OxfordBioMedica

OXFORD BIOMEDICA PLC
INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2013

Oxford, UK – 29 August 2013: Oxford BioMedica plc ("Oxford BioMedica" or "the Company") (LSE: OXB), the leading gene-based biopharmaceutical company, today announces its unaudited interim results for the six months ended 30 June 2013. Year to date highlights include:

OPERATIONAL HIGHLIGHTS:

- **Manufacturing: alliances in vector manufacturing, research, development and IP**
  Novartis development and manufacturing collaboration announced in May:
  - Oxford BioMedica to manufacture a lentiviral vector encoding CTL019
  - Expected to generate between £2.5 million to £4 million of income over initial 12 months

- **Development: LentiVector® platform evolution supports next generation of products**
  Sanofi programmes:
  - Positive StarGen™ DSMB review of first three patient cohorts (n=12) in Phase I/IIa trial
  - UshStat® video selected to showcase theme of "Life-changing Research" at ARVO 2013

  Mayo Clinic, Rochester (USA) collaboration:
  - Glaucoma-GT pre-clinical evaluation demonstrated further positive data
  - Long-term gene expression out to five months

  ProSavin®
  - Non-clinical programme for enhanced product construct on track

  New product opportunities:
  - Pre-clinical evaluation of new product opportunities ongoing

- **Industry collaborations: 5T4 tumour antigen platform**
  TroVax® investigator-led Phase II programme:
  - Phase II study in mesothelioma underway at Velindre Cancer Centre, Wales

FINANCIAL HIGHLIGHTS[1]:

- Revenue of £2.1 million (H1 2012 £4.4 million), including £0.6 million from Novartis collaboration
- Research & Development costs of £6.8 million (H1 2012 £6.9 million)
- Net loss of £5.9 million (H1 2012 £4.9 million)
- Net cash burn[2] of £7.3 million (H1 2012 £7.8 million)
- Net cash[3] at 30 June 2013 of £6.9 million (31 December 2012: £14.1 million)

POST PERIOD END HIGHLIGHTS:

- TroVax® Phase II prostate cancer data and pre-treatment biomarker analyses published in *Cancer Immunology, Immunotherapy*
- Oxford BioMedica announced as winner of Technology Strategy Board funding award
- US$1 million milestone payment from Pfizer triggered in August
  - Phase I clinical trial for 5T4-targeted antibody therapy underway
- Net cash[3] at 26 August 2013 of £6.8 million (excluding US$1 million to be received from Pfizer)

1. Unaudited results
2. Net cash used in operating activities plus sales and purchases of non-current assets
3. Cash, cash equivalents and available for sale investments

John Dawson, Chief Executive Officer at Oxford BioMedica, said: *"Oxford BioMedica remains at the forefront of UK biopharmaceutical development and innovation and we are proud to be working with industry leaders such as Novartis, Sanofi and Pfizer, and prestigious centres around the world on pioneering gene-based therapies.*

"Being an innovator in the field presents its challenges, however we believe our industry alliances provide independent validation of our research, development and manufacturing capabilities, and strong foundations upon which to build a financially self-sustainable company. Our LentiVector® gene delivery technology underpins a promising pipeline of product candidates and we continue to seek new sources of revenue, including grant funding awards, in order to maximise our opportunity to bring life-changing treatments to patients."

-Ends-

An analyst briefing will be held at 09:30am BST on Thursday, 29 August 2013 at the offices of Consilium Strategic Communications, 11th Floor, CityPoint, 1 Ropemaker Street, London, EC2Y 9AW. There will be a simultaneous live conference call and the presentation will be available on the Company's website at www.oxfordbiomedica.co.uk.

Please visit the website approximately 10 minutes before the conference call, at 09:20am BST, to download the presentation slides. Conference call details:

Participant dial-in: +44 (0) 1452 555566
Conference ID: 35449628

An audio replay file will be made available shortly afterwards via the Company's website on the "Media/Download centre/Webcasts and audio" section. Alternatively, you may listen to the replay by dialling the following number:

Dial-in for replay (available until 05-09-2013): +44 (0) 1452 550000
Conference ID: 35449628

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Disclaimer

This press release contains "forward-looking statements", including statements about the discovery, development and commercialisation of products. Various risks may cause Oxford BioMedica's actual results to differ materially from those expressed or implied by the forward-looking statements, including adverse results in clinical development programmes; failure to obtain patent protection for inventions; commercial limitations imposed by patents owned or controlled by third parties; dependence upon strategic alliance partners to develop and commercialise products and services; difficulties or delays in obtaining regulatory approvals and services resulting from development efforts; the requirement for substantial funding to conduct research and development and to expand commercialisation activities; and product initiatives by competitors. As a result of these factors, prospective investors are cautioned not to rely on any forward-looking statements. Oxford BioMedica disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Notes to editors

