

SR PHARMA PLC
('SR Pharma', 'the Group' or 'the Company')

PRELIMINARY RESULTS for the year ended 31 December 2006

London, UK, 30 March 2007 – SR Pharma plc (London LSE: SPA), Europe's leading RNAi therapeutics company, today announces its unaudited preliminary results for the year ended 31 December 2006.

2006 Highlights

- SR Pharma positioned as a world leader in RNAi therapeutics
- SR Pharma generates revenues as a result of a sub-licensing deal for one of its AtuRNAi molecules between Quark Biotech Inc and Pfizer Inc. Total revenues to SR Pharma from this deal could amount to US\$95m plus royalties
- Pre-clinical results published on SR Pharma's lead internal development AtuRNAi molecule in pancreatic cancer
- Positive pre-clinical data published supporting the systemic application of SR Pharma's siRNA-lipoplex (AtuPLEX) technology in oncology applications

Post Period End Highlights

- January 2007 - The European Patent Office grants our core chemistry patent for AtuRNAi providing SR Pharma with freedom to develop novel RNAi therapeutics
- February 2007 - Quark Biotech and Pfizer begin Phase I trials with one of SR Pharma's AtuRNAi molecules in Age-related Macular Degeneration (AMD)
- March 2007 - Quark granted IND prior to commencing Phase I trials with a second AtuRNAi molecule for acute kidney injury

Group Financials

- Revenues increased by 282% to £1.95m (2005: £0.5m)
- R&D spend up by 92% to £3.19m (2005: £1.66m)
- Cash Position of £8.82m at the period end (31 Dec. 2005: £9.09m)

Change of Name

A new corporate identity proposed to reflect the Company's core focus and position in the RNAi sector – Silence Therapeutics

Iain Ross, Executive Chairman, commented:

“2006 was an exciting year for the Group during which it made a great deal of progress and generated significant returns for the shareholders.

In 2007 we expect to report further significant events, which will reinforce the Group's ability to generate value from its world leading RNAi expertise. During 2007 the Group is forecasting a significant increase in R&D and infrastructure costs as our lead siRNA molecules move into the clinic later in the year and the Group establishes operations in the US. These increased costs are expected to be funded through a continuation of the collaboration and licence strategy with major pharmaceutical and biotechnology companies, and the Group is in discussions with a number of potential third party collaborators.

Over the last twelve months, your board, executive management team and staff worked with commitment and resolve to create a business with real substance. It has been a great pleasure to work with such a dedicated group of people and I would like to thank them all for their support. Also I would especially like to thank the shareholders who have stuck with us throughout the year and I believe with hard work and a little good fortune we will be able to further enhance shareholder value over the coming twelve months.”

- Ends -

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Notes to Editors

SR Pharma (www.srpharma.com)

SR Pharma plc is a European biopharmaceutical company, listed on AIM. The Company has two operating subsidiaries Atugen AG (www.atugen.com) based in Berlin, Germany and Stanford Rook Ltd based in London, UK.

SR Pharma is a leader in RNAi therapeutics, which is a Nobel Prize winning technology that "silences" genes linked to the onset of disease. The Company has developed novel, chemically modified proprietary siRNA molecules ("AtuRNAi"), which have a number of advantages over conventional siRNA molecules including enhanced stability against nuclease degradation. In addition, the Company has developed a proprietary delivery system ("AtuPLEX"), which increases bioavailability, circulation times and functional intracellular uptake of siRNA molecules.

SR Pharma expects to begin the clinical development of its proprietary AtuRNAi therapeutic molecules for systemic cancer indications in 2007. SR Pharma has sublicensed the AtuRNAi compound RTP-801i to Pfizer through its collaboration partner Quark Biotech Inc. for the treatment of Age-related Macular Degeneration (AMD) and a number of other indications. This compound entered the clinic in early 2007. In addition SR Pharma has licensed a further AtuRNAi compound, AKli-5, to Quark Biotech Inc. This compound has been granted an IND for acute kidney injury and is expected to enter the clinic in 2007.

SR Pharma also owns a proprietary Mycobacterium vaccae-based technology and related products. Currently the Company is in discussions with third parties regarding the co-development and out-licensing of these products.

Forward-Looking Statements

This press release includes forward-looking statements that are subject to risks, uncertainties and other factors. These risks and uncertainties could cause actual results to differ materially from those referred to in the forward-looking statements. All forward-looking statements are based on information currently available to SR Pharma and SR Pharma assumes no obligation to update any such forward-looking statements.

