

For immediate release

5 March 2012

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

Interim Results for the Six Months ended 31 December 2011

Abcam plc (AIM: ABC), a global leader in the supply of protein research tools, is pleased to announce its interim results for the six months ended 31 December 2011.

Highlights

- Sales in the half year increased 13.5% to £44.7m (H1 2011: £39.4m), representing growth of 13.8% on a constant currency basis
- Profit before tax, after adding back acquisition costs of Ascent Scientific Limited (Ascent) and amortisation of acquisition-related intangible assets increased 15.9% to £17.6m (H1 2011: £15.2m)
- Net cash and short-term deposits at 31 December 2011 of £56.1m (31 December 2010: £47.0m) with strong cash conversion of 90.2% (H1 2011: 94.0%)
- Basic EPS increased by 14.9% to 7.09p per share (H1 2011: 6.17p). Adjusted diluted EPS, after adding back costs of acquisition and amortisation of associated intangibles, increased by 18.6% to 7.13p per share (H1 2011: 6.01p)
- Abcam's catalogue expanded by 18.3% to 81,818 products as at 31 December 2011 (31 December 2010: 69,160) and a further 477 biochemical products were added when the catalogue from Ascent was transferred in January 2012
- Interim dividend increased by 16.6% to 1.69p per share (H1 2011: 1.45p)
- Successful acquisition of Ascent, a specialist provider of biochemical reagents with international sales and a strong product pipeline
- Entered into an agreement to acquire Epitomics International Inc, a high growth protein reagents business, headquartered in San Francisco, California, for gross consideration of \$170m, marking a significant step towards our ambition of creating the world's leading life science reagents company

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

"We are particularly pleased that, despite a tough macro-economic climate, Abcam has delivered revenue growth ahead of our peers whilst also delivering strong profits growth and cash generation. Once again these results demonstrate the strength of our business model and the scalability of our eCommerce platform.

"These are exciting times for Abcam as we continue to source new products to add to our catalogue whilst also searching for M&A opportunities to create the world's leading life science reagents company."

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Notes for editors

About Abcam plc

Abcam is a producer and distributor of high quality protein research tools. These tools enable life scientists to analyse components of living cells at the molecular level, which is essential in understanding health and disease.

Headquartered in Cambridge (UK), Abcam has subsidiary offices in Bristol (UK), Cambridge, MA (USA), Eugene, OR (USA), Tokyo (Japan) and Hong Kong (China) allowing it to serve a global customer base in over 85 countries. Abcam employs over 340 staff across its six operating companies.

At 31 December 2011 Abcam had an online catalogue of 81,818 products sourced from more than 300 suppliers. The catalogue includes a growing range of non-primary antibody products such as secondaries, proteins, peptides, lysates, immunoassays and other kits. Products are available for life science research and distributed to academic and commercial users. A highly developed eCommerce platform, which includes regional websites for the Chinese and Japanese markets, allows customers to access up-to-date and detailed technical product data sheets at the Company's website, www.abcam.com.

Abcam was admitted to AIM in November 2005 and trades under the ticker symbol ABC. The Company's vision is to be the world's leading life science tools company.

INTERIM MANAGEMENT REPORT

Overview

We are pleased with Abcam's performance in the six months ended 31 December 2011, during which sales increased by 13.5% to £44.7m (H1 2011: £39.4m). There was a negative impact from exchange rates when compared with the value of Sterling over the corresponding period last year, without which sales growth would have been 13.8%.

Our strategy of broadening our offering of high quality, well-characterised products to the global research community continued apace. We rebranded our business during the period under the strapline 'Discover More', reflecting our commitment to offering products, services and technologies that allow our customers to do just that. We saw growth in revenue from non-primary antibody products of 43.3%, to which was added the revenue from Ascent, whose products have now been rebranded as 'Abcam Biochemicals', which was acquired in September 2011. Revenue generated by non-primary antibody products represented 11.3% of reported sales in the period (H1 2011: 7.8%).

The increase in profit before tax, after adding back acquisition costs for Ascent and amortisation of acquisition-related intangibles was 15.9% to £17.6m (H1 2011: £15.2m).