1. About Oxford BioMedica®

Oxford BioMedica plc (LSE: OXB) is a biopharmaceutical company developing innovative gene-based medicines and therapeutic vaccines that aim to improve the lives of patients with high unmet medical needs. The Company's technology platform includes a highly efficient LentiVector® gene delivery system, which has specific advantages for targeting diseases of the central nervous system and the eye; and a unique tumour antigen (5T4), which is an ideal target for anti-cancer therapy. Through in-house and collaborative research, Oxford BioMedica has a broad pipeline with current partners and licensees including Sanofi, Pfizer, Novartis, GlaxoSmithKline, MolMed, Sigma-Aldrich, Biogen Idec, Emergent BioSolutions, ImaginAb and Immune Design Corp. Further information is available at www.oxfordbiomedica.co.uk and www.oxbsolutions.co.uk.

Overview

During H1 2013 Oxford BioMedica secured a revenue-generating lentiviral vector manufacturing collaboration with Novartis, which is expected to generate up to £4 million of income over the initial 12 months. We believe this alliance not only provides independent validation of our manufacturing capabilities, but also marks a key step towards our transition to becoming a financially self-sustainable company. The Company has remained focused on the development of its growing ophthalmology portfolio and strengthening its leading position in the research, development and manufacture of novel gene-based therapies. Furthermore, Oxford BioMedica continues to collaborate with some of the largest pharmaceutical companies in the world including Sanofi, Novartis and Pfizer, in addition to some of the most prestigious clinical centres in specialist disease areas.

Operational review

LENTIVECTOR® PLATFORM DEVELOPMENT

Revenue-generating ocular collaboration: US$53 million committed by Sanofi to date
In April 2009, Oxford BioMedica became the first company to establish a lentiviral vector multi-product alliance with a large pharmaceutical company. The Sanofi partnership comprises four LentiVector® platform product candidates for four ocular indications: RetinoStat® for "wet" age-related macular degeneration (AMD); StarGen™ for Stargardt disease; UshStat® for Usher syndrome type 1B; and EncorStat® for corneal graft rejection. The agreement included an upfront receipt of US$26 million and up to US$24 million in development funding over the initial phase of development. In June 2012, Sanofi elected to exercise its options to acquire two exclusive worldwide licenses for further development, manufacture and commercialisation of StarGen™ and UshStat® for a total option exercise payment of US$3 million.

• **Positive review and continued support from expert DSMB**
The Data Safety Monitoring Board (DSMB) is an independent panel of experts in the field of ophthalmology, virology and vectorology. In April 2013, the DSMB gave another positive review of the first three patient cohorts (n=12) in the StarGen™ Phase I/IIa study. Eight patients received dose level 1 (four patients with a severe level of disease and four patients with a less severe level of disease) and four patients received dose level 2. The Company received DSMB support to proceed to the fourth patient cohort (n=4, dose level 3). The study will enrol up to 28 patients and will evaluate three dose levels for safety, tolerability and aspects of biological activity.

• **UshStat® video showcased at largest gathering of eye and vision researchers worldwide**
In May 2013, Oxford BioMedica attended the Annual Meeting of the Association for Research in Vision and Ophthalmology (ARVO), the largest and most respected eye and vision research organisation in the world, in Seattle, Washington (USA). Oxford BioMedica's collaborators at Oregon Health & Science University's Casey Eye Institute, Portland, Oregon submitted a video to ARVO which featured a patient who has been treated with UshStat®. The video was awarded second place in a contest to promote the ARVO 2013 theme of "Life-changing Research" and was showcased at the keynote session on 5 May. Click here to watch the video.

• **Ocular clinical trial update**
In June 2013, Oxford BioMedica announced that it had voluntarily paused recruitment into the RetinoStat® Phase I, StarGen™ Phase I/IIa and UshStat® Phase I/IIa studies, as a precautionary measure, whilst the Company investigated the detection of very low concentrations of potential impurities derived from a widely-used third party raw material. Oxford BioMedica's approach, as a routine measure, received full support from the independent DSMB and no safety concerns relating to any of the aforementioned products have been identified in any pre-clinical and clinical data generated to date.

Oxford BioMedica has performed extensive characterisation studies and remains convinced of the safety, integrity and quality of its LentiVector® platform products. Together with Sanofi, the Company has prepared a comprehensive data package for imminent submission to the European and US regulatory authorities, with a view to working closely with them to resume the clinical trials as soon as possible.

