

For Immediate Release

25 March 2009

Cobra Biomanufacturing Plc

**Preliminary Results
for the year ended 30 September 2008**

Cobra Biomanufacturing Plc, the international provider of biopharmaceutical manufacturing services, today announces its unaudited preliminary results for the twelve months ended 30 September 2008.

- **Revenue up 60% in the second half of the year to £4.3m compared with the first half** (H1 2008: £2.7m) **to give full year revenue of £7m** (2007: £9.2m).
- **Losses reduced in the second half of the year to £1.0m compared with the first half** (H1 2008: £2.3m loss) **to give a full year loss after tax of £3.3m** (2007: £1.8m loss).
- **Secured contracted order book up 17% to £11m** ⁽¹⁾ (18 January 2008: £9.4m).

Operational Update

- **Satisfactory variation agreement reached with GenVec, Inc to place their contract on hold until 30 June 2009, as announced in the trading statement on 23 March 2009.**

Commenting on the outlook, Peter Fothergill, Chairman said:

"There continues to be global economic uncertainty affecting all markets, including those for biopharmaceuticals, exemplified by the contract variation included in the operational update.

However, Cobra's expertise gives us a competitive advantage which has resulted in a secured order book of £11m ⁽¹⁾ *(18 January 2008: £9.4m). We will continue to proactively control our cost base and maximise revenue and cash flow"*

⁽¹⁾ **Signed contracted order book at 1 October 2008 plus contracted orders signed from 1 October 2008 to 25 March 2009, excluding unconfirmed revenue from the existing GenVec, Inc contract.**

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Chairman's Statement

Financial Summary

The financial results for 2008 fell into two distinct phases. The first half year saw a continuation of the difficult trading encountered in the previous six months with revenue of only £2.7m (H1 2007: £5.3m); However, the second half showed the beginnings of a recovery with revenues of £4.3m (H2 2007: £3.9m); and full year revenue of £7.0m (2007: £9.2m). The loss after tax was £3.3m (2007: £1.8m).

In response to the difficult trading environment the Group has maintained a rigorous control of costs and cash. This included a headcount reduction, recruitment delays and a senior management restructuring which along with the introduction of cross functional training to achieve a more flexible multi-tasking workforce capability, will result in significant annualised cost savings and increased efficiency as we entered the new financial year. The Group also refocused its marketing effort which alongside the recent strengthening of both the US Dollar and the Euro has contributed to a secured contracted order book of £11.0m⁽¹⁾, 17% higher than this time last year (18 January 2008: £9.4m). £7.7m of these orders are scheduled for delivery in the current financial year which compared with £6m this time last year represents a meaningful turnaround and ensures that financial stability is being maintained.

Management

On 18 January 2008, we announced the appointment of Simon Saxby as Chief Operating Officer and at the same time David Thatcher stepped down as Chief Executive, to become a Non Executive Director of the Group as well as acting as a consultant for Cobra Oral Technologies Limited ('COT'), a subsidiary focused on our oral vaccines project. These management changes evolved further during the year with Simon Saxby then stepping up to become Chief Executive in June 2008 as I stepped down to become Non Executive Chairman later in the year.

Subsequently, David Thatcher retired as a Non Executive Director on 17 January 2009 and the other Board Directors wish to acknowledge his contribution to the business not only over this last 12 months, with the evolution of COT which pending results from on going studies, that should be available in the first half of calendar year 2009, may have potential value, but also for the growth and development of the contract manufacturing business started in 1998.

Placing

In June 2008 we were able to raise £1m (net of expenses) through a placing of shares with existing large shareholders to provide funds for working capital and essential capital expenditure. The Directors would like to thank once again both our major institutional and private investors for their continued support. The placing was approved at the EGM on 30 May 2008 and resulted in Mr and Mrs Dixon becoming our largest shareholders with 43.9% of the ordinary share capital.

Outlook

There continues to be global economic uncertainty affecting all markets, including those for biopharmaceuticals affected, exemplified by the contract variation included in the operational update.

