



Antisoma plc
Half Year Report
for the six months ended
31 December 2011

Directors, Officers and Advisers

Directors

Michael Pappas *Non Executive Chairman*
Michael Bretherton *Finance Director*
Dale Boden *Non Executive Director*
Ross Hollyman *Non Executive Director*

Company Secretary

Christopher Hill

Company Website

www.antisoma.com

Company Number

03248123(England & Wales)

Registered Office

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160 Aldersgate Street
London, EC1A 4DD

Registrar

Capita Registrars Limited
Northern House
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Huddersfield, HD8 0GA

Auditor

PricewaterhouseCoopers LLP
1 Embankment Place
London, WC2N 6RH

Legal Adviser

CMS Cameron McKenna LLP
Mitre House
160 Aldersgate Street
London, EC1A 4DD

Nominated Adviser

Altium Capital Limited
30 St James's Square
London, SW1Y 4AL

Broker

WH Ireland Limited
24 Martins Lane
London, EC4R 0DR

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Non-Executive Chairman's Statement

Overview

Following the discontinuation of key clinical trials in early 2011, the Board took action to cease investment in the Group's clinical development programmes and reduce central overheads to a minimum in order to preserve cash resources.

The continuing Board subsequently reviewed a range of alternative strategies and opportunities in order to generate value for shareholders. During that process, the Board developed and agreed a strategy to identify and invest in a number of businesses with significant potential for value creation rather than commit the whole of Antisoma's cash resource to a single investment. It also became clear to the Board that the AIM market rather than the Official List, would be more appropriate for the trading of the Company's shares given its current strategy and size. In particular, a move to AIM would mean that corporate transactions can be executed more quickly and cost effectively.

On 7 December 2011, the Company's shareholders approved proposals to cancel Antisoma's listing on the Official List and to seek admission to trading of its shares on AIM. It was also felt appropriate for certain changes to be made to the Board at that time and, therefore, Grahame Cook and Michael Lewis did not seek re-appointment at the AGM on 7 December 2011, at which time I took on the role of Non-Executive Chairman. In addition, Ross Hollyman was appointed as an additional Non-Executive Director at the AGM.

Antisoma was subsequently admitted to AIM on 11 January 2012 as an Investing Company with an investing strategy under which the Board intends to identify investment opportunities offering the potential to deliver a favourable return to shareholders over the medium term, primarily in the form of a capital gain. A particular consideration will be to identify businesses which, in the opinion of the Board, are under-performing and present opportunities for value creation. The Company's equity interest in a potential investment may range from a minority position to 100 per cent. ownership and the interest may be either quoted or unquoted.

The Board intends the Company to be an active investor and to assist in the strategic development and growth of any significant acquisitions and/or investments it makes. The acquisitions or investments may be funded from existing cash resources, by the issue of new shares or with debt, or a combination thereof, as the Board deems appropriate.

Financial highlights

The Group reported a loss of £0.26 million for the six months to 31 December 2011 (2010: loss of £15.38 million) with administrative costs reduced to £0.19 million inclusive of the cost of moving to AIM (2010: £1.79 million). At 31 December 2011 the Group had cash balances of £13.56 million and net assets of £12.27 million.

Outlook

Antisoma benefits from a solid balance sheet and cash position and will continue to run a low cost base. This places the Company in a good position to exploit opportunities as they emerge with a view to developing a diversified portfolio of business investments. I believe that this will build value for shareholders going forward.

Michael Pappas
Non-Executive Chairman

22 March 2012

Condensed Consolidated Statement of Comprehensive Income

For the six months to 31 December 2011

	Notes	6 months ended 31 December 2011 (Unaudited) £'000	6 months ended 31 December 2010 (Unaudited) £'000	Year ended 30 June 2011 (Audited) £'000
Revenue		–	337	1,178
Research and development expenditure		–	(14,697)	(16,241)
Administrative expenses		(191)	(1,792)	(4,157)
Foreign exchange loss		(127)	(216)	(494)
Impairment of intangible assets		–	–	(58,197)
Total operating expenses		(318)	(16,705)	(79,089)
Other operating income		–	152	–
Operating loss		(318)	(16,216)	(77,911)
Finance income		54	71	52
Loss before taxation		(264)	(16,145)	(77,859)
Taxation		–	765	8,542
Loss for the period		(264)	(15,380)	(69,317)
Loss per ordinary share				
Basic and diluted	4	(0.04)p	(2.4)p	(10.9)p

The loss for the period arises from the Group's continuing operations.