Glaucoma-GT: collaboration with Mayo Clinic, Rochester (USA) for chronic glaucoma
The Glaucoma-GT pre-clinical programme aims to establish the feasibility of treating glaucoma using Oxford BioMedica's proprietary LentiVector® gene delivery technology expressing a COX-2 gene and a PGF-2α receptor gene to reduce intraocular pressure. Oxford BioMedica has successfully completed initial pre-clinical studies to demonstrate that the LentiVector® platform is both well-tolerated at high vector dose and transduces suitable target cells following transcorneal injection into the front of the eye. In January 2013, the Company decided to evaluate a more translational glaucoma model and positive results from this new pre-clinical model have shown:

- Successful transduction of target cells following transcorneal delivery to the front of the eye
- Favourable safety profile at the highest vector dose
- Long-term gene expression out to furthest time point studied (five months)

Oxford BioMedica plans to initiate its first pre-clinical efficacy study in Q4 2013 which will evaluate, amongst other measures, the lowering of intraocular pressure.

Additional ocular opportunities
There is strong demand for innovative ophthalmology products and the LentiVector® platform is well-suited to creating novel, long-acting products which could command attractive pricing. Oxford BioMedica is currently evaluating product candidates for new ocular indications, such as other genetic diseases of the retina, where there is a clear unmet medical need. The first two pre-clinical programmes are expected to start in H2 2013.

• Oxford BioMedica announced as winner of Technology Strategy Board funding award
As announced in the 2012 preliminary results statement, Oxford BioMedica plans to seek funding from translational grant opportunities and charities, in addition to leveraging its relationships with key opinion leaders, in order to initiate pre-clinical programmes to demonstrate proof of concept.

In August 2013, the Company acknowledged that the UK's innovation agency, the Technology Strategy Board (TSB), announced Oxford BioMedica as one of seven winners of a funding award under the 2013 Supporting Regenerative Medicines and Cell Therapies competition. The funding, which at the time of publication of this report is subject to due diligence and final confirmation by the TSB, will be used to fund the development of a novel therapeutic treatment to engineer corneas to resist graft rejection utilising Oxford BioMedica's proprietary LentiVector® platform technology.

ProSavin®: gene-based therapy for Parkinson's disease
Parkinson's disease (PD) is a progressive movement disorder caused by the degeneration of dopamine producing nerve cells in the brain. ProSavin® uses the Company's LentiVector® gene delivery technology to deliver the genes for three enzymes that are required for dopamine synthesis. The product is administered locally to the region of the brain called the striatum, converting cells into a replacement dopamine factory within the brain, thus replacing the patient's own lost source of the neurotransmitter in a tonic level analogous to natural dopamine supply in the absence of PD.

• Non-clinical programme for product optimisation on track
Oxford BioMedica is currently evaluating a more potent formulation, called "OXB-102", to ensure the greatest chance of success in future randomised studies and to increase the commercial opportunity by offering extended patent protection and a relative reduction in cost of goods. The non-clinical programme will evaluate improvements in motor function, in addition to Positron Emission Tomography (PET) scan data to assess dopaminergic activity. The efficacy arm of the non-clinical programme is expected to complete in Q3 2013. Oxford BioMedica will be initiating toxicology studies for OXB-102 during Q4 2013.

LENTIVECTOR® PLATFORM MANUFACTURING

In 2012, Oxford BioMedica received approval from the UK Medicines and Healthcare products Regulatory Agency (MHRA) to manufacture bulk drug material for Investigational Medicinal Products (IMPs) at the Company's specialist manufacturing facility. This represented an extension of Oxford BioMedica's existing Good Manufacturing Practice (GMP) certification which covers the established in-house activities for testing and subsequent release of IMPs for clinical development. The approval marked a landmark achievement for the Company and brings opportunities for Oxford BioMedica to become the partner of choice for companies developing gene and cell therapy products.

• **Development and manufacturing collaboration with Novartis**
In May 2013, Oxford BioMedica announced an agreement with Novartis to manufacture clinical grade material utilising the Company's LentiVector® gene delivery technology. Under the terms of the agreement, the Company expects to receive between £2.5 million and £4 million from Novartis over the initial 12 months. Oxford BioMedica will be responsible for manufacturing several batches of a lentiviral vector encoding CTL019. This vector will be used to transduce patients' immune cells (T-cells) in an *ex vivo* process before they are re-infused into patients. CTL019 targets a protein called CD19 that is associated with a number of B-cell malignancies including chronic lymphocytic leukaemia, B-cell acute lymphocytic leukaemia and diffuse large B-cell lymphoma. The collaboration is fully underway and manufacture of clinical grade material will start in Q3 2013.

• **Alliances in viral vector manufacturing, research, development and intellectual property (IP)**
Oxford BioMedica's expertise supports alliances in GMP manufacturing, translational research, clinical development and IP relating to bringing novel gene-based therapies to market. The Company's capabilities cover the entire product lifecycle; from pre-clinical development, to regulatory support, to all future stages of viral vector product clinical development and commercial scale. For further information, please visit www.oxbsolutions.co.uk.