However, Cobra's expertise gives us a competitive advantage which has resulted in a secured contracted order book of £11m⁽¹⁾ (18 January 2008: £9.4m) We will continue to proactively control our cost base and maximise revenue and cash flow

Peter Fothergill

Chairman

25 March 2009

⁽¹⁾ Signed contracted order book at 1 October 2008 plus contracted orders signed from 1 October 2008 to 25 March 2009, excluding unconfirmed revenue from the existing Genvec, Inc contract.

Chief Executive's Review

Contracted Order Book

Cobra has made significant progress this year, despite operating in a very competitive market and a tough financial climate. Our track record and reputation in the market resulted in 12 new customers this year, in addition to winning a significant amount of repeat business from our existing customers to increase the secured contracted order book by 17% to £11m⁽¹⁾ (January 2008 £9.4m), £7.7m of which is scheduled for the current financial year (18 January 2008: £6m).

The current secured order book includes the payments that we will receive under the variation agreed with GenVec, Inc to place their contract on hold until the 30 June 2009 as announced in the trading statement on 23 March 2009, but excludes any remaining revenue from the existing contract, until we get confirmation from the customer that they wish to either continue or terminate.

Notwithstanding, the secured order book now has a broader base of both European and North American clients than in previous years and reflects the strength of Cobra's reputation in the biopharmaceutical contract manufacturing market and confirms the potential for further growth within the sector.

Management Focus

During the year we focused upon keeping costs to a minimum, maximising working capital and improving the Group's operating efficiencies.

We are also looking into ways of expanding Cobra's capacity for the manufacture of mammalian cell secreted proteins which is the biggest sector of the market, as well as developing our strength in the production of viral therapeutic products.

We will continue to target potential customers requiring long term manufacturing agreements to reduce our reliance on short term supply contracts for clinical material and thereby introduce more revenue predictability to the business.

Revenue

The shape of the business continued to progress through 2008 with an increase in the number of contracts from European customers, including the UK and Cobra's first major success in Asia with the signing of two contracts with ViroMed Co Limited in South Korea.

Revenue from our North American customers was still predominant in 2008, but fell to £3.5m (2007: £6.0m) or 50% of the total (2007: 65%) as our contract composition changed in the year. Revenue from European based customers (including the UK) provided £2.9m (2007: £3.0m), 41% of the total (2007: 33%) and revenue from the Rest of the World grew to £0.6m (2007: £0.2m), or 9% of the total (2007: 2%). The increase in the global spread of Cobra's business provides for a more robust future with less reliance on a single market.

Protein based revenue fell to £2.4m (2007: £4.3m), 34% of the total (2007: 47%), primarily due to our limited capacity for microbial derived proteins. However, we have through a more focused marketing effort been successful in winning a number of significant contracts for mammalian cell derived proteins and this will be reflected in our future results.

Virus based revenue was £2.4m (2007: £2.8m), 34% of the total (2007: 30%) maintaining Cobra's position as a leading supplier in this market, with the remaining revenue split between DNA with £1.7m (2007: £1.8m) and Cell Line work of £0.5m (2007 £0.3m).

Growth of the Business

We have identified that the production of mammalian cell secreted proteins is an area of the business that will provide significant growth opportunities, as demonstrated by the number of contracts signed in 2008. These products lend themselves to manufacture using new disposable technologies, which will reduce costs, increase our operating efficiency and increase our capacity.

In addition Cobra is one of the few contract manufacturing organisations capable of manufacturing commercial quantities of regulatory compliant viral based products.

As part of the geographical expansion of the business and in line with the opportunities in Asia, we have appointed an agent in Japan to enable Cobra to focus significant effort on the rapidly growing Japanese biologics market, at a low cost entry level.

Outlook

I would like to thank all the staff at Cobra for their hard work, expertise and dedication over the past year, all of which has resulted in a strong order book. A new Chief Executive invariably means change, and I would also like to thank the Board, the management team and all the staff for their support and active involvement in introducing changes to enable Cobra to compete efficiently in the difficult financial climate faced by the industry as a whole. We will continue to fight for long term development and manufacturing relationships, and strategic partnerships that will provide more predictable revenues and opportunities to expand the business.

