: 4.66p*).
- Increase of 33.8% in interim dividend to 1.45p per share (H1 2010: 1.084p*) and proposal to raise annual dividend distribution ratio to 40% of profit after tax for the 2010/11 financial year.

*As adjusted for five for one share sub-division which took place on 15 November 2010

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

“The half year results reveal another strong performance particularly in the US, our largest geographic market, and in newer markets such as China. Whilst the number of core primary antibodies in our online catalogue has increased significantly during the half year, it is pleasing to note that the number of secondary antibodies and other products has grown rapidly, broadening our product offering.

“Trading in the second half of the year has started well, and we have a good pipeline of potential additions to our catalogue. However, we remain aware that there is still pressure on Western governments to reduce budget deficits, which may result in reduced research funding in certain markets.”

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Notes for editors

About Abcam plc

Abcam is a producer and distributor of research-grade antibodies and related products, headquartered in Cambridge, United Kingdom, with US offices in Cambridge, Massachusetts, and San Francisco, California, and Far East offices in 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 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 products 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 a rapidly growing online catalogue and as at 31 December 2010 it contained 69,160 products, most of which are antibodies, from over 250 suppliers. Abcam employs over 290 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

The six months ended 31 December 2010 saw another strong performance from Abcam, with an increase in sales of 23.7% to £39.4m (H1 2010: £31.8m). There was a small positive contribution from the relative weakness of sterling over the corresponding period last year and without this the underlying sales growth was 20.2%.

We have remained focused on capitalising on our strong business model to develop further our primary antibody business and have also broadened our catalogue of other well characterised, high quality products. We are particularly encouraged by the revenue generated by non-primary antibody products which represented 7.8% of reported sales in the period (H1 2010: 6.1%), growing by over 56% over the first half of the previous financial year. It is the relevance, quality and reliability of our products to researchers around the world that has allowed us to continue to take market share.

The operational efficiency of our business contributed to an increase of 35.4% in profit before tax to £15.2m (H1 2009: £11.2m).

Operational and financial review

Local currency sales in North America grew by 21.1% to \$27.6m or £17.7m (H1 2010: \$22.8m or £13.9m). This was a particularly strong performance and represented an increase over the rate of growth reported last year of 20.2%. It is pleasing to note that sales in California grew by over 30% following the opening of our San Francisco office last year.

Growth in local currency sales in Europe was 16.2% to €12.1m or £10.2m (H1 2010: €10.4m or £9.2m). We continue to see strong growth in our largest European markets in Germany and France, whilst performance in the smaller markets has reflected a combination of the effectiveness of our distribution channels and the funding environment in those countries.

Sales in Japan were 22.2% higher than the corresponding period last year at ¥538m or £4.1m (H1 2010: ¥441m or £2.9m). This is a good performance in a relatively flat market and underlines the strength of our local sub-dealer network.

Our Hong Kong office continues to extend its network of distributors in the Chinese market and sales to China and Hong Kong grew by 43.5% to HK\$23.6m or £2.0m (H1 2010: HK\$16.5m or £1.3m) representing 5.0% of Group sales (H1 2010: 4.1%). We are confident that we are well positioned to take advantage of the Chinese market opportunity and we will continue to develop our local presence to improve service levels to researchers in China.

Sales to the Rest of the World were 30.6% higher at \$4.0m or £2.6m (H1 2010: \$3.0m or £1.9m), driven by strong growth in Asia. The management of our distributors in South East Asia is now carried out through our Hong Kong operation, providing more local presence and bringing us closer to our customers to better enable us to meet their requirements.

Sales in the UK grew by 9.5% to £2.8m (H1 2010: £2.6m) representing 7.1% of Group revenue. There was a slowdown in sales growth during the period which appears to have been linked to the Government spending review in October 2010, which created uncertainty in the UK market.

Trading since the half year end indicates that some of this uncertainty may now have eased, but it is too soon to estimate its longer term impact on our future growth in this market.