Operational and financial review

The following table outlines the growth rates in each region, the revenues derived in underlying currency and their contribution to the reported Sterling figure:

	Revenue in underlying currency			Revenue as reported in Sterling		
	H1 2011/12	H1 2010/11	% growth	H1 2011/12*	H1 2010/11	2011/12 % of total**
The Americas	\$30.4m	\$27.6m	10.1%	£19.1m	£17.7m	43.1%
Europe (excluding UK)	€13.5m	€12.1m	11.4%	£11.8m	£10.2m	26.7%
Japan	¥628m	¥538m	16.6%	£5.0m	£4.1m	11.3%
Hong Kong/China	HK\$27.6m	HK\$23.6m	16.8%	£2.2m	£2.0m	5.0%
Rest of the World	\$4.8m	\$4.0m	20.5%	£3.0m	£2.6m	6.7%
UK	£3.1m	£2.8m	12.1%	£3.1m	£2.8m	7.2%
Abcam Biochemicals	£0.5m	n/a	n/a	£0.5m	n/a	n/a
Total				£44.7m	£39.4m	100.0%

* Includes £0.4m revenue from sales of MitoSciences products (H1 2011: £nil).

** Revenues generated by Abcam Biochemicals have been apportioned across the relevant geographic regions.

Local currency sales in The Americas grew by 10.1% to \$30.4m (H1 2011: \$27.6m) in demanding market conditions. The US is this region's largest market and a large proportion of US research funding is provided by the National Institutes of Health (NIH). Whilst the NIH budget to September 2012 was confirmed in December at an increase of 1% over the previous year, much of the period up to then was funded under a succession of continuing resolutions. This did little to improve confidence in the funding environment and researchers in the US have been more cautious in their purchasing as a result.

Growth in local currency sales in Europe was 11.4% to €13.5m (H1 2011: €12.1m). Growth was satisfactory in our largest European markets in Germany and France and as is usually the case there was a mix of growth rates across the smaller economies. It is pleasing to report that trading in Italy in particular was strong, reflecting an improved performance from our new local distributor network.

Sales in Japan were 16.6% higher than the corresponding period last year at ¥628m (H1 2011: ¥538m). This is another excellent performance, reflecting a continuation of the recovery since the earthquake in March and the strength of our position in the market.

The Chinese market represents a significant opportunity for Abcam and our products are well received by local researchers. Revenue in China grew by a relatively modest 16.8% to HK\$27.6m (H1 2011: HK\$23.6m), representing 5.0% of Group sales (H1 2011: 5.0%). This is a very credible result, particularly given that the comparative period last year saw extremely high growth of 43%. China remains an area we are targeting for significant future growth and to assist this we expect to complete the establishment of a stock holding facility later this financial year, which should significantly improve speed of delivery in fulfilling orders.

Sales to the Rest of the World were 20.5% higher at \$4.8m (H1 2011: \$4.0m), driven by further strong growth in Asia, and Korea in particular. In the first half of last year the management of our distributors in South-east Asia was transferred to our Hong Kong operation and this result shows the benefits of having a more local presence in the region.

Sales in the UK grew by 12.1% to £3.1m (H1 2011: £2.8m), representing 7.2% of Group revenue. Trading in this half year shows the robustness of our business model and it has been encouraging to see strong adoption of non-primary antibody products, which grew by 49.0% excluding products from Ascent.

Gross margins for the period were strong at 68.8% against 66.8% for the same period last year. There was an increase of 1.6 percentage points coming from improvements in selling pricing, product mix and cost control, with a further 0.4 point benefit coming from relative exchange rates.

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 loss of £0.1m in the period (H1 2011: £0.4m gain), which is included within administration and management expenses.

A charge of £0.3m was recognised in the comparative period relating to external due diligence and consultancy costs associated with a potential acquisition which did not proceed.

Excluding the effect of foreign currency movements and the acquisition which did not proceed in H1 2011, and after adding back the costs of acquisition of Ascent (£0.2m) and amortisation of acquisition-related intangibles (£0.2m), expenses in the period were £13.4m, an increase of 17.7% over the previous year. This includes the operating costs of Ascent and MitoSciences (acquired in May 2011) for the first time and the main percentage increases were in staff-related costs, marketing and property-related costs, including an expansion and re-fit of our goods-in/goods-out area in the US office and relocation of the Japanese and Hong Kong offices to improve our logistics capabilities and in order to accommodate further growth.