Simon Saxby
Chief Executive
25 March 2009

Financial Review

Income Statement

Revenue for the year fell 24% to £7m (2007: £9.2m), which resulted in a decline in the gross margin to 33% (2007: 42%) as the Group was unable to maximise the coverage of its direct manufacturing costs, a high proportion of which are fixed and essential to maintain our cGMP ('Good Manufacturing Practice') and quality standards. Research and development expenditure in the year was £0.5m (2007: £0.6m) as we utilised spare capacity on initiatives such as the development of new, more efficient manufacturing systems and other projects to maintain the Group's competitive position in the existing manufacturing service business and also to continue the development of our oral vaccine platform technology, ORT-VAC.

Sales, marketing and distribution costs of £1.0m (2007: £1.1m) and administrative expenses including share based payments of £3.8m (2007: £3.9m) both fell in the year as we controlled our cost base. Overall there was a loss before tax of £3.4m (2007: £1.9m loss) and after the provision for the research and development tax credit, a loss after tax of £3.3m (2007: £1.8m loss).

Balance Sheet

Cobra invested a further £0.7m in plant and equipment in the year (2007: £1.0m), lower than the previous year as we controlled expenditure. However this investment was essential as a requirement to support our order book and to maintain our two facilities to cGMP and MHRA compliance.

Deferred income more than doubled in the year to £1.1m (2007: £0.5m), reflecting the strength of the secured order book. Inventories, including work in progress fell to £0.3m (2007: £0.4m), however due to the operating losses incurred and capital investment required, which were offset by net financing inflow of £0.6m (2007: £0.2m inflow), cash and cash equivalents closed at £0.3m (2007: £1.3m).

Non current liabilities fell in the year to £2.5m (2007: £2.8m) and they comprise of a bank loan with National Westminster Bank Plc of £1.8m (2007: £1.9m), secured against the freehold buildings in Oxford and a £0.3m cash deposit, and finance lease obligations of £0.7m (2007: £0.9m). The bank loan is repayable over a 13 year period which commenced November 2007 and the finance lease are repayable between 2 and 5 years.

Cash Flow

Operating cash outflow for the year was £1.3m (2007: £0.9m outflow) which in addition to capital expenditure of £0.8m (2007: £1.1m), a share placing of £1m (net of expenses) (2007: nil), an increase in the overdraft of £0.1m (2007: £0.1m), finance leases taken out of £0.6m (2007: £0.6m), offset by finance lease and mortgage repayments of £0.9m (2007: £0.8m) and combined interest payments of £0.3m (2007: £0.2m) resulted in closing cash and cash equivalents of £0.3m (30 September 2007: £1.3m).

Share Placing

Due to the operating losses incurred in the first half of the financial year and the capital investment required primarily to modify the Oxford facility to meet FDA requirements for commercial virus production, additional funding via a placing of £1.2m (before expenses) was required in the year. The Extraordinary General Meeting was held on 30 May 2008 and all the resolutions were passed, which included a capital reorganisation (see details below), changes to the Group's Articles of Association, the approval of the Takeover Panel's requirements and the £1.2m share placing itself.

Capital Reorganisation

In order to proceed with the placing it was necessary to restructure the Company's share capital, as the nominal value of the existing ordinary shares was 10 pence, above the 5 pence placing price, which is not permitted. Therefore the Group split the existing 10 pence ordinary shares into nine 1 pence deferred shares and one new 1 pence ordinary shares. The new deferred shares have no rights attached to them, and the effect of the reorganisation is that shareholders keep the same number of ordinary shares but at the lower 1 pence nominal value with identical rights.

Going Concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future, this being a period of not less than twelve months from the date of the approval of the financial statements.