Gross margins for the period were 66.8% against 66.2% for the same period last year. There was an increase of 1.3 percentage points coming from improvements in pricing and product mix. The corresponding period last year included a one-off benefit from our exclusive in-licensing deals, the non-recurrence of which in the current period reduced gross margins by 0.6 percentage points. Excluding this one-off movement, the impact on gross margin of the in-licensing deals which were signed several years ago was minimal, contributing to a further 0.1 percentage point reduction in the period, and we expect this to remain immaterial in the future.

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 2010: £0.4m), which is included within administration and management expenses.

Excluding this gain, expenses in the period were £11.7m, an increase of 13.0% over the previous year. The main percentage increases were in staff-related costs and marketing, however we have continued to benefit from tight cost control across the business and the operational gearing of an element of our cost base. The drive for efficiencies in our production facility has again produced excellent results, with higher yields and reduced cost per unit both of existing products for inventory and for the development of new products. Net manufacturing recoveries were unusually high as a relatively large number of projects which were initiated last year were completed in the current period. These additional recoveries reduced expenses by £0.3m.

A charge of £0.3m (H1 2010: £nil) has been recognised in the period relating to external due diligence and consultancy costs associated with a potential acquisition which did not proceed. No further costs relating to this proposed acquisition are expected to be incurred throughout the remainder of the year.

In the 12 months ended 31 December 2010, the number of products in our catalogue has grown by 19.3% to 69,160. We continue to work closely with and add to our antibody supplier base and see a good pipeline of potential additions to the catalogue. We have also focused on adding non-primary antibody products, including the introduction of new ranges of DyLight® conjugated secondary antibodies, and ELISA and other immunoassay kits. We are excited by the growth of these new product lines and will continue to increase our efforts in this area.

Part of our antibody product offering is its validation and characterisation data which we continue to promote and publish on our datasheets to drive sales via our 'data flywheel' strategy. We have continued to develop this strategy and increased the volume of data published from internal and collaborator studies by 19% over the corresponding period last year, including data on applications such as Flow Cytometry, Western Blot, Immunohistochemistry and Immunocytochemistry.

The Group's cash flow continues to be strong, with cash generated by operations of £15.2m (H1 2010: £12.5m) which, after working capital movements, represents a cash conversion ratio of 94.0%. A total of £0.6m was spent in the period on capital equipment. Closing cash, cash equivalents and short-term deposits were £47.0m (H1 2010: £33.0m).

Basic earnings per share (EPS) were 6.17p (H1 2010: 4.66p). The EPS for H1 2011 uses the weighted average of 179.9m shares (H1 2010: 178.1m). The comparative figures stated for H1 2010 are after adjusting for the five for one sub-division of shares in November 2010.

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 it is likely that Sterling will be relatively stronger in the second half than was the case last year. An analysis of the foreign currency components of revenue and cost of sales, together with the average exchange rates used, are set out in note 10 to the interim financial information.

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 by selling forward a proportion of these excess currencies. Details of the outstanding contracts entered into are set out in note 10 to the interim financial information.

Dividend

The Board has looked to pursue a progressive dividend policy since the Company floated in 2005. In the 2010 financial year, the percentage of annual post-tax profit distributed as dividend was increased to 37.5%. In light of the cash-generative nature of the business and its continued success, the Board is proposing to increase the distribution ratio further with effect from this financial year, to 40% of profit after tax, subject to shareholder approval at the AGM later this year. Consequently, to continue the process of addressing what we still believe to be an undue weighting towards the final dividend, the interim dividend will be increased by 33.8% to 1.45p per share (H1 2010: 1.084p). The dividend is payable on 15 April 2011 to shareholders whose names are on the Register of Members at close of business on 18 March 2011.

Outlook

Our results again demonstrate the strength of the Company's business model and brand as we continue to take market share. Trading so far in the second half of the financial year is in line with our expectations, and the Board remains confident in the outlook for the full year. Nevertheless, it remains difficult to assess what impact there may be in the future on our trading from the possible reduction in research project funding by Governments in the West.

Our business model continues to deliver strong and defensible growth and we are actively expanding our product offering to include more than just antibodies, as we aim to become a world leader in protein detection and regulation. In this regard we are developing more and closer relationships with suppliers and we continue to benefit from a healthy supply of antibodies and other products.