SR PHARMA PLC
('SR Pharma', 'the Group' or 'the Company')

PRELIMINARY RESULTS for the year ended 31 December 2006

CHAIRMAN'S STATEMENT

I am pleased to report that 2006 was a very good year for the Group and clearly justified our decision to acquire Atugen AG in July 2005, enabling us to become Europe's leading RNAi company.

RNAi therapeutics are based on a Nobel Prize winning technology which has the potential to treat a broad range of diseases including cancer, infectious diseases and inherited diseases by silencing genes.

Following the acquisition of Atugen AG we have made significant progress particularly in the last twelve months during which time we have delivered the following key milestones:

- **Revenues from our licensing deal with Quark Biotech.** These revenues were the result of Quark Biotech licensing one of our proprietary RNAi molecules to the world's largest pharmaceutical company, Pfizer.
- **The start of clinical trials with our RNAi molecules.** The first clinical trial with an AtuRNAi molecule developed by the Group began early in 2007 when our partners Quark Biotech and Pfizer commenced a Phase I study in age related macular degeneration.
- **Strengthened our siRNA intellectual property position** In January 2007 the European Patent Office granted our core chemistry patent (EP 1527176) covering novel stabilized short interfering RNA (siRNA) molecules with blunt ends and positional modifications. This European patent, which gives the Group freedom to operate is also being applied for in other jurisdictions.
- **Continued to develop our own pipeline of proprietary siRNA molecules.** Our first siRNA molecule is due to enter the clinic later this year for an oncology indication.

2006 in Detail

With the acquisition of Atugen AG, the Group has put itself at the forefront of the global race to develop new therapeutics based on an exciting new technology called RNA interference (RNAi.)

Our acquisition of Atugen provided us with access to a talented and highly knowledgeable workforce with a great deal of experience in two areas that have formed the basis for us to build our leading position in the RNAi field, namely:

- A new class of proprietary short interfering RNA molecules (siRNA) called AtuRNAi. These novel, chemically modified siRNA molecules provide important advantages over conventional siRNA molecules including enhanced stability against nuclease degradation and are covered by important new patent protection.

- A unique proprietary, systemic delivery system ('AtuPLEX'), which we believe to be first-in-class as it enables functional intracellular uptake of siRNA molecules thereby solving a current bottle-neck in the industry.

Since the acquisition, further investment and development work has been put into both areas and given the progress that we have made in creating value from both of these assets over the last twelve months I am confident that the Group has an exciting future.

Part of my optimism is based on recent developments in the RNAi field, which clearly highlight the potential of this exciting new technology.

In October 2006 the Nobel prize for physiology or medicine was awarded to Doctors Fire and Mello for their 1998 discovery of RNAi technology, the ability of double stranded RNA to silence disease relevant genes. As a result 'gene silencing' utilising RNAi gained a much higher profile both within the scientific community and with the public at large.

The significant potential of RNAi therapeutics has also led to significant investment by pharmaceutical and biotechnology companies in this new field of technology, the most important of which was the decision by Merck Inc to acquire Sirna Therapeutics, a leading company developing siRNA molecules, for \$1.1bn in cash in November 2006.

Our Strategy

The Group's goal is to build upon our own pre-clinical programmes and that of our third party collaborators and licensees to establish a broad pipeline of proprietary siRNA products in which the Group has a financial interest. In line with this goal, significant progress has been made during the year in terms of pre-clinical development with a source of GMP material being established both for our siRNA molecules and our proprietary AtuPLEX delivery technology. In addition a unique lyophilized formulation of our AtuPLEX delivery system is being developed.

Throughout the year both the Company and our lead investigators have reported independently positive data with our AtuRNAi molecules in pre-clinical oncology models. In parallel with the help of relevant experts and advisors we have continued to interact with the appropriate regulatory authorities to ensure the smooth development of our own proprietary pipeline.

The culmination of our efforts in 2006 were rewarded in February 2007 when our first AtuRNAi molecule RTP-801i, which was sub-licensed through our collaboration partner Quark Biotech Inc to Pfizer, entered Phase I clinical trials for Age-related Macular Degeneration (AMD). Pfizer has licensed this molecule for a number of indications including AMD, diabetic retinopathy and chronic obstructive pulmonary disease. In addition Quark Biotech has taken a licence from our subsidiary, Atugen AG, for another AtuRNAi molecule, AKIi5 which, following the grant of an IND from the FDA in March 2007 is expected to enter clinical trials for acute kidney injury later in 2007.

