

5 September 2006

## **ABCAM PLC**

("Abcam" or "the Company")

### **Preliminary Results for the Twelve Months ended 30 June 2006**

**Cambridge, UK: Abcam plc** (AIM: ABC), a rapidly growing bioscience company that markets antibodies via an online catalogue, is pleased to announce its audited preliminary results for the twelve months ended 30 June 2006.

#### **Highlights**

- Sales increased 60% to £19.4 million (2005: £12.1 million)
- Pre-tax profits increased 65% to £4.9 million (2005: £3.0 million)
- EPS increased 34% to 11.53p (2005: 8.6p)
- Continued expansion of product range: 23,200 products available on the Abcam website at end June 2006, up 41% from 16,500 products at end June 2005
- Continued geographic expansion
  - Significant contribution in sales and profits in the year from US office
  - New office opened in Japan, the world's third largest market for research antibodies
- Net cash and short term investments of £11.9 million as at 30 June 2006
- Proposed final dividend of 2.0p per share

**Commenting on today's announcement, Jonathan Milner, Abcam's Chief Executive Officer, said:** "Abcam has made outstanding progress throughout the financial year. We have increased our sales and continue to place particular emphasis on our gross margins. We have expanded our efforts in overseas markets, particularly in US and Japan, so as to improve our geographical reach. I would like to thank our staff, shareholders and other stakeholders for their continued support."

**Also commenting on the announcement, David Cleevely, Abcam's Chairman, said** "We enjoyed an exciting and prosperous financial year in 2005/06, and I am equally positive about the opportunities and prospects that lie ahead."

#### **For further information:**

<b>Abcam</b> Jonathan Milner, Chief Executive Officer Eddie Powell, Chief Financial Officer www.abcam.com	<b>+ 44 (0) 1223 696000</b>
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## **Notes for editors**

### **About Abcam**

Abcam is a producer and distributor of research-grade antibodies headquartered in Cambridge, UK, with a US office located in Cambridge, Massachusetts. Abcam was admitted to AIM in November 2005 and trades under the ticker symbol ABC. The Company produces and distributes its own and third party produced antibodies to academic and commercial users throughout the world with product information provided and ordering available through the Company's website, [www.abcam.com](http://www.abcam.com). The antibodies are sold almost entirely under the Abcam brandname. The Company's vision is to build the largest online antibody resource in the world while also ensuring that the antibodies are of high quality and commercially viable. Abcam now has an online catalogue of over 23,000 products, most of which are antibodies, from over 200 sources supported by up-to-date and detailed technical data sheets, which are created by the Company. Currently the Company employs 100 staff.

### **About antibodies**

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

## **Chairman's Statement**

I am delighted to present Abcam's first results as a public company. We enjoyed an exciting and prosperous financial year in 2005/06, and I am equally positive about the opportunities and prospects that lie ahead.

Abcam provides antibody reagents that scientists use to identify proteins. Research into the roles and effects of proteins has grown significantly in recent years, particularly since the human genome project was completed. Estimates of the number and diversity of proteins that have important implications for health and disease continue to increase, and in the future we are likely to witness many more groundbreaking discoveries. As the world's largest online antibody resource, Abcam is well placed to develop and supply the tools that allow such discoveries to be made, and to contribute to mankind's progress in understanding health and disease.

I am especially pleased by the contributions made by Abcam's hard-working and loyal employees to the Group's continuing success post flotation. Abcam is fortunate to have a first-class management team and dedicated staff who all work together to deliver the best-quality antibody reagents to our customers.

Abcam's culture enables it quickly to recognise changes in the marketplace and create opportunities for the Company. I am proud of Abcam's track record in identifying new products and techniques, and I continue to be impressed by our team's ability to innovate and expand in this exciting market.

Abcam's goal is to deliver the best antibodies to our customers and to become the world's largest research antibody supplier. Abcam is increasingly regarded in the industry as an attractive partner by smaller companies that lack our geographical and market penetration, and we continue to interest a growing number of companies that do not focus primarily on research antibodies. As a consequence we have established partnerships and supplier agreements with many of the world's best sources of antibodies. With our reputation for flexibility and trustworthiness among suppliers, we have recently been able to close a number of such deals, including the recently announced acquisition of the rights to distribute exclusively the range of antibodies developed by Triple Point Biologics Inc. We will continue to develop our relationships with other suppliers of antibodies, and to look for opportunities to acquire product lines that we can sell either exclusively or non-exclusively.