The disclosures in Note 2 highlight that there are material uncertainties in providing an accurate forecast for the Group, being the difficulty in accurately forecasting the timings of contract signatures and the subsequent cash receipts, and the renewal of the existing overdraft facilities with the bank at the end of August 2009. This therefore may cast significant doubt about the Group's ability to continue as a going concern for the foreseeable future and as a result it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding, the Directors believe that they have a reasonable expectation that the Group will be able to operate within its available resources and there will be sufficient funds to enable the Group to continue as a going concern for the foreseeable future.

Taxation

At 30 September 2008, the Group had trading tax losses carried forward of £19.0m ensuring that the Group should not be obliged to pay UK corporation tax for the foreseeable future on any trading profits. The Group is also entitled to claim research and development tax relief, available under Schedule 20 of the Finance Act 2000 in respect of financial year 2008, which resulted in a credit to the Group Income Statement of £0.1m (2007: £0.1m).

Financial Risks

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. Risk management policies are constantly reviewed, taking into account changes in market conditions and the Group's activities. A formal risk management update is presented to the Board bi-annually. It is not the Group's policy to enter into financial derivatives for speculative or trading purposes.

Interest rate risk: The Group is exposed to interest rate risk on funds borrowed at both fixed and floating rates. At 30 September the Group had a mortgage with the National Westminster Bank Plc ('Nat West'), with an outstanding balance of £1.9m at 30 September 2008 (2007: £2.0m). The Group currently pays a fixed rate of 1.65% over the Nat West's sterling base rate on the outstanding mortgage balance. The Group also has a £0.3m overdraft facility which is utilised when required at a fixed rate currently at 2.95% over their base rate, and finance leases of £1.4m (2007: £1.5m) which are fixed rate loans with an average borrowing rate of 8.7% at 30 September 2008 (2007: 8.0%).

Liquidity risk: The Group manages liquidity by maintaining banking facilities, which includes a bank overdraft and mortgage with Nat West. The Board continuously monitors its cash flow forecasts, both short and long term and then measuring those forecasts to actual performance. Consideration is also given to the maturity profiles of financial assets and liabilities.

Credit risk: the Group's credit risk relates to trade receivables, short term investments and cash and cash equivalents. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies. The Group has no significant concentration of credit risk related to receivables, as the exposure is spread over a number of customers over different geographical areas. The Group uses publicly available trading records, web site analysis and press releases to rate both new and existing customers.

Foreign currency risk: the Group generated overseas revenue during the year, primarily from North America and Continental Europe. The position regarding currency risk is regularly reviewed and particular attention has been paid to currency hedging activity given the significant strengthening in both the US Dollar and the Euro, which has increased the secured order book and improved Cobra's competitive advantage, but has in the year incurred an exchange rate loss of £64k (2007: £38k gain), due to the provision of forward currency contracts against the Group's contracted US Dollar and Euro order book, taken out at a higher previous exchange rate. Foreign currency risk is partially offset by overseas expenditure which mainly comprises of the salaries and costs of the US sales team and mitigated further by the Group's specialist skills being relatively price insensitive.

Peter Coleman
Chief Financial Officer
25 March 2009

Group Income Statement
For the year ended 30 September 2008

	Notes	2008 £000's Unaudited	2007 £000's Audited
Revenue	3&4	7,009	9,194
Cost of sales		(4,686)	(5,329)
Gross profit	4	2,323	3,865
Sales, marketing and distribution costs		(1,048)	(1,058)
Research and development		(532)	(606)
Administrative expenses (excluding share based payments)		(3,789)	(3,914)
Share based payments		(20)	(32)
Total administrative expenses		(3,809)	(3,946)
Reorganisation costs		-	(90)
Operating loss		(3,066)	(1,835)
Finance income		18	101
Finance costs		(334)	(151)
Loss before tax		(3,382)	(1,885)
Taxation		107	110
Loss for the year		(3,275)	(1,775)
Loss per share	5	(11.0)p	(9.1)p

The results for the year and preceding year are derived from continuing activities.