Management's best estimate of the average annual effective tax rate expected for the full year is 24.9% (2010/11: 25.9%). This decrease is a result of the reduction in the UK's main rate of corporation tax from 28% to 26% in April 2011 and a further 1% reduction to 25% effective from April 2012. The effect of this has been partially offset as a result of a one-off prior period tax adjustment.

In the twelve months ended 31 December 2011, the number of products in our catalogue had grown by 18.3% to 81,818. Growth in primary antibodies was 18.1% as we continued to expand our work antibody supplier base and receive a good pipeline of new products from existing suppliers. The catalogue of non-primary antibody products increased by 18.9%, notable amongst which are ranges of immunoassays and wheat-expressed proteins.

Key to Abcam's growth is the addition of data to the products via our product data fly-wheel. Indeed, we think of this data as an integral part of the product and equally as important as the physical product or 'molecule that sits in the tube'. We are therefore pleased that work performed in our in-house laboratories has enabled an increase of 32% in the rate of addition of product data, compared with the same period last year, across applications such as flow cytometry, western blot, immunohistochemistry and immunocytochemistry.

The integrations of Ascent and MitoSciences are now largely complete, with the locations themselves now being referred to as Abcam Bristol and Abcam Eugene respectively. We are branding the products supplied by Ascent as Abcam Biochemicals. Our thanks go to everyone's sterling efforts across our business which have enabled this and set us up so well for an exciting future together.

Abcam's strong logistics, eCommerce and product management platforms have been developed in-house and are pivotal in supporting our growth and margins. An assessment has been undertaken during the period as to how these platforms might be improved further to enhance our product category expansion strategy, geographic expansion and assist the quick, smooth integration of future acquisitions. We believe that further investment in our systems will enable us to deliver more rapid incremental change in these areas and consequently in the second half of the year we will be beginning a programme of system development to deliver these objectives. Part of this programme will also focus on our public facing website, making sure that we remain at the forefront of eCommerce technologies so as to maximise sales.

The Group's cash flow continues to be strong, with cash generated by operations of £16.9m (H1 2011: £15.2m) which, after working capital movements, represents a cash conversion ratio of 90.2%. A total of

£0.7m was spent in the period on capital equipment. Closing cash, cash equivalents and short-term deposits were £56.1m (H1 2011: £47.0m).

Basic earnings per share (EPS) were 7.09p (H1 2011: 6.17p). The basic EPS for H1 2012 uses the weighted average of 181.9m shares (H1 2011: 179.9m). Adjusted diluted EPS, after adding back costs of acquisition and amortisation of associated intangibles, increased by 18.6% to 7.13p per share (H1 2011: 6.01p).

Currency exposure

The weighted average exchange rates applied to revenue and cost of sales in the year are shown in note 12 to the interim financial information.

Whilst the relative exchange rates have served to reduce revenues slightly, as explained above, they have improved the gross margin percentage because of the different mix of currencies for sales and cost of sales.

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 also set out in note 12.

Dividend

The Company's Directors are pleased to announce a 16.6% increase in the interim dividend to 1.69p per share (H1 2011: 1.45p), which is in line with the increase in profit after tax and the change made in the dividend policy in the 2011 financial year to increase the proportion of annual post-tax profit distributed as dividend to 40%.

The dividend is payable on 20 April 2012 to shareholders whose names are on the register at close of business on 23 March 2012.

Joint broker

We are pleased to announce today that Peel Hunt LLP has been appointed as joint broker with immediate effect. Numis Securities Limited remains as the Company's nominated advisor, financial advisor and joint broker.

Outlook

Despite uncertainties surrounding funding and a squeeze on global research budgets in many countries, our company continues to grow market share. This is testament to the strength of our business model and the hard work and determination of Abcam's employees. We would like to thank them once again for their immense efforts and commitment.

We continue to develop deep and mutually beneficial relationships with our trusted suppliers and to see a healthy pipeline of antibodies and related products that we can feed onto our unique web sales and marketing distribution platform.

These are exciting times for Abcam as we continue to source new products to add to our catalogue whilst also searching for M&A opportunities. We are delighted to have announced today an agreement to acquire Epitomics International Inc, which marks a gigantic step towards our ambition of creating the world's leading life science reagents company.

Once again, our thanks go to all our stakeholders: employees, customers, suppliers and investors. Your continuing support and enthusiasm mean a great deal to us.