We also provide new and unique products of the highest quality in the form of our own antibodies. Currently, these products represent a small fraction of our catalogue, but they generate disproportionately high revenue and profits. We have been building resources and developing expertise in the identification and production of antibodies, and we are now looking to increase investment in our own manufacturing capability. We are currently investigating the most effective way of achieving this.

## **Outlook**

I am optimistic about Abcam's future: it has great potential to continue to expand in the medium to longer term. The Group's management is very focused on profitable growth and I believe that they have put in place the operational processes, product acquisition and marketing and sales strategies to enable this to happen.

## **Corporate governance**

The Board intends to follow best practice wherever practical. As a major step in this direction, I am pleased to welcome Tim Dye and Mark Webster to the Board as Non-Executive Directors from 1 July 2006.

Tim Dye is currently Chairman and Chief Executive of William Ransom & Son plc, a healthcare company quoted on A/M. He brings to the Board a wealth of experience in mergers and acquisitions and in growing a successful company.

Mark Webster is a highly experienced pharmaceutical executive. Most recently he was at Bayer Healthcare where he was Senior Vice President, Head of Global Strategic Marketing and Licensing/ Acquisitions for Bayer Pharmaceuticals. His skills and experience in sales and marketing will be of enormous benefit to Abcam in the future.

Including Peter Keen, the addition of Tim Dye and Mark Webster brings the number of independent Non-Executive Directors to three, each of whom contributes valuable and complementary skills and experience to the Board.

## **Dividend**

A dividend of 3.25p was paid prior to the listing on A/M. In accordance with the Directors' stated intention following the floatation of paying dividends from each year's profits equal to 25% of that year's profit after tax, an interim dividend of 0.7p for this year was paid in April 2006. The Directors recommend a final dividend of 2.0p per share, making a total of 2.7p since floatation, which equates to paying 25% of the profit after tax for the year ended 30 June 2006. Subject to shareholder approval at the annual general meeting in October, all shareholders on the register on 27 October 2006 will receive this dividend on 24 November 2006.

I would like to take this opportunity to thank all our staff for their efforts, and our customers, suppliers and shareholders for their support for Abcam.

**David Cleevely**  
**Chairman**  
**4 September 2006**

## **CEO's Report**

Abcam has made outstanding progress in the last financial year. Sales increased by 60% to £19.4m (from £12.1m in 2005) and profit before tax increased by 65% to £4.9m (from £3.0m in 2005). It is satisfying to see that operating profit at 23.7% of sales is only slightly below the 24.0% achieved in 2005. This is despite the additional costs of being a publicly listed company and reflects the ability of the Company to scale its operations efficiently.

Cash balances and short term investments rose over the year by £10.4m to £11.9m. £9.3m of this increase came from the net proceeds of the A/M listing in November 2005, but the business itself continues to be very cash generative.

Our 60% growth in sales has been driven in part by the number of products published on the website. This grew by 41%, up from 16,500 at the end of June 2005 to 23,200 at the end of June 2006.

Products that we have published tend to sell more per month or per year the longer they have been available. We are therefore continuing not only to publish more products but also to provide more information about the antibodies, so as to exploit this dynamic. Growth in sales has also been the result of better market penetration, brand recognition and improved distribution.

The Company pays considerable attention to gross margins. A high priority is to increase significantly the number of products that are owned or exclusively distributed by Abcam in the medium term. Profitability is also affected by cost, and we continue to strive for greater operational efficiency.

Abcam is fortunate to have such enthusiastic, high-quality staff. Through our recruitment programme, we have attracted some very able and experienced individuals and we have 28 biochemist PhD staff, many with valuable years of post-doctoral research experience. We are committed to further enhancing the team through a new programme of staff training and development.

Abcam at a glance:

- Highly cash-generative business
- Double digit rate of growth in sales and profits
- High rate of new product addition
- Established brand
- Rapid penetration of geographic markets
- Concentration on gross margins and efficiency equals outstanding profitability
- Highly scalable operations
- Talented and enthusiastic staff
- Commitment to staff training and development

**Jonathan Milner**  
**CEO**  
**4 September 2006**

## **Managing Director's Report**

Abcam continually seeks to improve its business processes and systems in order that we can scale effectively. Central to this strategy is our in-house IT and web-development capability, which we have steadily expanded to ensure that we can continue to make such efficient and scalable progress in the future.