5T4 TUMOUR ANTIGEN PLATFORM

5T4-targeted antibody therapy for cancer: partnered with Pfizer
In August 2013, Oxford BioMedica announced that a US$1 million milestone payment from Pfizer Inc. has been triggered by the entry of PF-06263507, a 5T4-targeted investigational antibody therapy, into human clinical trials (ClinicalTrials.gov identifier NCT01891669).

Under the terms of the agreement with Pfizer, originally signed with Wyeth in 2001, Oxford BioMedica has licensed global rights to develop antibodies targeting the 5T4 tumour antigen for the treatment of cancer. Pfizer also has non-exclusive rights for the diagnostic use of 5T4 antibodies, including an option for commercialisation of a 5T4-based diagnostic. The potential value of Oxford BioMedica's collaboration with Pfizer is worth up to an additional US$27 million, which comprises future milestone payments and licence option fees that are subject to the achievement of certain project objectives.

TroVax® (MVA-5T4): therapeutic cancer vaccine with biomarker
TroVax® is a late-stage clinical asset that has completed 10 clinical trials in colorectal, renal and prostate cancer. Few immunotherapy treatments have demonstrated a direct link between the predicted mode of action and clinical benefit. TroVax® stands apart as a cancer vaccine that elicits a strong and readily definable immune response.

• **First in field: biomarker analyses published in Cancer Immunology, Immunotherapy**
In July 2013, analyses of a TroVax® Phase II study in patients with castration-resistant prostate cancer (CRPC) were accepted for publication in the peer-reviewed medical journal *Cancer Immunology, Immunotherapy*, the official journal of the Association for Cancer Immunotherapy. Data from the Phase II CRPC study show that patients treated with TroVax® plus the chemotherapy drug docetaxel demonstrated a greater median progression-free survival of 9.67 months compared with 5.10 months for patients on the docetaxel alone arm. Importantly, a pre-treatment biomarker previously demonstrated to predict 5T4 immune response and treatment benefit showed a strong association with 5T4 antibody response and a statistically significant association with progression-free survival in patients treated with TroVax® plus docetaxel, but not docetaxel alone.

The results demonstrate, for the first time in the field of cancer immunotherapy, the prospective validation of a pre-treatment biomarker which is predictive of both 5T4 immune response and treatment benefit in cancer patients.

• **Phase II collaborative study for TroVax® in mesothelioma underway**
In March 2013, Oxford BioMedica announced that its partners at the Velindre Cancer Centre, one of the largest cancer centres in the UK, have initiated a Phase II trial to assess the safety and immunological activity of TroVax® in combination with first-line chemotherapy agents pemetrexed and cisplatin in patients with malignant pleural mesothelioma.

Board change

Dr Stuart Naylor stepped down from the Board of Oxford BioMedica and as Chief Scientific Officer at the Company's Annual General Meeting on 6 June 2013. In line with the evolution of the Company's strategy, the role of Chief Scientific Officer was replaced with the role of Chief Medical Officer and Dr Madhu Davies, previously a consultant to Oxford BioMedica, was appointed to this position in June. The Board is grateful for Stuart's long-standing contribution to Oxford BioMedica and wishes him every success in the future.

Financial review

The first six months of 2013 have seen the first revenues from the development and manufacturing collaboration with Novartis which we announced on 1 May 2013. The collaboration is fully underway and manufacture of clinical grade material will start in Q3 2013. The clinical studies of RetinoStat®, StarGen™ and UshStat® have continued, although, as announced on 3 June 2013, we have voluntarily paused these studies while we investigate potential impurities derived from a raw material.

The net loss for the six months ended 30 June 2013 was £5.9 million (H1 2012 £4.9 million), with a cash outflow from operating activities and capital expenditure of £7.3 million (H1 2012 £7.8 million). At 30 June 2013, the Company had cash, cash equivalents and financial assets available for sale totalling £6.9 million.

Income statement
Revenue in H1 2013 was £2.1 million compared with £4.4 million in the same period in 2012. In 2013, the main revenue components are £0.8 million (H1 2012 £2.0 million) recognition of deferred revenue from the 2009 upfront receipt from Sanofi, and £0.5 million (H1 2012 £0.4 million) in respect of Research and Development (R&D) expenditure reimbursement; and £0.6 million (H1 2012 £Nil) revenue from the recently-announced Novartis contract for process development services. The H1 2012 revenue also included the one-off £1.9 million receipt from Sanofi arising on their exercise of the options over StarGen™ and UshStat®. The 2009 upfront non-refundable receipt from Sanofi (US$26 million/£16.6 million) has now been fully recognised. Reimbursement of R&D expenditure under the collaboration agreement with Sanofi continues to be subject to a cap of US$24 million.