Consolidated Statement of Comprehensive Income

	6 months ended 31 December 2011 (Unaudited) £'000	6 months ended 31 December 2010 (Unaudited) £'000	Year ended 30 June 2011 (Audited) £'000
Loss for the period	(264)	(15,380)	(69,317)
Exchange translation difference on consolidation	–	(287)	(382)
Total comprehensive income for the period	(264)	(15,667)	(69,699)

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2011

	Share capital £'000	Share premium £'000	Shares to be issued £'000	Other reserve- retranslation £'000	Other reserve- merger £'000	Profit and loss £'000	Total £'000
At 1 July 2010	10,628	122,070	–	8,664	39,255	(100,156)	80,461
Total comprehensive income for the year	–	–	–	(287)	–	(15,380)	(15,667)
New share capital issued	28	21	–	–	–	–	49
Share options: value of employee services	–	–	–	–	–	938	938
At 31 December 2010	10,656	122,091	–	8,377	39,255	(114,598)	65,781
Total comprehensive income for the period	–	–	–	(95)	–	(53,937)	(54,032)
New share capital issued	69	–	–	–	–	–	69
Reserve transfer	–	–	–	–	(39,255)	39,255	–
Share options: value of employee services	–	–	–	–	–	717	717
At 30 June 2011	10,725	122,091	–	8,282	–	(128,563)	12,535
Total comprehensive income for the period	–	–	–	–	–	(264)	(264)
At 31 December 2011	10,725	122,091	–	8,282	–	(128,827)	12,271

Condensed Consolidated Statement of Financial Position

As at 31 December 2011

Notes	As at 31 December 2011 (Unaudited) £'000	As at 31 December 2010 (Unaudited) £'000	As at 30 June 2011 (Audited) £'000
ASSETS			
Non-current assets			
Goodwill	–	7,162	–
Intangible assets	–	47,127	–
Property, plant and equipment	–	1,052	–
	–	55,341	–
Current assets			
Trade and other receivables	23	1,071	883
Current tax receivable	513	1,038	1,463
Short-term deposits	–	8,695	–
Cash and cash equivalents	13,565	14,687	12,312
	14,101	25,491	14,658
LIABILITIES			
Current liabilities			
Trade and other payables	(153)	(5,738)	(316)
Current tax payable	–	(1)	(1)
Provisions	(1,677)	(2,134)	(1,806)
	(1,830)	(7,873)	(2,123)
Net current assets	12,271	17,618	12,535
Non-current liabilities			
Deferred tax liabilities	–	(7,162)	–
Provisions	–	(16)	–
	–	(7,178)	–
Net assets	12,271	65,781	12,535
Shareholders' equity			
Share capital	5	10,725	10,725
Share premium	122,091	122,091	122,091
Other reserves	8,282	47,632	8,282
Profit and loss account	(128,827)	(114,598)	(128,563)
Total shareholders' equity	12,271	65,781	12,535

Approved by the Board and authorised for issue on 22 March 2012.

Michael Pappas
Non-Executive Chairman

Michael Bretherton
Finance Director

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2011

	6 months ended 31 December 2011 (Unaudited) £'000	6 months ended 31 December 2010 (Unaudited) £'000	Year ended 30 June 2011 (Audited) £'000
Cash flows from operating activities			
Loss for the period	(264)	(15,380)	(69,317)
Add back:			
Foreign exchange loss	127	216	494
Finance income	(54)	(71)	(52)
Tax credit	–	(765)	(1,380)
Deferred tax credit	–	–	(7,162)
Depreciation of property plant and equipment	–	246	391
(Gain)/loss on disposal of property, plant and equipment	–	(84)	804
Impairment of intangible assets	–	4,158	58,197
Disposal of intangible assets	–	–	250
Share-based payments	–	938	1,655
	(191)	(10,742)	(16,120)
Decrease/(increase) in trade and other receivables	860	1,011	1,238
(Decrease)/increase in trade and other payables	(164)	(2,360)	(8,363)
Cash flows from operations	505	(12,091)	(23,245)
Finance income	54	120	118
Taxation received	950	3,342	3,531
Net cash flows from operating activities	1,509	(8,629)	(19,596)
Cash flows from investing activities			
Purchase of property, plant and equipment	–	(128)	(121)
Proceeds on disposal of property, plant and equipment	–	84	89
Sale of short-term deposits	–	13,270	21,965
Net cash generated from investing activities	–	13,226	21,933
Cash flows from financing activities			
Proceeds from issue of ordinary share capital	–	49	118
Net cash generated from financing activities	–	49	118
Net increase in cash and cash equivalents	1,509	4,646	2,455
Exchange losses on cash and bank overdrafts	(256)	(57)	(241)
Cash and cash equivalents at beginning of the period	12,312	10,098	10,098
Cash and cash equivalents at end of the period	13,565	14,687	12,312