As an example of how our IT systems integrate with our despatch operations, we have introduced a robotic stock-storage and retrieval system in the UK that greatly increases our stock-storage density and enables us to process and deliver orders to our customers faster and more reliably. Once this system is fully implemented we will implement a second system in the US office.

We see a big opportunity to increase sales by extending our geographical reach, boosting our market penetration and raising our brand awareness. Our US office in Cambridge, Massachusetts, has recently lengthened its operating hours in order to service customers on the West Coast, and this has proved very effective. We have also introduced Saturday working in the USA so that orders placed on a Friday will reach customers on Monday morning.

Japan is probably the third most important market for antibodies after the USA and the EU, and so we are keen to improve our market penetration there. Implementation of our plan to have a functional sales-generating Japanese office is now well underway. We now have a subsidiary company incorporated with premises in the country, and are in the process of recruiting operational staff. We recognise, through our existing relationships with distributors, that Japan is a challenging market and that building our presence in it may take some time, but the long-term potential in the region for increased sales and margins via our own operation is very good.

We will also be putting in place IT systems-architecture changes that allow the Japanese office to operate on an entirely standalone IT platform. This will periodically be consolidated with the central UK systems, improving the local performance of the website (via local servers in Japan), as well as allowing us to develop additional regional offices more efficiently in the future.

We place considerable emphasis on responsibility for and communication with our employees. We keep all employees informed of what is happening in the group with weekly update meetings. These are supplemented with presentations given every quarter by each head of department. Finally, group strategy is agreed each year as part of the annual budget and planning cycle with all department heads, and they then ensure that employees in their department understand that department's objectives and targets.

**Jim Warwick**  
**Managing Director**  
**4 September 2006**

## **Financial Review**

### **Equity**

On 3 November 2005, the Company was admitted to the A/M. In the process, 5,988,024 1p ordinary shares were issued at a price of 167p per share, raising £10.0m gross (£9.2m after expenses).

Additionally, during the year 6,789 4p ordinary shares (equivalent to 271,560 1p ordinary shares) and 400,280 1p ordinary shares were also issued pursuant to the exercise of share options raising £118,000. Full details are set out in note 3 to the accounts.

### **Sales**

Sales in the year increased to £19.4m, from £12.1m in the previous year. Sales increases in the main territories in which the Company operates over the previous year were as follows:

USA and Canada	65%
UK	36%
EU (excluding UK)	39%
Japan	60%
Rest of World	58%

The increase was particularly high in the USA where the Company's subsidiary, which was established in 2003, has successfully taken advantage of its presence in the country.

### **Gross margins**

The Company's gross margins, at 61.3%, remained broadly at the same level as the previous year's 61.5%. While there were some price rises from suppliers, these were quite modest and were largely offset by reductions in shipping rates and other costs.

### **Administrative expenses**

Although administrative expenses, which includes marketing and distribution costs, increased from £4.0m to £6.1m they decreased as a percentage of sales from 32.7% in the previous year to 31.5% this year despite the additional costs incurred as a result of Abcam being a public company.

### **Research and development expenses**

R & D expenditure increased significantly from 4.8% of sales to 6.3%. This is due to the Company's increasing drive to develop new products.

### **Profits**

Operating profits increased from £2.9m in the year ended June 2005 to £4.6m, although they fell slightly as a percentage of sales from 24.0% to 23.7% because of the increased R & D effort.

Interest income rose due to investment of the money raised at the IPO.

## **Tax**

The consolidated tax charge of £0.7m in the year ended 30 June 2005, which was 23.4% of profits before tax, rose to £1.2m, which is 24.9% of profits before tax for the year ended 30 June 2006. The main reason for the increased percentage is the higher proportion of the Group's profits being earned in the US, where taxes on profits are higher than in the UK.

## **Inventories**

Inventory levels rose more rapidly than sales due predominantly to an increase of Abcam own-produced inventories. This is because the production of antibodies involves batch sizes which are larger than the quantities required for immediate sale. Consequently the levels of inventories for these products is higher than would be the case for bought-in products.