Cost of sales of £0.1 million (H1 2012 £0.5 million) represents the recognition of royalties payable to third parties on upfront and milestone receipts.

R&D costs were £6.8 million (H1 2012 £6.9 million). These costs include the clinical study costs which are reimbursed by Sanofi for Retinostat®, StarGen™ and UshStat® and modest amounts of external spend on ProSavin®/OXB-102 and TroVax®. The rest of the costs are the manpower and running costs for the R&D teams including the manufacturing function.

Administrative expenses were £1.9 million (H1 2012 £2.8 million). Costs in H1 2012 included redundancy payments, the closure of the US office and £0.4 million fees for a corporate project which did not repeat in H1 2013.

The net tax credit of £0.8 million (H1 2012 £0.8 million) represents amounts recoverable under current legislation for UK R&D tax credits.

Balance sheet
Non-current assets increased slightly from £6.8 million at the start of the year to £6.9 million at 30 June 2013 as the additions to property, plant and equipment of £0.5 million (£0.4 million laboratory equipment, £0.1 million office equipment) slightly exceeded depreciation and amortisation.

Current assets declined from £17.6 million at 1 January 2013 to £11.5 million at 30 June 2013. The main reason for the decrease is the reduction in cash, cash equivalents and financial assets from £14.1 million to £6.9 million. A small but notable change is that, for the first time, we have a raw material inventory balance of £0.3 million as we have bought raw materials ahead of starting manufacture of material to be sold to Novartis, and Trade Receivables, £1.1m (31 December 2012: £0.3 million), include amounts due from Novartis.

Current liabilities have fallen from £4.3 million to £3.9 million due to the reduction of £0.8 million in the deferred Sanofi revenue as the US$26 million (£16.6 million) 2009 up-front has now been fully

recognised during H1 2013. However this has been partially offset by deferral of £0.5 million revenue which has been invoiced to Novartis in advance of the manufacturing work which will start during Q3 2013.

Cash resources
Cash, cash equivalents and available for sale investments declined by £7.2 million in H1 2013. The aggregate cash outflow from operating activities and capital expenditure in H1 2013 was £7.3 million (H1 2012 £7.8 million), offset by a small amount of interest receivable.

Financial outlook
Since 30 June 2013 we have received payment of most of the trade receivables at 30 June 2013 and also the 2012 R&D tax credit included within current tax assets. We are focused on resuming the paused clinical studies of RetinoStat®, StarGen™ and UshStat®; ensuring that we provide Novartis with outstanding service and performance levels; and identifying new sources of revenue.

Going concern
As at 26 August 2013 the Group had £6.8 million of cash, cash equivalents and financial assets which, together with probable cash receipts are sufficient to fund the Group's planned activities into Q2 2014.

After making enquiries and giving due consideration, the Directors consider that the Group has good prospects of securing additional resources sufficient to allow the Group to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis in preparing the financial statements.

Principal risks and uncertainties
The principal risks and uncertainties facing the Company are those set out in the 2012 Annual Report & Accounts which is available on the Group's website at www.oxfordbiomedica.co.uk. The principal risks and uncertainties remain the same for H2 2013.

Related parties
Related party disclosures are given in note 15.

OxfordBioMedica

Consolidated statement of comprehensive income

for the six months ended 30 June 2013

	Notes	**Six months ended 30 June 2013**	Six months ended 30 June 2012
		£'000	£'000
Revenue		**2,111**	4,438
Cost of sales		**(103)**	(495)
Gross profit		**2,008**	3,943
Research & Development costs		**(6,846)**	(6,929)
Administrative expenses		**(1,945)**	(2,805)
Other operating income: grants receivable		**46**	9
Operating loss		**(6,737)**	(5,782)
Finance income		**41**	77
Finance costs		**(1)**	-
Loss before tax		**(6,697)**	(5,705)
Taxation		**838**	757
Loss for the period		**(5,859)**	(4,948)
Other comprehensive income			
Exchange adjustments		**-**	(6)
Total recognised comprehensive expense for the period attributable to owners of the parent		**(5,859)**	(4,954)
Basic loss and diluted loss per ordinary share	5	**(0.41p)**	(0.52p)

The notes on pages 12 to 17 form part of this financial information.