Our thanks go to our employees whose knowledge of the research market and commitment to Abcam's strategic goals is a source of immense pride. Thanks also go to our shareholders, customers and suppliers for their continued support.

Mike Redmond

Chairman

7 March 2011

Jonathan Milner

Chief Executive Officer

7 March 2011

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,

Jonathan Milner
Chief Executive Officer
7 March 2011

Jeff Iliffe
Chief Financial Officer
7 March 2011

INDEPENDENT REVIEW REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

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 2010 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 2010 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 Auditor

Cambridge

United Kingdom

7 March 2011

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	(Unaudited) Six months ended 31 Dec 2010 £000	(Unaudited) Six months ended 31 Dec 2009 £000	(Audited) Year ended 30 Jun 2010 £000
Continuing operations			
Revenue	39,353	31,807	71,106
Cost of sales	(13,080)	(10,760)	(23,689)
Gross profit	26,273	21,047	47,417
Administration and management expenses excluding share-based compensation charge	(9,281)	(7,602)	(17,367)
Share-based compensation charge	(453)	(365)	(702)
Total administration and management expenses	(9,734)	(7,967)	(18,069)
Research and development expenses excluding share-based compensation charge	(1,484)	(1,882)	(3,577)
Share-based compensation charge	(73)	(88)	(124)
Total research and development expenses	(1,557)	(1,970)	(3,701)
Operating profit	14,982	11,110	25,647
Investment revenue	170	77	184
Profit before tax	15,152	11,187	25,831
Tax	4	(2,892)	(6,609)
Profit for the period attributable to shareholders	11,102	8,295	19,222
Earnings per share from continuing operations			
Basic	5	6.17p	4.66p*
Diluted	5	6.01p	4.55p*

*In accordance with IAS 33, earnings per share for all comparative periods presented have been adjusted retrospectively to account for the five for one share sub-division which took place on 15 November 2010.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	(Unaudited) Six months ended 31 Dec 2010 £000	(Unaudited) Six months ended 31 Dec 2009 £000	(Audited) Year ended 30 Jun 2010 £000
Profit for the period	11,102	8,295	19,222
Movements on cash flow hedges	(1,145)	(940)	(677)
Exchange differences on translation of foreign operations	83	24	61
Tax relating to components of other comprehensive income	1,411	883	1,689
Other comprehensive income for the period	349	(33)	1,073
Total comprehensive income for the period	11,451	8,262	20,295

**CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2010**

	(Unaudited) As at 31 Dec 2010	(Unaudited) As at 31 Dec 2009	(Audited) As at 30 Jun 2010
Note	£000	£000	£000
Non-current assets			
Intangible assets	472	641	559
Property, plant and equipment	2,587	3,146	2,895
Deferred tax asset	2,603	997	1,417
Derivative financial instruments	—	85	127
	5,662	4,869	4,998
Current assets			
Inventories	10,198	7,638	9,073
Trade and other receivables	7,883	6,099	8,178
Cash and cash equivalents	35,509	32,968	17,185
Short-term deposits	11,500	—	23,037
Derivative financial instruments	325	412	1,040
	65,415	47,117	58,513
Total assets	71,077	51,986	63,511
Current liabilities			
Trade and other payables	(6,516)	(6,742)	(6,866)
Current tax liabilities	(3,320)	(2,584)	(2,698)
Derivative financial instruments	(603)	—	(559)
	(10,439)	(9,326)	(10,123)
Net current assets	54,976	37,791	48,390
Non-current liabilities			
Deferred creditor	—	(68)	—
Derivative financial instruments	(283)	—	(166)
	(283)	(68)	(166)
Total liabilities	(10,722)	(9,394)	(10,289)
Net assets	60,355	42,592	53,222
Equity			
Share capital	6 361	359	360
Share premium account	13,811	12,750	12,920
Own shares	(1,170)	(719)	(690)
Translation reserve	347	216	247
Share-based compensation reserve	2,319	1,418	1,806
Hedging reserve	(385)	256	445
Deferred tax reserve	1,969	1,990	1,550
Retained earnings	43,103	26,322	36,584
Total equity attributable to shareholders	60,355	42,592	53,222