## **Debtors**

Although a proportion of the Group's customers pay by credit card, the majority of sales are on credit, and so credit control is important to the management of working capital. Debtors are monitored by measuring the number of debtor days, and these improved slightly during the year, improving from 47 in the previous year to just over 45.

## **Creditors**

Creditors rose from £2.1m to £3.0m, an increase of 41%. This percentage increase is less than the overall increase of 60% of sales due to a lower level of purchases just before the end of the year together with a relatively lower level of accrued expenses at 30 June 2006 compared to the previous year.

## **Currency exposure**

The Group generates significant amounts of surplus dollars and euros. The policy for dealing with these is to sell forward at the start of each financial year 80% of the forecast surpluses month by month in order to minimise variations from budget due to exchange rates. In order therefore to hedge the exposure during the year commencing 1 July 2006 the Company had forward exchange contracts in place to sell \$9.6m and €3.6m. These contracts are essentially at rates of £1 to \$1.79 and £1 to €1.47.

**Eddie Powell**  
**Finance Director**  
**4 September 2006**



**ABCAM PLC**  
**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
Year ended 30 June 2006

	Note	£'000	Audited Year to 30.6.06 £'000	£'000	Audited Year to 30.6.05 £'000
<b>TURNOVER</b>			19,362		12,135
Cost of sales			(7,485)		(4,678)
<b>GROSS PROFIT</b>			<u>11,877</u>		<u>7,457</u>
Administrative expenses		(6,106)		(3,972)	
Research and development expenses		(1,226)		(582)	
			<u>(7,332)</u>		<u>(4,554)</u>
			4,545		2,903
Other operating income			42		15
<b>OPERATING PROFIT</b>			<u>4,587</u>		<u>2,918</u>
Interest receivable and similar income			313		59
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			<u>4,900</u>		<u>2,977</u>
Tax on profit on ordinary activities			(1,221)		(696)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>			<u><u>3,679</u></u>		<u><u>2,281</u></u>
<b>EARNINGS PER SHARE</b>					
Basic earnings per share	2		11.53p		8.59p
Fully diluted earnings per share			9.12p		7.59p
Dividends paid per share			5.95p		4.79p

All activities derive from continuing operations.

The statement of movements on reserves is shown in note 4.

**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
Year ended 30 June 2006

	Audited Year to 30.6.06 £'000	Audited Year to 30.6.05 £'000
Profit for the financial year	3,679	2,281
Foreign exchange differences	(23)	11
Total recognised gains and losses since the last annual report	<u><u>3,656</u></u>	<u><u>2,292</u></u>

**ABCAM PLC**  
**CONSOLIDATED BALANCE SHEET**  
**30 June 2006**

	Note	Audited 30.6.06 £'000	Audited 30.6.05 £'000
<b>FIXED ASSETS</b>			
Intangible assets		77	-
Tangible assets		1,094	835
		<u>1,171</u>	<u>835</u>
<b>CURRENT ASSETS</b>			
Stocks		2,358	1,187
Debtors		2,762	1,912
Short term investments		11,000	1,000
Cash at bank and in hand		884	510
		<u>17,004</u>	<u>4,609</u>
<b>CREDITORS: amounts falling due within one year</b>		(3,023)	(2,149)
		<u>13,981</u>	<u>2,460</u>
<b>NET CURRENT ASSETS</b>		<u>13,981</u>	<u>2,460</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		15,152	3,295
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		(112)	(80)
<b>NET ASSETS</b>		<u>15,040</u>	<u>3,215</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	345	28
Share premium account	4	10,573	1,568
Other reserves	4	335	335
Foreign exchange reserve	4	(8)	15
Profit and loss account	4	3,795	1,269
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	5	<u>15,040</u>	<u>3,215</u>

These financial statements were approved by the Board of Directors on 4 September 2006  
Signed on behalf of the Board of Directors

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Dr E W Powell  
4 September 2006