In addition, I am pleased to report that our own pipeline of AtuRNAi molecules which we are developing for oncology indications are progressing well. We expect to commence our first clinical trial in gastrointestinal cancers with our lead AtuRNA molecule, Atu027, later in the year, following completion in the summer of extended toxicology programmes required to support systemic administration of the product and subsequent approval by the relevant ethical committees. Furthermore, we are progressing the formulation development of a specific molecule for non-small cell lung cancer, which is expected to enter the clinic around the end of the year.

A Strong Intellectual Portfolio Providing Freedom to Operate

Crucial to generating the value that we anticipate from our expertise in the RNAi field is having the appropriate IP protection. This is vital both for our own compounds and to support our business development activities to gain further licensing/collaboration deals.

In the last several months two key events have occurred that underline our freedom to operate with RNAi therapeutics:

- In June 2006 we announced that the Group with others including Sanofi-Aventis, Sirna Therapeutics Inc, Janssen Pharmaceutica N.V., and AstraZeneca PLC had successfully opposed the Kreutzer-Limmer patent in Europe, resulting in a significant narrowing of its claims.
- In January 2007 the European Patent Office granted SR Pharma its core chemistry patent (EP 1527176) covering novel stabilized short interfering RNA (siRNA) molecules with blunt ends and positional modifications. This was a major event for the company as it provides us with the IP protection that we need to cover our unique RNAi chemistry.

The Group's nuclease resistant AtuRNAi molecules together with its proprietary delivery technologies represent a cutting edge drug development engine for the Group and its collaborative partners.

Pharma & Biotech Deals Validating Our Proprietary siRNA Technology

The Group believes that to build a sustainable and value enhancing pipeline of therapeutic products it is essential to balance risk and reward. To achieve this goal we remain committed to implementing a collaborative strategy with pharma and biotech companies allowing us to access their considerable resources in terms of expertise and funding.

In September 2006 we announced our first significant deal with a big pharma company when we confirmed we would receive Milestone Payments of up to US\$95 Million (~£50Million) as a result of a sublicensing deal. This sub-licensing deal was the result of Pfizer signing a deal with our collaboration partner Quark Biotech Inc to develop an AtuRNAi molecule for AMD.

In addition I can confirm that the Company is currently in discussions with a number of potential collaborative partners, including big pharma companies looking to access our proprietary technology. We are also talking to other third parties with capabilities and complementary technologies, which we believe can add value to our core RNAi expertise. We expect to make announcements about further significant collaborations in 2007.

Building the SR Pharma Organisation – Accessing the US Market

The Group's management believe that the Group will need to gain greater access to the US market if we are to build a substantive international capability in the RNAi sector and as a consequence we intend to establish both a scientific and commercial presence in the US during 2007.

In 2006 the management team met with a number of US institutions in order to raise the Group's international profile and I am pleased to report that we have attracted a number of US

shareholders, who are keen to support the Company going forward. We have also continued to review and assess possible M&A targets and I envisage that we could strengthen our technology and intellectual property by making further acquisitions in the future.

Non Core Assets

During the year, in line with our strategy of divesting non-core assets, we signed a licence agreement with Sylus Ltd in respect of selected patents relating to inositol phosphoglycans (IPGs), which we acquired from a third party some years ago, and we also entered a collaboration with a major player in the animal health market in respect of the development of M.vacciae in the treatment of canine dermatitis. Neither of these agreements will require us to divert resources from our initiatives in the RNAi sector but should either become commercially successful the Group will receive a significant level of royalty income in the future.

Extraordinary General Meeting

Finally I am pleased to report that your Board intends to call for an Extraordinary General Meeting to be held on 26th April 2007 in order to seek shareholder approval for the Board to be able to approve the issue of new shares representing up to 10% of the issued share capital of the Company and also to approve the change of name of the group to one reflecting the Group's core focus in the RNAi sector. The proposed new name of your Company from the date of the EGM will be **Silence Therapeutics plc**.

Outlook

2006 was an exciting year for the Group during which it made a great deal of progress and generated significant returns for the shareholders.