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	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 2010	360	12,920	(690)	247	1,806	445	1,550	36,584	53,222
Profit for the period	—	—	—	—	—	—	—	11,102	11,102
Exchange differences on translation of foreign operations	—	—	—	96	(13)	—	—	—	83
Movements on cash flow hedges	—	—	—	—	—	(1,145)	—	—	(1,145)
Tax relating to components of other comprehensive income	—	—	—	4	—	315	419	673	1,411
Total comprehensive income for the period	—	—	—	100	(13)	(830)	419	11,775	11,451
Issue of share capital	1	891	(480)	—	—	—	—	—	412
Share-based compensation charge	—	—	—	—	526	—	—	—	526
Payment of dividends	—	—	—	—	—	—	—	(5,256)	(5,256)
Balance as at 31 December 2010	361	13,811	(1,170)	347	2,319	(385)	1,969	43,103	60,355

	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

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 IAS 12.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2010**

	(Unaudited) Six months ended 31 Dec 2010	(Unaudited) Six months ended 31 Dec 2009	(Audited) Year ended 30 Jun 2010
	Note	£000	£000
Net cash inflow from operating activities	7	12,015	10,508
Investing activities			
Investment income		99	75
Proceeds on disposal of property, plant and equipment		30	—
Purchase of property, plant and equipment		(574)	(424)
Purchase of intangible assets		(64)	(38)
Net cash used in investing activities		(509)	(387)
Financing activities			
Dividends paid		(5,256)	(3,369)
Proceeds on issue of shares		412	778
Decrease/(increase) in short-term deposits		11,537	—
Net cash from/(used in) financing activities		6,693	(2,591)
Net increase/(decrease) in cash and cash equivalents		18,199	7,530
Cash and cash equivalents at beginning of period		17,185	25,501
Effect of foreign exchange rates		125	(63)
Cash and cash equivalents at end of period		35,509	32,968

NOTES TO THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2010

1. General information

This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2010 were approved by the Board of Directors and have 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 any statement under section 498(2) or (3) of the Companies Act 2006.

This consolidated interim financial information has been reviewed, not audited.

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.

The accounting policies adopted in the preparation of the condensed consolidated interim information are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 June 2010.

Risks and uncertainties

An outline of the key risks and uncertainties faced by the Group was described in the 2010 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 twelve 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 2010 £000	(Unaudited) Six months ended 31 Dec 2009 £000	(Audited) Year ended 30 Jun 2010 £000
Current tax	3,600	3,087	6,919
Deferred tax	450	(195)	(310)
	4,050	2,892	6,609

Corporation tax for the six month period is charged at 26.7% (six months ended 31 December 2009: 25.9%; year ended 30 June 2010: 25.6%), representing management's 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.

The Finance Act 2010, which provides for a reduction in the main rate of corporation tax from 28% to 27% effective from 1 April 2011, was substantively enacted on 21 July 2010. As it has been substantively enacted at the balance sheet date, in accordance with IAS 12 the deferred tax asset has been measured at the tax rate expected to apply to the period when the asset is realised being 27%.

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 2010 £000	(Unaudited) Six months ended 31 Dec 2009 £000	(Audited) Year ended 30 Jun 2010 £000
Earnings			
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	11,102	8,295	19,222
Number of shares			
Weighted average number of ordinary shares for the purposes of basic earnings per share	179,862,567	178,099,500*	178,567,935*
Effect of dilutive potential ordinary shares:			
– share options	4,839,010	4,312,550*	4,308,985*
Weighted average number of ordinary shares for the purposes of diluted earnings per share	184,701,577	182,412,050*	182,876,920*

*Comparatives have been rebased to reflect the five for one share sub-division which took place on 15 November 2010.

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

The five for one sub-division of Abcam's ordinary shares of 1 pence each, approved by shareholders at its Annual General Meeting on 1 November 2010, became effective on 15 November 2010. The sub-division has reduced the market price and increased the number of shares in issue. Immediately following the sub-division the Company had a total of

180,394,820 ordinary shares of 0.2p each in issue, compared to a total of 36,078,964 ordinary shares of 1p each prior to the sub-division.