**ABCAM PLC**  
**CONSOLIDATED CASH FLOW STATEMENT**  
Year ended 30 June 2006

	£'000	Audited Year to 30.6.06 £'000	£'000	Audited Year to 30.6.05 £'000
<b>Net cash inflow from operating activities</b>		3,547		2,571
<b>Returns on investments and servicing of finance</b>				
Interest received	<u>313</u>		<u>59</u>	
<b>Net cash inflow from returns on investments and servicing of finance</b>		313		59
<b>Taxation</b>				
Corporation tax paid	<u>(954)</u>		<u>(700)</u>	
<b>Tax paid</b>		(954)		(700)
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible fixed assets	(597)		(847)	
Payments to acquire intangible fixed assets	(100)		-	
Receipts from sales of tangible fixed assets	<u>6</u>		<u>22</u>	
<b>Net cash outflow from capital expenditure and financial investment</b>		(691)		(825)
<b>Equity dividends paid</b>		(1,153)		(1,317)
<b>Net cash outflow before management of liquid resources and financing</b>		<u>1,062</u>		<u>(212)</u>
<b>Management of liquid resources</b>				
Increase in short term deposits	<u>(10,000)</u>		<u>(150)</u>	
<b>Net cash outflow from management of liquid resources</b>		(10,000)		(150)
<b>Financing</b>				
Issue of ordinary share capital	<u>9,322</u>		<u>570</u>	
<b>Net cash inflow from financing</b>		9,322		570
<b>Increase in cash</b>		<u><u>384</u></u>		<u><u>208</u></u>

**ABCAM PLC**  
**NOTES TO THE ACCOUNTS**  
**Year ended 30 June 2006**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies have been applied consistently throughout the period.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Basis of consolidation**

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings Abcam Inc., Abcam KK and Camgene Ltd.

The financial information set out in the announcement does not constitute the company's statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the years ended 30 June 2005 and 2006 has been extracted from, and is consistent with, that in the Group's audited financial statements. The auditors reported on those accounts; their reports were unqualified and did not contain statements under section 237 (2) or (3) of Companies Act 1985. The statutory accounts for 30 June 2005 have been filed with the Registrar of Companies. The statutory accounts for 30 June 2006 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

**2. EARNINGS PER SHARE**

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

	<b>Audited 2006 £'000</b>	<b>Audited 2005 £'000</b>
Profit for the financial year	<u>3,679</u>	<u>2,281</u>
	Number of shares	Number of shares
Weighted average number of shares:		
Basic earnings per share	31,914,845	26,538,889
Assumed exercise of share options	845,725	353,907
Fully diluted earnings per share	33,050,430	26,932,877

### 3. CALLED UP SHARE CAPITAL

	<b>Audited 30.6.06 £'000</b>	<b>Audited 30.6.05 £'000</b>
<b>Authorised</b>		
100,000,000 (2005 - 4,000,000) ordinary shares of 1p each (2005 - 4p)	<u>1,000</u>	<u>160</u>
<b>Called up, allotted and fully paid</b>		
34,464,584 (2005 - 695,118) ordinary shares of 1p each (2005 - 4p)	<u>345</u>	<u>28</u>

Under the Company's Enterprise Management Incentive Scheme employees of Abcam plc held options at 30 June 2006 for 728,480 unissued 1p ordinary shares (2005 - 23,788 4p ordinary shares). During the year options for 6,789 4p ordinary shares and 229,760 1p ordinary shares were exercised.

Options for 7,308 4p ordinary shares were granted and options for 178 4p ordinary shares and 6,920 1p ordinary shares lapsed. The options outstanding at the end of the year were as follows:

Date of grant	Number of 1p shares	Option price per share	Date of Vesting
Apr-03	8,280	12.5p	Apr-05
Jun-03	100,000	25.0p to 50.0p	Jun-05 to Jun-06
Jul-04	121,920	25.0p	Jul-06
Dec-04	220,000	25.0p	2 years after a listing
Jul-05	218,280	62.5p	Jul-07
Sep-05	60,000	62.5p	Sep-07

Employees of Abcam plc also held options under an unapproved scheme at 30 June 2006 for 261,360 unissued ordinary shares (2005 - 4,263 4p ordinary shares) at exercise prices of 62.5p to 150.0p per share. 170,520 options for 1p ordinary shares were exercised during the year, and 6,534 options for 4p ordinary shares were granted. The options vest over the period January 2006 to July 2007.

Employees of Abcam Inc also held options under an unapproved scheme at 30 June 2006 for 55,320 unissued ordinary shares (2005 - nil) at an exercise price of \$1.125.