In 2007 we expect to report further significant events, which will reinforce the Group's ability to generate value from its world leading RNAi expertise. During 2007 the Group is forecasting a significant increase in R&D and infrastructure costs as our lead siRNA molecules move into the clinic later in the year and the Group establishes operations in the US. These increased costs are expected to be funded through a continuation of the collaboration and licence strategy with major pharmaceutical and biotechnology companies, and the Group is in discussions with a number of potential third party collaborators.

Over the last twelve months, your board, executive management team and staff worked with commitment and resolve to create a business with real substance. It has been a great pleasure to work with such a dedicated group of people and I would like to thank them all for their support. Also I would especially like to thank the shareholders who have stuck with us throughout the year and I believe with hard work and a little good fortune we will be able to further enhance shareholder value over the coming twelve months

Iain G Ross
Executive Chairman

FINANCIAL REVIEW

In 2006 as a result of careful control of its operating costs and a further equity placing the Group has been able to maintain a strong financial position. After starting the year with cash balances of £9.09 million, the Group was able to end the year with cash balances only slightly reduced at £8.82 million.

Operating Results

2006 reflects the first full year in which the results of Atugen AG, which was acquired in July 2005, have been consolidated. This change needs to be taken into consideration when comparing the figures between 2006 and 2005.

Turnover increased to £1.95 million in 2006 from £0.51 million in 2005. The largest contribution to turnover, approximately 50%, came from our licence agreement with Quark Biotech Inc and Pfizer. We expect the arrangement with Quark to continue providing revenues as our licensee widens its range of therapeutic targets and the number of molecules it is developing based on the Group's proprietary RNAi chemistry enter the clinic.

The Group is currently seeking to enter additional collaboration and licensing deals in order to enhance its future revenues.

The Group continues to invest in its research and development activities in order to bring its own pipeline of RNAi molecules targeting oncology indications to the market. In 2006 there was a near doubling of reported research and development costs to £3.19 million (2005: £1.66 million). However, on a like for like basis (comparing a full year in 2005 with a full year in 2006) the increase was only approximately 13%. This expansion will continue and the rate of expansion should increase as we take our lead product into human trials later this year and from broadening our development targets. Our plan is to continue to increase our expenditure on the Group's RNAi technology to maintain and capitalise on the lead we have established in combining our unique RNAi molecules with our world leading delivery technology. Our delivery technology is a key additional competitive advantage as RNAi molecules need to have a delivery system to enable systemic application.

Whilst reported administrative expenses appear to have increased, from £2.75 million in 2005 to £3.03 million in 2006, again the 2005 figure only includes 6 months in respect of our German operations. On a like for like basis, 2006 administrative expenses are actually lower by approximately 10%.

Cash Flow

The operating loss of £4.27 million contains a number of large non-cash items, which significantly impact on the Group's profitability. Non cash items in this operating loss include depreciation, amortisation, the charges in respect of share options and the accrual for national insurance associated with them, which total £1.07 million. Adjusting for these items would bring the cash utilisation of the Group down to just over £3 million in 2006.

However, funds have necessarily been utilised for other operationally linked activities, such as investment in tangible and intangible assets and reducing other current liabilities. As a result of these actions, cash usage for 2006 was £3.81 million before the impact of financing activities.

Financing

In November 2006, the Group completed a placing of 20 million new Ordinary 1p shares at an issue price of 19p per share. This was a premium of approximately 5% to the share price immediately prior to the placing. This raised £3.8 million for the Group before costs (£3.51 million net). This was an important event for the Group in that not only did it provide added financial security for the Group to continue its investments in R&D and business development expansion but also demonstrated shareholders continuing belief in the value we can create from our leading position in the RNAi field.

Financial security and shareholder support are a vital message to the markets and the industry when negotiating future licensing and collaboration deals. It is no coincidence that the financing together with a series of announcements both by the Group and others in the sector saw the start of the strong increase in the Group's share price during the latter part of 2006 and continuing into the start of 2007.

During the year, the Group also received £0.03 million from the conversion of previously issued warrants and options into 2,753,375 shares.

Future

The Group will continue to expand its research and development efforts within the confines of its available resources. To enable those resources to be increased, the Group continues to look for licensing and collaboration opportunities that will generate either revenues or other financing or resource opportunities for the Group. It is the intention of the Board, through both financing and operational activities to continue to maintain a strong cash balance relative to current cash usage. This prudent financial approach provides a secure basis for the planning and funding of the research and development activities and gives the business development team a solid negotiating position from which to progress the Group's various licensing discussions.