Mike Redmond
Chairman
2 March 2012

Jonathan Milner
Chief Executive Officer

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
2 March 2012

Jeff Iliffe
Chief Financial Officer

INDEPENDENT REVIEW REPORT

For the six months ended 31 December 2011

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 2011 which comprises the Condensed Consolidated Income Statement, the Reconciliation of Adjusted Financial Measures, 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 14. 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 IAS 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 2011 is not prepared, in all material respects, in accordance with IAS 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
2 March 2012

CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 31 December 2011

	Notes	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Continuing operations				
Revenue		44,679	39,353	83,272
Cost of sales		(13,928)	(13,080)	(27,239)
Gross profit		30,751	26,273	56,033
Administration and management expenses excluding share-based payments charge		(11,605)	(9,281)	(20,104)
Share-based payments charge		(646)	(453)	(985)
Total administration and management expenses		(12,251)	(9,734)	(21,089)
Research and development expenses excluding share-based payments charge		(1,494)	(1,484)	(3,070)
Share-based payments charge		(95)	(73)	(161)
Total research and development expenses		(1,589)	(1,557)	(3,231)
Operating profit		16,911	14,982	31,713
Investment revenue		272	170	398
Profit before tax		17,183	15,152	32,111
Tax	4	(4,282)	(4,050)	(8,306)
Profit for the period attributable to shareholders		12,901	11,102	23,805
Earnings per share from continuing operations				
Basic	5	7.09p	6.17p	13.23p
Diluted	5	6.97p	6.01p	12.98p
Adjusted diluted	5	7.13p	6.01p	13.08p

RECONCILIATION OF ADJUSTED FINANCIAL MEASURES
For the six months ended 31 December 2011

	Notes	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Profit before tax		17,183	15,152	32,111
Acquisition costs		173	—	202
Amortisation of acquisition-related intangible assets		208	—	11
Profit before tax (adjusted)		17,564	15,152	32,324

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2011

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Profit for the period	12,901	11,102	23,805
Movements on cash flow hedges	626	(1,145)	(1,263)
Exchange differences on translation of foreign operations	86	83	(17)
Tax relating to components of other comprehensive income	(804)	1,411	2,902
Other comprehensive income for the period	(92)	349	1,622
Total comprehensive income for the period	12,809	11,451	25,427

CONDENSED CONSOLIDATED BALANCE SHEET
As at 31 December 2011

	Notes	(Unaudited) As at 31 Dec 2011 £000	(Unaudited) As at 31 Dec 2010 £000	(Audited) As at 30 Jun 2011 £000
Non-current assets				
Goodwill	6	9,651	—	2,062
Intangible assets		4,167	472	2,097
Property, plant and equipment		2,703	2,587	2,481
Deferred tax asset		2,554	2,603	3,509
Derivative financial instruments		93	—	21
		19,168	5,662	10,170
Current assets				
Inventories		12,653	10,198	10,695
Trade and other receivables		9,854	7,883	9,910
Cash and cash equivalents		25,502	35,509	31,932
Short-term deposits		30,558	11,500	23,637
Derivative financial instruments		383	325	183
		78,950	65,415	76,357
Total assets		98,118	71,077	86,527
Current liabilities				
Trade and other payables		(7,646)	(6,516)	(8,335)
Current tax liabilities		(3,970)	(3,320)	(2,891)
Deferred tax liabilities		(140)	—	—
Derivative financial instruments		(591)	(603)	(799)
		(12,347)	(10,439)	(12,025)
Net current assets		66,603	54,976	64,332
Non-current liabilities				
Deferred tax liability		(781)	—	(430)
Derivative financial instruments		(62)	(283)	(152)
		(843)	(283)	(582)
Total liabilities		(13,190)	(10,722)	(12,607)
Net assets		84,928	60,355	73,920
Equity				
Share capital	7	367	361	364
Share premium account		20,291	13,811	15,400
Own shares		(1,643)	(1,170)	(1,165)
Translation reserve		316	347	251
Share-based payments reserve		3,643	2,319	2,881
Hedging reserve		(14)	(385)	(477)
Deferred tax reserve		1,516	1,969	2,636
Retained earnings		60,452	43,103	54,030
Total equity attributable to shareholders		84,928	60,355	73,920