An option for 40,000 (2005 - 1,000 4p ordinary shares) 1p ordinary shares has been granted to a scientific advisor at an exercise price of 25.0p per share. The option vested in May 2005.

#### **Reconciliation of 1p ordinary shares to 4p ordinary shares.**

On 20 October 2005 a bonus issue of one 4p ordinary share for each 4p ordinary share took place. On 3 November 2005 each 4p ordinary share was split into four 1p ordinary shares. This was then immediately followed by a bonus issue of four 1p ordinary shares for each 1p ordinary share. The cumulative effect of these steps was that one 4p ordinary share before 20 October 2005 became forty 1p ordinary shares on or shortly before 3 November 2005.

During the period from 1 July 2005 to 2 November 2005 the company issued ordinary 4p shares as follows:

Date issued	Number of shares	Exercise price £	Total paid £
4/7/05	3,913	5.00	19,565
6/9/05	100	5.00	500
22/9/05	270	5.00	1,350
23/9/05	70	10.00	700
28/9/05	255	5.00	1,275
29/9/05	975	5.00	4,875
29/9/05	935	10.00	9,350
3/10/05	68	5.00	340
7/10/05	203	5.00	1,015
	<u>6,789</u>		<u>38,970</u>

During the period from 3 November 2005 to 30 June 2006 the company issued ordinary 1p shares as follows:

Date issued	Number of shares	Exercise price £	Total paid £
3/11/05	5,988,024	1.67	10,000,000
3/11/05	146,120	0.125	18,265
3/11/05	217,280	0.25	54,320
26/4/06	1,400	0.25	350
31/5/06	7,680	0.25	1,920
12/6/06	20,000	0.125	2,500
27/6/06	7,800	0.25	1,950
	<u>6,388,304</u>		<u>10,079,305</u>

#### 4. STATEMENT OF MOVEMENTS ON RESERVES

	Audited Share premium account £'000	Audited Other reserves £'000	Audited Foreign exchange reserve £'000	Audited Profit and loss account £'000
<b>GROUP</b>				
As at 1 July 2005	1,568	335	15	1,269
Retained profit for the year	-	-	-	3,679
Dividends paid	-	-	-	(1,153)
Bonus issues of shares	(253)	-	-	-
Premium on shares issued	10,056	-	-	-
Expenses of share issues	(798)	-	-	-
Currency translation difference	-	-	-	-
on foreign currency net investments	-	-	(23)	-
At 30 June 2006	<u>10,573</u>	<u>335</u>	<u>(8)</u>	<u>3,795</u>

<b>COMPANY</b>	<b>Audited Share premium account £'000</b>	<b>Audited Other reserves £'000</b>	<b>Audited Profit and loss account £'000</b>
As at 1 July 2005	1,568	335	1,138
Retained profit for the year	-	-	3,284
Dividends paid	-	-	(1,153)
Bonus issues of shares	(253)	-	-
Premium on shares issued	10,056	-	-
Expenses of share issues	(798)	-	-
At 30 June 2006	<u>10,573</u>	<u>335</u>	<u>3,269</u>

## 5. RECONCILIATION OF MOVEMENTS IN GROUP SHAREHOLDERS' FUNDS

	<b>Audited 2006 £'000</b>	<b>Audited 2005 £'000</b>
Profit for the year	3,679	2,281
Other recognised gains and losses relating to the year (net)	(23)	11
Add back: charge in respect of share options	-	17
	<u>3,656</u>	<u>2,309</u>
Dividends paid	(1,153)	(1,317)
Issue of shares net of issuing costs	9,322	570
Net addition to shareholders' funds	11,825	1,562
Opening shareholders' funds	3,215	1,653
Closing shareholders' funds	<u>15,040</u>	<u>3,215</u>

## 6. POST BALANCE SHEET EVENTS

On 11 August 2006 the Company entered into an agreement with Triple Point Biologics Inc. Under the terms of the deal, Abcam will acquire the exclusive worldwide distribution rights to distribute that company's complete range of products for a period of ten years for an initial payment of \$2m plus an earn-out payment based on a percentage of sales achieved during the first four years, subject to a cap of \$8m. Based on current estimates of future sales the directors expect the provision for the earn-out payment will amount to approximately \$1.4m. In addition Abcam will pay a royalty based on a percentage of sales for the entire ten year term.