**Group Balance Sheet
As at 30 September 2008**

	2008 £000's Unaudited	2007 £000's Audited
Non current assets		
Property, plant and equipment	8,203	8,504
Intangible assets	125	143
	8,328	8,647
Current assets		
Inventories	301	382
Trade and other receivables	1,848	1,456
Short term investments	-	275
Cash and cash equivalents	291	1,338
	2,440	3,451
Total assets	10,768	12,098
Current liabilities		
Bank loans and overdraft	(371)	(194)
Obligations under finance leases	(663)	(639)
Trade and other payables	(2,138)	(1,674)
Deferred income	(1,091)	(516)
	(4,263)	(3,023)
Net current (liabilities)/assets	(1,823)	428
Non current liabilities		
Bank loans	(1,763)	(1,916)
Obligations under finance leases	(704)	(890)
	(2,467)	(2,806)
Total liabilities	(6,730)	(5,829)
Net assets	4,038	6,269
Equity		
Called up share capital	443	1,959
Deferred shares	1,763	-
Share premium	10,411	9,634
Merger reserve	29,729	29,729
Other reserves	473	453
Profit and loss reserve	(38,781)	(35,506)
Total equity	4,038	6,269

Group Cash Flow Statement
For the year ended 30 September 2008

	Notes	2008 £000's Unaudited	2007 £000's Audited
Net cash outflow from operating activities	6	(1,265)	(871)
Investing activities			
Proceeds from disposal of property, plant and equipment		54	-
Interest received		18	63
Payments to acquire property, plant and equipment		(798)	(1,069)
Payments to acquire intangible assets		-	(4)
Decrease in short term deposits		275	-
Net cash outflow from investing activities		(451)	(1,010)
Financing activities			
New borrowings		-	487
Repayment of borrowings		(111)	(253)
Lease finance acquired via sale and leaseback		580	558
Repayment of capital elements of finance leases		(742)	(502)
Increase in bank overdraft		135	80
Issue of ordinary shares		1,024	-
Interest on bank loans		(152)	(45)
Interest element of finance leases		(118)	(106)
Net cash inflow from financing activities		616	219
Decrease in cash and cash equivalents		(1,100)	(1,662)
Opening cash and cash equivalents		1,338	2,940
Effect of foreign exchange gains		53	60
Closing cash and cash equivalents		291	1,338

**Unaudited Group Statement of Changes in Equity
As at 30 September 2008**

	Share capital £000's	Deferred shares £000's	Share premium £000's	Merger reserve £000's	Other reserves £000's	Profit and loss reserve £000's	Total £000's
At 1 October 2006	1,959	-	9,634	29,729	421	(33,731)	8,012
Share based payments	-	-	-	-	32	-	32
Loss for the year	-	-	-	-	-	(1,775)	(1,775)
At 30 September 2007	1,959	-	9,634	29,729	453	(35,506)	6,269
Capital reorganisation	(1,763)	1,763	-	-	-	-	-
Issue of new shares	247	-	-	-	-	-	247
Premium on issue	-	-	990	-	-	-	990
Expenses on issue	-	-	(213)	-	-	-	(213)
Share based payments	-	-	-	-	20	-	20
Loss for the year	-	-	-	-	-	(3,275)	(3,275)
At 30 September 2008	443	1,763	10,411	29,729	473	(38,781)	4,038

Notes to the Unaudited Financial Information

1. Basis of Preparation

The financial information set out in this unaudited preliminary announcement does not constitute the Company's statutory accounts for the years ended 30 September 2008 or 2007. The financial information for the year ended 30 September 2007 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The Auditors reported on those accounts; their report was unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain a statement under s237(2) or (3) Companies Act 1985. The audit of the statutory accounts for the year ended 30 September 2008 is not yet complete, but the Auditors expect to draw attention to the going concern basis of preparation by way of emphasis, without qualifying their report. These accounts will be finalised on the basis of the financial information presented by the Directors in this unaudited preliminary announcement and will be delivered to the Registrar of Companies by the 30 April 2009.

Whilst the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs on 31 March 2009. This preliminary announcement has been prepared on the same basis as the financial statements for the year ended 30 September 2007.

2. Going concern

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future, this being a period of not less than twelve months from the date of the approval of the financial statements.