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 31 December 2011

	Share capital £000	Share premium £000	Own shares £000	Translation reserve ¹ £000	Share-based payments reserve ² £000	Hedging reserve ³ £000	Deferred tax reserve ⁴ £000	Retained earnings £000	Total £000
Balance as at 1 July 2011	364	15,400	(1,165)	251	2,881	(477)	2,636	54,030	73,920
Profit for the period	—	—	—	—	—	—	—	12,901	12,901
Exchange differences on translation of foreign operations	—	—	—	65	21	—	—	—	86
Movements on cash flow hedges	—	—	—	—	—	626	—	—	626
Tax relating to components of other comprehensive income	—	—	—	—	—	(163)	(1,120)	479	(804)
Total comprehensive income for the period	—	—	—	65	21	463	(1,120)	13,380	12,809
Issue of share capital	3	4,891	(478)	—	—	—	—	—	4,416
Share-based payments charge	—	—	—	—	741	—	—	—	741
Payment of dividends	—	—	—	—	—	—	—	(6,958)	(6,958)
Balance as at 31 December 2011	367	20,291	(1,643)	316	3,643	(14)	1,516	60,452	84,928

	Share capital £000	Share premium £000	Own shares £000	Translation reserve ¹ £000	Share-based payments 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 payments 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

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 2011

	Notes	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Net cash inflow from operating activities	8	13,706	12,015	25,483
Investing activities				
Investment income		218	99	291
Proceeds on disposal of property, plant and equipment		—	30	30
Purchase of property, plant and equipment		(746)	(574)	(1,038)
Purchase of intangible assets		(55)	(64)	(147)
Acquisition of subsidiary, net of cash and borrowings acquired	9	(5,901)	—	(2,448)
Net cash used in investing activities		(6,484)	(509)	(3,312)
Financing activities				
Dividends paid		(6,958)	(5,256)	(7,876)
Proceeds on issue of shares		417	412	895
Purchase of own shares		—	—	(4)
(Increase)/decrease in short-term deposits		(6,921)	11,537	(600)
Net cash (used in)/from financing activities		(13,462)	6,693	(7,585)
Net (decrease)/increase in cash and cash equivalents		(6,240)	18,199	14,586
Cash and cash equivalents at beginning of period		31,932	17,185	17,185
Effect of foreign exchange rates		(190)	125	161
Cash and cash equivalents at end of period		25,502	35,509	31,932

NOTES TO THE INTERIM FINANCIAL INFORMATION

For the six months ended 31 December 2011

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 2011 were approved by the Board of Directors and have been delivered to the Registrar of Companies. The auditor reported on those accounts; his 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 2011.

Risks and uncertainties

An outline of the key risks and uncertainties faced by the Group was described in the 2011 financial statements, including the level of grant funding by central governments, 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 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Current tax	4,704	3,600	8,972
Deferred tax	(422)	450	(666)
	4,282	4,050	8,306

Corporation tax for the six month period is charged at 24.9% (six months ended 31 December 2010: 26.7%; year ended 30 June 2011: 25.9%), 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 UK Government announced a reduction in the standard rate of the UK corporation tax to 25% effective 1 April 2012, which was substantively enacted in July 2011, and has proposed further reductions by 1% per annum to 23% by 1 April 2014. These further tax rate reductions had not been substantively enacted at the balance sheet date and therefore have not been reflected in these interim financial statements.

5. Earnings per share

The calculation of basic and diluted EPS is based upon the following data:

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Earnings			
Earnings for the purposes of basic and diluted EPS being net profit attributable to equity holders of the parent	12,901	11,102	23,805
Number of shares			
Weighted average number of ordinary shares for the purposes of basic EPS	181,857,330	179,862,567	179,865,322
Effect of dilutive potential ordinary shares:			
– share options	3,278,842	4,839,010	3,541,456
Weighted average number of ordinary shares for the purposes of diluted EPS	185,136,172	184,701,577	183,406,778

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the period. Own shares held by the Abcam Employee Share Benefit Trust are eliminated from the weighted average number of ordinary shares.

Diluted EPS is calculated on the same basis as basic EPS but with a further adjustment to the weighted average shares in issue to reflect the effect of all potentially dilutive share options. The number of potentially dilutive share options 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.