OxfordBioMedica

Consolidated balance sheet

as at 30 June 2013

	Notes	**30 June 2013 £'000**	31 December 2012 £'000
Assets			
Non-current assets			
Intangible assets		**2,733**	2,931
Property, plant and equipment	6	**4,134**	3,902
		6,867	6,833
Current assets			
Inventory	7	**281**	-
Trade and other receivables	8	**2,034**	1,705
Current tax assets		**2,373**	1,824
Financial assets: Available for sale investments	9	**-**	5,105
Cash and cash equivalents	9	**6,851**	8,956
		11,539	17,590
Current liabilities			
Trade and other payables	10	**2,581**	2,702
Deferred income	11	**1,299**	1,568
		3,880	4,270
Net current assets		**7,659**	13,320
Non-current liabilities			
Provisions	12	**511**	510
		511	510
Net assets		**14,015**	19,643
Shareholders' equity			
Share capital	13	**14,162**	14,162
Share premium		**130,304**	130,304
Merger reserve		**14,310**	14,310
Other reserves		**(682)**	(682)
Accumulated losses		**(144,079)**	(138,451)
Total equity		**14,015**	19,643

The notes on pages 12 to 17 form part of this financial information.

OxfordBioMedica

Consolidated statement of cash flows

for the six months ended 30 June 2013

	Notes	**Six months ended 30 June 2013 £'000**	Six months ended 30 June 2012 £'000
Cash flows from operating activities			
Cash used in operations	14	**(6,993)**	(7,522)
Tax credit received		**289**	-
Interest paid		**(1)**	-
Net cash used in operating activities		**(6,705)**	(7,522)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(546)**	(261)
Net maturity of available for sale investments		**5,105**	2,500
Interest received		**41**	77
Net cash generated by investing activities		**4,600**	2,316
Net decrease in cash and cash equivalents		**(2,105)**	(5,206)
Cash and cash equivalents at 1 January		**8,956**	6,835
Effects of exchange rate changes		**-**	(6)
Cash and cash equivalents at period end	9	**6,851**	1,623

The notes on pages 12 to 17 form part of this financial information.

OxfordBioMedica

Statement of changes in equity attributable to owners of the parent

for the six months ended 30 June 2013

	Share capital £'000	Share premium £'000	Merger reserve £'000	Other reserves £'000	Accumulated Losses £'000	Total £'000
At 1 January 2012	**9,449**	**124,755**	**14,310**	**(682)**	**(130,061)**	**17,771**
Six months ended 30 June 2013:						
Exchange adjustments	-	-	-	(6)	-	(6)
Loss for the period	-	-	-	-	(4,948)	(4,948)
Total comprehensive expense for the period	-	-	-	(6)	(4,948)	(4,954)
Transactions with owners:						
Share options						
Value of employee services	-	-	-	-	154	154
At 30 June 2012	**9,449**	**124,755**	**14,310**	**(688)**	**(134,855)**	**12,971**
Six months ended 31 December 2012:						
Exchange adjustments	-	-	-	6	-	6
Loss for the period	-	-	-	-	(3,782)	(3,782)
Total comprehensive expense for the period	-	-	-	6	(3,782)	(3,776)
Transactions with owners:						
Share options						
Value of employee services	-	-	-	-	186	186
Issue of shares	4,713	7,066	-	-	-	11,779
Costs of share issue	-	(1,517)	-	-	-	(1,517)
At 31 December 2012	**14,162**	**130,304**	**14,310**	**(682)**	**(138,451)**	**19,643**
Six months ended 30 June 2013:						
Exchange adjustments	-	-	-	-	-	-
Loss for the period	-	-	-	-	(5,859)	(5,859)
Total comprehensive expense for the period	-	-	-	-	(5,859)	(5,859)
Transactions with owners:						
Share options						
Value of employee services	-	-	-	-	231	231
At 30 June 2013	**14,162**	**130,304**	**14,310**	**(682)**	**(144,079)**	**14,015**

The notes on pages 12 to 17 form part of this financial information.

Notes to the financial information

1. General information and basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2013 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2012.

These condensed consolidated interim financial statements do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2012 were approved by the Board of Directors on 26 February 2013 and have been delivered to the Registrar of Companies. The report of the Auditors on the 2012 accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 August 2013. They have not been audited.

The Company is a public limited company incorporated and domiciled in the UK. The Company is listed on the London Stock Exchange.

2. Going concern

As at 26 August 2013 the Group had £6.8 million of cash, cash equivalents and financial assets which, together with probable cash receipts are sufficient to fund the Group's planned activities into Q2 2014.

After making enquiries and giving due consideration, the Directors consider that the Group has good prospects of securing additional resources sufficient to allow the Group to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis in preparing the financial statements.

3. Accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2012, as described in those annual financial statements.

In May 2013 Oxford BioMedica announced an agreement with Novartis to manufacture clinical grade material utilising Oxford BioMedica's LentiVector® gene delivery technology. In anticipation of starting the manufacturing work in H2 2013 the Group has acquired raw materials which are being treated as inventory.

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Accounting developments

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2013, but are not currently relevant for the Group.