Notes to the Condensed Financial Statements

1. BASIS OF PREPARATION

The interim financial statements of Antisoma Plc are unaudited condensed consolidated financial statements for the six months ended 31 December 2011. These include unaudited comparatives for the six months ended 31 December 2010 together with audited comparatives for the year ended 30 June 2011.

The condensed consolidated financial statements do not constitute statutory accounts. The statutory accounts for the year ended 30 June 2011 have been reported on by the auditors to Antisoma Plc and have been filed with the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 498 of the Companies Act 2006.

2. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historical cost convention in accordance with International Financial Reporting Standards as adopted by the European Union.

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of Antisoma Plc for the year ended 30 June 2011.

3. TAXATION

The Group has accumulated losses available to carry forward against future trading profits. No deferred tax asset has been recognised in respect of tax losses since it is uncertain at the balance sheet date as to whether future profits will be available against which the unused tax losses can be utilised.

4. LOSS PER SHARE (BASIC AND DILUTED)

Basic loss per share is calculated by dividing the loss attributable to equity holders of the parent by the weighted average number of ordinary shares in issue during the period. Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares in issue during the period to assume conversion of all dilutive potential ordinary shares. The company has previously had potentially dilutive shares in issue but there is no dilutive earnings effect as there is a loss for each of the periods concerned.

	6 months ended 31 December 2011 (Unaudited) £'000	6 months ended 31 December 2010 (Unaudited) £'000	Year ended 30 June 2011 (Audited) £'000
Loss for the period (£'000)	(264)	(15,380)	(69,317)
Weighted average number of shares ('000)	639,360	630,810	633,328
Basic loss per ordinary share	(0.04)p	(2.4)p	(10.9)p

At 31 December 2011, there are no employee options in issue and the company has no shares held in treasury.

Notes to the Condensed Financial Statements (continued)

5. SHARE CAPITAL

	6 months ended 31 December 2011 (Unaudited) £'000	6 months ended 31 December 2010 (Unaudited) £'000	Year ended 30 June 2011 (Audited) £'000
Authorised			
835,500,000 ordinary shares of 1p each	8,355	8,355	8,355
5,000,000 preference shares of £1 each	5,000	5,000	5,000
	13,355	13,355	13,355
Issued, allotted, called-up and fully paid			
639,360,364 Ordinary shares of 1p each at 31 December 2011 and 30 June 2011	6,393	–	6,393
632,400,356 Ordinary shares of 1p each at 31 December 2010	–	6,324	–
4,331,683 preference shares of £1 each	4,332	4,332	4,332
	10,725	10,656	10,725

The zero coupon convertible redeemable preference shares of £1 each have the following principal terms attached:

- No rights to receive dividends;
- On a winding up, the preference shareholders rank above ordinary shareholders in payment of a sum equal to the nominal capital paid up but have no rights to participate further in the assets of the Company;
- No rights to receive notice of or attend or vote at any general meeting of shareholders;
- No longer convertible as the conversion periods have expired; and
- Redeemable at the option of the Company at any time at par.

6. RELATED PARTY TRANSACTIONS

During the period the Company entered into the following transactions with ORA Capital Limited (a wholly owned subsidiary of a significant corporate shareholder which as at 31 December 2011 held 28.7 per cent. of the Company's issued share capital).

	Six months to 31 December 2011 (Unaudited) £'000	Six months to 31 December 2010 (Unaudited) £'000	Year to 30 June 2011 (Audited) £'000
Management consultancy fees	6	–	–

During the six month period ended 31 December 2011, the Company entered into numerous transactions with its subsidiary companies which net off on consolidation – these have not been shown.

In addition, during the period the Company paid remuneration to the Directors' in accordance with their service contracts and letters of appointment.

7. HALF YEAR FINANCIAL REPORT

A copy of this half year report will be distributed to shareholders and is also available on the Company's website at www.antisoma.com



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