Adjusted earnings per share

The calculation of adjusted EPS excluding acquisition costs and amortisation of associated intangible assets is based on earnings of:

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Earnings for the purposes of basic and diluted EPS being net profit attributable to equity holders of the parent	12,901	11,102	23,805
Acquisition costs	173	—	202
Amortisation of associated intangible assets	208	—	11
Tax effect of adjusting items	(74)	—	(24)
Profit after tax excluding acquisition costs and amortisation of associated intangible assets	13,208	11,102	23,994

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

Adjusted EPS after adding back acquisition costs and amortisation of associated intangible assets:

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Adjusted basic EPS	7.26p	6.17p	13.34p
Adjusted diluted EPS	7.13p	6.01p	13.08p

The adjusted EPS information is considered to provide a fairer representation of the Group's trading performance.

6. Goodwill

	£000
Cost	
At 1 July 2011	2,062
Recognised on acquisition of subsidiary (see note 9)	7,589
At 31 December 2011	9,651
Accumulated impairment losses	
At 1 July 2011 and 31 December 2011	—
Carrying amount	
At 30 June 2011	2,062
At 31 December 2011	9,651

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating units (CGUs) that are expected to benefit from that business combination. The carrying amount of goodwill is allocated as follows:

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
MitoSciences Inc (a single CGU)	2,062	—	2,062
Ascent Scientific Ltd (a single CGU) (see note 9)	7,589	—	—
	9,651	—	2,062

The Group performs an annual test for impairment or more frequently if there are any indications that goodwill might be impaired. No indications that goodwill might be impaired were noted at the date of these interim financial statements.

7. Share capital

Share capital as at 31 December 2011 amounted to £367,075. During the period, the Group issued 655,431 shares as a result of the exercise of share options and a further 1,157,481 shares as part consideration for the acquisition of Ascent Scientific Limited (see note 9). This increased the number of shares in issue from 181,724,652 to 183,537,564.

8. Note to the cash flow statement

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Operating profit for the period	16,911	14,982	31,713
Adjustments for:			
Depreciation of property, plant and equipment	741	679	1,380
Loss on disposal of property, plant and equipment	4	—	8
Amortisation of intangible assets	311	132	210
Impairment losses on intangible assets	—	—	38
Increase in provisions	2	—	25
Change in fair value of derivatives outstanding at year end	56	(142)	(74)
Share-based payments charge	741	526	1,146
Operating cash flows before movements in working capital	18,766	16,177	34,446
Increase in inventories	(1,435)	(1,125)	(1,388)
Decrease/(increase) in receivables	686	305	(1,628)
(Decrease)/increase in payables	(1,095)	(156)	1,423
Cash generated by operations	16,922	15,201	32,853
Income taxes paid	(3,216)	(3,186)	(7,370)
Net cash inflow from operating activities	13,706	12,015	25,483

9. Acquisition of subsidiary

On 12 September 2011, the Company acquired 100% of the issued share capital of Ascent Scientific Limited (Ascent) for total consideration of £10m. Total consideration comprised £6m cash and 1,157,481 Abcam plc ordinary shares of 0.2p each with a fair value of £4m being derived from the rolling 25 day average price of 345.58p per share terminating three trading days prior to completion.

Ascent, a UK-based company, focuses on building a range of high quality biochemicals for use by scientific researchers for modulating the function of proteins. The acquisition further extends the Group's product portfolio and is in line with the strategy of becoming the world's leading supplier of protein research tools.

The table below summarises the consideration paid for Ascent as well as the amounts recognised at the acquisition date of the assets acquired and liabilities assumed.

Under IFRS 3 (revised) Abcam has a period of twelve months to finalise the provisional fair values of the assets and liabilities acquired.

Recognised amounts of identifiable assets acquired and liabilities assumed

Non-current assets

Intangible assets	2,241
Property, plant and equipment	136

Current assets

Inventories	511
Trade and other receivables	263
Cash and cash equivalents	199

Current liabilities

Trade and other payables	(189)
Current tax liabilities	(44)
Borrowings	(14)

Non-current liabilities

Borrowings	(86)
Deferred tax liability	(606)

Total identifiable net assets **2,411**

Goodwill 7,589

Total consideration **10,000**

Settled by:

Cash	6,000
Equity instruments (1,157,481 ordinary shares of Abcam plc)	4,000

Total consideration transferred **10,000**

Net cash outflow arising on acquisition

Cash consideration	6,000
Less: cash and cash equivalent balances acquired, net of borrowings	(99)

5,901

The goodwill of £7,589,000 arising from the acquisition represents the acquired product pipeline opportunities, expanded customer base and a highly knowledgeable workforce. None of the goodwill recognised is expected to be deductible for tax purposes.