- IFRS 13, 'Fair value measurement'
- IAS 19 (revised 2011) 'Employee benefits'
- Amendment to IAS 12,'Income taxes' on deferred tax
- Amendment to IAS 1,'Presentation of financial statements' on OCI
- Amendment to IFRS 1,'First time adoption',on hyperinflation and fixed dates
- Amendment to IFRS 1,'First time adoption' on government grants

- Amendments to IFRS 7 on Financial instruments asset and liability offsetting
- Annual improvements 2011
- IFRIC 20, 'Stripping costs in the production phase of a surface mine'

The new standards, new interpretations and amendments to standards and interpretations listed below have been issued but are not effective for the financial year beginning 1 January 2013 and have not been adopted early.

The following standards are not expected to have a significant impact on the Group:

- IFRS 10, 'Consolidated financial statements'
- IFRS 11, 'Joint arrangements'
- IFRS 12, 'Disclosures of interests in other entities'
- IAS 27 (revised 2011) 'Separate financial statements'
- IAS 28 (revised 2011) 'Associates and joint ventures'
- Amendments to IFRS 10,11 and 12 on transition guidance
- Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities (not yet endorsed by the EU)
- Amendments to IAS 32 on Financial instruments asset and liability offsetting
- Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures (not yet endorsed by the EU)
- IFRIC 21, 'Levies' (not yet endorsed by the EU)

The Group is assessing whether the following standard will have any impact on the accounting for financial instruments:

- IFRS 9, 'Financial instruments', issued in December 2009. This addresses the classification and measurement of financial assets. The standard is not applicable until 1 January 2015 and has not yet been endorsed by the EU.

Use of estimates and assumptions
In applying the Group's accounting policies, management is required to make judgements and assumptions concerning the future in a number of areas. Actual results may be different from those estimated using these judgements and assumptions.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

Seasonality
The Group's operations are not subject to seasonal fluctuations.

4. Segmental analysis

The chief operating decision-maker has been identified as the Senior Management Group (SMG), comprising the Executive Directors and other senior managers. The SMG considers that the business comprises a single activity, which is biotechnology research and development. The SMG reviews the Group's profit or loss and its cash flows, assets and liabilities on a whole-company, consolidated basis in order to assess performance and allocate resources. Therefore the segment financial information is the same as that set out in the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of cash flows and the consolidated statement of changes in equity.

5. Basic loss and diluted loss per ordinary share

The basic loss per share has been calculated by dividing the loss for the period by the weighted average number of shares of 1,416,149,005 in issue during the six months ended 30 June 2013 (six months ended 30 June 2012: 944,875,557).

As the Group is loss-making, there were no potentially-dilutive ordinary shares in either period which would serve to increase the loss per ordinary share. There is therefore no difference between the loss per ordinary share and the diluted loss per ordinary share.

6. Property, plant & equipment

	Freehold property £'000	Short leasehold improvements £'000	Office equipment and computers £'000	Laboratory equipment £'000	Total £'000
Cost					
At 1 January 2013	3,130	2,604	591	3,570	9,895
Additions at cost	35	1	103	407	546
At 30 June 2013	3,165	2,605	694	3,977	10,441
Depreciation					
At 1 January 2013	258	2,449	467	2,819	5,993
Charge for the period	108	32	52	122	314
At 30 June 2013	366	2,481	519	2,941	6,307
Net book amount at 30 June 2013	**2,799**	**124**	**175**	**1,036**	**4,134**

During H1 2012 additions amounted to £261,000 and depreciation written off to £306,000. Fully written off assets with a cost and accumulated depreciation of £417,000 were disposed of in H1 2012.

7. Inventory

	30 June 2013 £'000	31 December 2012 £'000
Raw materials	**281**	-
Inventory	**281**	-

Inventories constitute raw materials held for commercial manufacturing purposes.

8. Trade and other receivables

	30 June 2013 £'000	31 December 2012 £'000
Amounts falling due within one year		
Trade receivables	**1,081**	315
Accrued income	**195**	400
Other receivables	**33**	184
Other tax receivable	**98**	140
Other prepayments	**627**	666
Total trade and other receivables	**2,034**	1,705

9. Cash and cash equivalents

	30 June 2013 £'000	31 December 2012 £'000
Cash at bank and in hand	**6,851**	8,956
Total cash and cash equivalents	**6,851**	8,956

At December 2012, in addition to the cash and cash equivalents described above, the Group held bank deposits of £5.1 million with an initial term to maturity between three and twelve months, classified as available for sale investments.