Melvyn Davies
Finance Director

SR PHARMA PLC
UNAUDITED CONSOLIDATED INCOME STATEMENT
YEAR ENDED 31ST DECEMBER 2006

	2006	2005
	£	£
Revenue	1,947,301	508,721
Research and development costs	(3,185,886)	(1,659,494)
Gross loss	<u>(1,238,585)</u>	<u>(1,150,773)</u>
Administrative expenses	(3,029,764)	(2,747,531)
Operating loss	<u>(4,268,349)</u>	<u>(3,898,304)</u>
Finance income	347,676	264,034
Finance costs	(19,905)	(498)
Loss for the year before taxation	<u>(3,940,578)</u>	<u>(3,634,768)</u>
Taxation credit for the year	114,094	50,000
Loss for the year after taxation transferred from reserves	<u>(3,826,484)</u>	<u>(3,584,768)</u>
Loss per share (basic and diluted)	<u>4.02p</u>	<u>5.89p</u>

SR PHARMA PLC
UNAUDITED CONSOLIDATED BALANCE SHEET
AT 31 DECEMBER 2006

	2006	2005
	£	£
Non-current assets		
Property, plant and equipment	146,897	246,970
Goodwill	6,239,679	6,380,166
Other intangible assets	728,489	876,860
	<u>7,115,065</u>	<u>7,503,996</u>
Current assets		
Inventories	-	81,852
Trade and other receivables	732,453	445,352
Tax recoverable	80,000	50,371
Cash and cash equivalents	8,824,044	9,091,201
	<u>9,636,497</u>	<u>9,668,776</u>
Liabilities – current		
Trade and other payables	929,607	1,153,701
Provisions – current	115,342	189,680
	<u>1,044,949</u>	<u>1,343,381</u>
Liabilities – non current		
Provisions – non current	-	142,260
	<u>1,044,949</u>	<u>1,485,641</u>
Total liabilities	<u>1,044,949</u>	<u>1,485,641</u>
Net assets	<u>15,706,613</u>	<u>15,687,131</u>
Equity		
Share capital	1,130,650	903,116
Capital reserves	40,212,619	36,405,031
Translation reserve	(47,466)	142,803
Retained loss	(25,589,190)	(21,763,819)
Total equity	<u>15,706,613</u>	<u>15,687,131</u>

SR PHARMA PLC
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AT 31 DECEMBER 2006

	Share capital	Capital reserves	Translation reserve	Retained loss	Total
	£	£	£	£	£
At 31 December 2004	238,857	20,284,665	-	(18,179,051)	2,344,471
Loss for the year ended 31 December 2005	-	-	-	(3,584,768)	(3,584,768)
Recognition of share-based Payments	-	1,954,514	-	-	1,954,514
Shares issued in the year	664,259	14,165,852	-	-	14,830,111
Exchange differences arising on consolidation of foreign operations	-	-	142,803	-	142,803
Movement in the year	664,259	16,120,366	142,803	(3,584,768)	13,342,660
At 31 December 2005	903,116	36,405,031	142,803	(21,763,819)	15,687,131
Loss for the year ended 31 December 2006	-	-	-	(3,826,484)	(3,826,484)
Recognition of share-based Payments	-	491,489	-	-	491,489
Transfer upon exercise of options in year	-	(1,113)	-	1,113	-
Shares issued in the year	227,534	3,317,212	-	-	3,544,746
Exchange differences arising on consolidation of foreign operations	-	-	(190,269)	-	(190,269)
Movement in the year	227,534	3,807,588	(190,269)	(3,825,371)	19,482
At 31 December 2006	1,130,650	40,212,619	(47,466)	(25,589,190)	15,706,613