Acquisition-related costs totaling £139,000 are included within administrative expenses in the consolidated income statement for the six-month period ended 31 December 2011. Further acquisition-related costs of £6,000 have been incurred since the balance sheet date.

The fair value of trade and other receivables is £263,000 which includes trade receivables with a fair value of £131,000 and a gross contractual value of £168,000, of which £37,000 is expected to be uncollectible.

During the period from the date of acquisition to the balance sheet date, Ascent contributed £484,000 to the Group's revenue from sales to third parties and a loss of £86,000 to the Group's profit before tax, after amortisation of intangibles of £144,000.

If Ascent had been consolidated from 1 July 2011, Group revenues for the period would have been £44,967,000 and Group profit before tax would have been £17,094,000, after amortisation of intangibles of £216,000.

10. 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 £18,566 (six months ended 31 December 2010: £7,850; year ended 30 June 2011: £20,394) and paid £35,354 in royalties (six months ended 31 December 2010: £26,004; year ended 30 June 2011: £63,101). £12,785 relating to these royalties was outstanding at the period end (31 December 2010: £9,462; 30 June 2011: £12,648).

11. Dividends

	(Unaudited) Six months ended 31 Dec 2011 £000	(Unaudited) Six months ended 31 Dec 2010 £000	(Audited) Year ended 30 Jun 2011 £000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 30 June 2011 of 3.80p (2010: 2.922p*) per share	6,958	5,256	5,256
Interim dividend for the year ended 30 June 2011 of 1.45p per share	—	—	2,620
Total distributions to equity holders in the period	6,958	5,256	7,876
Proposed interim dividend for the year ended 30 June 2012 of 1.69p (2011: 1.45p) per share	3,102	2,619	—
Proposed final dividend for the year ended 30 June 2011 of 3.80p per share	—	—	6,906

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

The proposed interim dividend of 1.69p per share was approved by the Board on 2 March 2012 and has not been recognised as a liability as at 31 December 2011. It will be recognised in shareholders' equity in the year ended 30 June 2012.

12. 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 2012	10,073	1.58	9,928	1.16	356,772	128.91
Year ending 30 June 2013	14,252	1.56	13,458	1.16	485,536	121.96
Year ending 30 June 2014	3,300	1.55	3,000	1.17	108,000	117.82

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 2012	
	H1 2012	H1 2011	H1 2012	H1 2011	Revenue	Cost of sales
	£	£	£	£	%	%
US Dollar	1.604	1.554	1.603	1.538	54.9	69.0
Euro	1.145	1.185	1.144	1.180	26.2	8.4
Japanese Yen	124.574	131.218	124.515	134.229	11.3	2.5
Hong Kong Dollar	12.446	12.908	12.453	11.982	0.3	0.7
Sterling	—	—	—	—	7.3	19.4
					100.0	100.0

The exchange rates reported for sales in the second half of last year were £1:\$1.619, €1.152, ¥131.8.

13. Date of approval of interim financial statements

The interim financial statements cover the period 1 July 2011 to 31 December 2011 and were approved by the Board on 2 March 2012.

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 investor relations website, www.abcamplc.com.

14. Events after the balance sheet date

Business combination

The Group has entered into an agreement to acquire the entire issued share capital of Epitomics International Inc (Epitomics), a high growth antibody business, headquartered in San Francisco, California, with operations in China, for gross consideration of \$170m.

Abcam has received irrevocable undertakings to accept the Offer in respect of approximately 80% of the issued share capital of Epitomics, and the transaction is expected to close in approximately one to two months' time.

Epitomics is focused on the development, production and distribution of best-in-class monoclonal antibodies for biomedical research and diagnostic applications. It provides a compelling strategic fit with Abcam which supports the Company's vision of becoming the world's leading life science tools company.

A new £20 million revolving credit facility has been put in place to part fund the acquisition.

BOARD OF DIRECTORS

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Chairman

Jonathan Milner, PhD
Chief Executive Officer

Jeff Iliffe, ACA
Chief Financial Officer

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Murray Hennessy, MBA
Non-Executive Director

Peter Keen, ACA
Non-Executive and Senior Independent Director

Tony Kouzarides, PhD
Non-Executive Director

Anthony Martin, PhD
Non-Executive Director

Michael Ross, MA
Non-Executive Director

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