10. Trade and other payables – current

	30 June 2013 £'000	31 December 2012 £'000
Trade payables	**416**	881
Other taxation and social security	**270**	157
Accruals	**1,895**	1,664
Total trade and other payables	**2,581**	2,702

11. Deferred income

	30 June 2013 £'000	31 December 2012 £'000
Total deferred income (current)	**1,299**	1,568

In April 2009 the Group entered into a collaborative programme with Sanofi to develop four gene therapy products to treat ocular diseases. An initial non-refundable payment of US$26.0 million (£16.6 million) was received from Sanofi. During H1 2013, the remaining £0.8 million of this receipt was recognised such that the full amount of £16.6 million has now been recognised and there is no further deferred revenue relating to this item.

Over the term of the ocular gene therapy collaboration, Oxford BioMedica may recover up to US$24.0 million in R&D funding from Sanofi. Project costs in excess of US$24.0 million will be borne by Oxford BioMedica. To date, £13.7 million (US$22.8 million) has been recognised as revenue of which £0.5 million was recognised in H1 2013. £0.7 million (31 December 2012 £0.6 million) has been classified as deferred income, with another £0.5 million of deferred income relating to manufacturing revenue from the agreement with Novartis.

12. Provisions

	Dilapidations £'000	Onerous lease £'000	Total £'000
At 1 January 2012	501	41	542
Utilised in the period	-	(41)	(41)
Unwinding of discount	4	-	4
Change of discount rate – adjustment to recognised fixed asset	-	-	-
At 30 June 2012 (non-current)	505	-	505
At 1 January 2013 (non-current)	510	-	510
Utilised in the period	-	-	-
Unwinding of discount	1	-	1
At 30 June 2013 (non-current)	**511**	**-**	**511**

The dilapidations provision relates to anticipated costs of restoring the leasehold property in Oxford, UK to its original condition in 2016 at the end of the present leases, discounted to the balance sheet date. The provision will be utilised at the end of the leases if they are not renewed.

13. Share capital

At 31 December 2012 and 30 June 2013 the Company had issued share capital of 1,416,149,005 ordinary 1p shares.

14. Cash flows from operating activities

Reconciliation of loss before tax to net cash used in operations

	Six months ended 30 June 2013 £'000	Six months ended 30 June 2012 £'000
Continuing operations		
Loss before tax	**(6,697)**	(5,705)
Adjustment for:		
Depreciation	**314**	306
Amortisation of intangible assets	**198**	144
Finance income	**(41)**	(77)
Finance expense	**1**	-
Charge in relation to employee share schemes	**231**	154
Changes in working capital:		
Increase in inventories	**(281)**	-
Increase in trade and other receivables	**(329)**	(2,255)
(Decrease)/increase in trade and other payables	**(121)**	1,159
Decrease in deferred income	**(269)**	(1,211)
Decrease/(increase) in provisions	**1**	(37)
Net cash used in operating activities	**(6,993)**	(7,522)

15. Related party transactions

Identity of related parties
The Group consists of a parent, Oxford BioMedica plc, one wholly-owned trading subsidiary (Oxford BioMedica (UK) Limited) and two dormant subsidiaries (Oxxon Therapeutics Limited and BioMedica Inc.).

Transactions with Directors and connected persons
Martin Diggle, a non-Executive Director of the Company, is a founder of Vulpes Investment Management which is a shareholder of the Company. During the period from 1 January 2013 to August 2013 Vulpes funds have purchased 39,170,689 shares in the company at a total cost of £695,981 on the open market.

There have been no other related party transactions outside the Group during the six months to 30 June 2013.

16. Statement of Directors' responsibilities

The Directors of Oxford BioMedica plc are set out on page 17 of this report. The condensed consolidated interim financial statements are the responsibility of, and have been prepared by, the Directors. The Directors confirm that they have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority and with IAS 34 'Interim financial reporting' as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months 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 financial year; and
- Material related party transactions in the first six months and any material change in related-party transactions described in the last annual report.

By order of the Board

John Dawson
Chief Executive Officer
28 August 2013

OxfordBioMedica

Shareholder information

Directors: **Nick Rodgers** (Non-Executive Chairman) **John Dawson** (Chief Executive Officer) **Tim Watts** (Chief Financial Officer and Company Secretary) **Peter Nolan** (Executive Director and Senior Vice President, Commercial Development) **Dr Andrew Heath** (Deputy Chairman and Senior Independent Director) **Dr Paul Blake** (Non-Executive Director) **Martin Diggle** (Non-Executive Director)	**Financial adviser and broker** Nomura Code Securities Limited 1 Carey Lane London EC2V 8AE **Registrars** Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU **Financial and corporate communications** Consilium Strategic Communications 1 Ropemaker Street 11th Floor, CityPoint London EC2Y 9AW **Independent auditors** PricewaterhouseCoopers LLP 9 Greyfriars Road Reading RG1 1JG **Solicitors** Covington & Burling LLP 265 Strand London WC2R 1BH
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