Share capital as at 31 December 2010 amounted to £361,228. During the period, the Group issued 860,576 shares as a result of the exercise of share options. These exercises increased the number of shares in issue from 179,753,210 to 180,613,786.

7. Notes to the cash flow statement

	(Unaudited) Six months ended 31 Dec 2010 £000	(Unaudited) Six months ended 31 Dec 2009 £000	(Audited) Year ended 30 Jun 2010 £000
Operating profit for the period	14,982	11,110	25,647
Adjustments for:			
Depreciation of property, plant and equipment	679	620	1,352
Loss on disposal of property, plant and equipment	—	—	32
Amortisation of intangible assets	132	94	180
Impairment losses on intangible assets	—	98	147
Decrease in provisions	—	—	(19)
Change in fair value of derivatives outstanding at year end	(142)	227	545
Share-based compensation charge	526	453	826
Operating cash flows before movements in working capital	16,177	12,602	28,710
Increase in inventories	(1,125)	(842)	(2,277)
Decrease/(increase) in receivables	305	528	(1,692)
(Decrease)/increase in payables	(156)	172	191
Cash generated by operations	15,201	12,460	24,932
Income taxes paid	(3,186)	(1,952)	(5,210)
Net cash inflow from operating activities	12,015	10,508	19,722

8. Related party transactions

Under a 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 £7,850 (six months ended 31 December 2009: £13,157; year ended 30 June 2010: £23,732) and paid £26,004 in royalties (six months ended 31 December 2009: £21,103; year ended 30 June 2010: £44,762). £9,462 relating to these royalties was outstanding at the period end (31 December 2009: £6,629; 30 June 2010: £7,780).

9. Dividends

	(Unaudited) Six months ended 31 Dec 2010 £000	(Unaudited) Six months ended 31 Dec 2009 £000	(Audited) Year ended 30 Jun 2010 £000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 30 June 2010 of 2.922p* (2009: 1.88p*) per share	5,256	3,369	3,369
Interim dividend for the year ended 30 June 2010 of 1.084p* per share	—	—	1,947
Total distributions to equity holders in the period	5,256	3,369	5,316
Proposed interim dividend for the year ended 30 June 2011 of 1.45p (2009: 1.084p*) per share	2,619	1,945	—
Proposed final dividend for the year ended 30 June 2010 of 2.922p* per share	—	—	5,252

*Comparatives have been rebased to reflect the five for one share sub-division which took place on 15 November 2010.

The proposed interim dividend of 1.45p per share was approved by the Board on 7 March 2011 and has not been recognised as a liability as at 31 December 2010. It will be recognised in shareholders' equity in the year ended 30 June 2011.

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.

The following table details the forward exchange contracts outstanding as at the period end:

	US dollars		Euros		Japanese yen	
	Sell \$000	Average rate	Sell €000	Average rate	Sell ¥000	Average rate
Six months ending 30 June 2011	10,785	1.52	9,660	1.14	406,652	136.27
Year ending 30 June 2012	15,520	1.57	13,170	1.16	662,476	131.45
Year ending 30 June 2013	3,510	1.58	1,560	1.16	113,400	128.86

An analysis of the foreign currency components of revenue and cost of sales together with average exchange rates used in the period is given in the table below:

	Average exchange rates used for revenue		Average exchange rates used for cost of sales		Percentage currency contribution in H1 2011	
	H1 2011 £	H1 2010 £	H1 2011 £	H1 2010 £	Revenue %	Cost of sales %
US Dollar	1.554	1.636	1.538	1.599	52.0	66.7
Euro	1.185	1.128	1.180	1.132	25.5	8.2
Japanese Yen	131.218	149.601	134.229	157.368	10.4	2.7
Hong Kong Dollar	12.908	12.661	11.982	12.668	5.0	0.5
Sterling	—	—	—	—	7.1	21.9
					100.0	100.0

The exchange rates reported for sales in the second half of last year were £1 : \$1.534, €1.141, ¥141.7.

11. Date of approval of interim financial statements

The interim financial statements cover the period 1 July 2010 to 31 December 2010 and were approved by the Board on 7 March 2011.

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.