SR PHARMA PLC
UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2006

	2006	2005
	£	£
Cash flow from operating activities		
Loss before taxation	(3,940,578)	(3,634,768)
Adjustments for:		
Depreciation charges	142,053	111,253
Amortisation charges	211,416	104,265
Loss/(Profit) on sale of property, plant and equipment	2,255	(161)
Loss on write off of intangible assets	-	7,658
Charge for the year in respect of share based payments	491,489	490,471
Foreign exchange gain	(27,712)	(13,143)
Provision against loan	-	100,000
Recovery of loan provided for in previous years	(33,000)	-
Investment income	(314,676)	(200,401)
Interest expense	1,360	498
	<u>(3,467,393)</u>	<u>(3,034,328)</u>
(Increase)/decrease in trade and other receivables	(287,101)	117,277
Decrease/(increase) in inventories	81,852	(13,451)
(Decrease) in trade and other payables	(440,692)	(127,192)
	<u>(4,113,334)</u>	<u>(3,057,694)</u>
Cash (absorbed) by operations		
Interest paid	(1,360)	(498)
Taxation received	84,466	275,804
	<u>(4,030,228)</u>	<u>(2,782,388)</u>
Net cash outflow from operating activities		
Cash flows from investing activities		
Acquisition of and investment in subsidiary net of cash acquired	-	(330,067)
Recovery of loan made previous years	33,000	-
Interest received	314,676	200,401
Additions to property, plant and equipment	(48,434)	(50,837)
Additions to intangible assets	(80,917)	(32,824)
Proceeds of sale of property, plant and equipment	-	1,529
	<u>281,325</u>	<u>(211,798)</u>
Net cash generated from/(used in) investing activities		
Cash flows from financing activities		

Proceeds from issue of share capital and options	<u>3,544,746</u>	<u>9,453,385</u>
(Decrease)/increase in cash & cash equivalents	<u><u>(267,157)</u></u>	<u><u>6,459,199</u></u>
Cash and cash equivalents at start of year	9,091,201	2,632,002
Net (decrease)/increase in the year	(267,157)	6,459,199
Cash and cash equivalents at end of year	<u><u>8,824,044</u></u>	<u><u>9,091,201</u></u>

SR PHARMA PLC
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2006

1 GENERAL INFORMATION

1.1 Group Information

SR Pharma plc (“SR Pharma” or “the Company”) and its subsidiaries (together “the Group”) are primarily involved in the research and development of novel pharmaceutical products. SR Pharma plc, a limited liability corporation incorporated and domiciled in England, is the Group’s ultimate parent company. The address of SR Pharma’s registered office is: 22 Melton Street, London NW1 2EP and the principal place of business is Floor 26, Centre Point, 103 New Oxford Street, London WC1A 1DD.

1.2 The financial information set out above does not constitute the Company’s statutory accounts within the meaning of section 240 of the Companies Act 1985. The 2006 figures are based on unaudited accounts for the year ended 31 December 2006. The auditors do not expect to issue a qualified report on the statutory accounts which will be finalised on the basis of the financial information presented by the directors in the preliminary announcement

The financial statements have been prepared on the basis of the accounting policies set out in the Group’s statutory accounts for 2005.

The 2005 comparatives are derived from the statutory accounts for 2005 which have been delivered to the Registrar of Companies and received an unqualified audit report and did not contain a statement under the Companies Act 1985, s237(2) or (3).

2. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the financial year after taxation of £3,826,484 (2005: loss £3,584,768) and on the weighted average of 95,138,708 (2005: 60,875,634) ordinary shares in issue during the year.

The options outstanding at 31 December 2006 and 31 December 2005 are considered to be non-dilutive in that their conversion into ordinary shares would not increase the net loss per share. Consequently, there is no diluted earnings per share to report for either year.

3. CAPITAL RESERVES

	Share Premium Account	Merger Reserve	Share- Based Payment Reserve	Total
	£	£	£	£
At 31 December 2004	19,983,303	183,916	117,446	20,284,665
On shares issued in the year:				
- for acquiring Atugen	-	5,956,958	-	5,956,958
- in respect of fundraising	9,572,879	-	-	9,572,879
- less costs of fundraising	(1,363,985)	-	-	(1,363,985)
On options issued during the year	-	-	490,471	490,471
On warrants issued during the year	-	-	1,464,043	1,464,043
Movement in the year	8,208,894	5,956,958	1,954,514	16,120,366
At 31 December 2005	28,192,197	6,140,874	2,071,960	36,405,031
On shares issued in the year:				
- in respect of fundraising	3,600,000	-	-	3,600,000
- less costs of fundraising	(285,355)	-	-	(285,355)
On options exercised during the year	2,567	-	(1,113)	1,454
On warrants converted during the year	676,105	-	(676,105)	-
On options issued during the year	-	-	491,489	491,489
Movement in the year	3,993,317	-	(185,729)	3,807,588
At 31 December 2006	32,185,514	6,140,874	1,886,231	40,212,619