Cobra had cash and cash equivalents of £0.3m as at 30 September 2008 and incurred a loss of £3.3m for the twelve months ended 30 September 2008. The Group's Directors have prepared a detailed cash flow forecast for the period ending 30 September 2010 ("the forecast") which includes a number of assumptions regarding income, expenditure, cash flows and the availability of the Group's existing overdraft facilities.

In preparing the forecast, the Directors have taken into account the recent trading activity of the Group, notably the improved trading in the second half of the 2008 financial year and the current £11m secured, contracted order book. The Directors have also reviewed the value and content of the 6 month priority leads, taking into account the historical conversion rate of priority leads into secured contracts, the cost base and capital required to deliver on the income forecast, the availability of the Group's overdraft, and the assumptions relating to the timing of the Group's cash flow.

However, given the nature of the Group's business, typified by both the variety and size of each contract, in conjunction with the current global economic climate, it is inherently difficult to accurately forecast the timing of contract signatures and the associated subsequent cash flows. In this regard the Directors have made prudent assumptions regarding the conversion of the priority leads into signed contracts and ultimately cash.

In addition the Group's overdraft facility is due for renewal at the end of August 2009. Based on current information available to them and the historic pattern of renewal of the facility the Directors believe the facility will be renewed, on similar terms to those currently in existence. The Directors therefore consider it reasonable to include the availability of the facility in their assessment of the going concern basis of preparation of the financial statements.

The factors set out above highlight there are material uncertainties in providing an accurate forecast for the Group, being the difficulty in accurately forecasting the timings of contract signatures and the subsequent cash receipts, and the renewal of the existing overdraft facilities with the bank. This therefore may cast significant doubt about the Group's ability to continue as a going concern for the foreseeable future and as a result it may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding, the Directors believe that they have a reasonable expectation that the Group will be able to operate within its available resources and there will be sufficient funds to enable the Group to continue as a going concern for the foreseeable future.

This financial information therefore does not include the adjustments that would result, if the Company were unable to continue as a going concern.

3. Revenue

All revenue is generated from continuing operations, the analysis of which is as follows:

	2008	2007
	£000's	£000's
The rendering of services	6,871	9,099
License revenue	138	95
	7,009	9,194

Finance income is disclosed separately in the income statement and has been excluded from this note.

The licensing revenue generated in the year was received from a North American customer, whose product type was protein and the payment is associated with contract manufacturing services.

4. Business and geographical segments

The Group provides contract manufacturing services for the biopharmaceutical industry.

Management segments the Group's service contracts by revenue and gross profit contribution into business segments, defined by the customer's product type (i.e. protein, virus, DNA and Cell Line) and geographically, by the four key territories in which its customers are located (North America, Europe excluding UK, UK and the Rest of the World) to provide some level of trend performance, recognising that there will always be a degree of variability in segmental performance due to the technical complexity and scientific uniqueness of each service contract.

Management does not allocate sales, marketing and distribution costs, research and development, administrative expenses, share based payments, finance income, finance costs, taxation and net assets to individual service contract or business or geographic segments, as they are regarded by the Group as central overheads/assets.

Business segments: The business segmental results for 2008 are as follows:

2008	Protein £000's	Virus £000's	DNA £000's	Cell Line £000's	Total £000's
Revenue by customer product type	2,383	2,392	1,653	581	7,009
Cost of sales	(1,569)	(1,350)	(1,365)	(402)	(4,686)
Gross profit	814	1,042	288	179	2,323
Sales, marketing and distribution costs					(1,048)
Research and development					(532)
Administrative expenses (excluding share based payments)					(3,789)
Share based payments					(20)
Total administrative expenses					(3,809)
Operating loss					(3,066)
Finance income					18
Finance costs					(334)
Loss before tax					(3,382)
Taxation					107
Loss for the year					(3,275)
Net assets					4,038

Business segments: The business segmental results for 2007 are as follows:

2007	Protein £000's	Virus £000's	DNA £000's	Cell Line £000's	Total £000's
Revenue by customer product type	4,288	2,802	1,817	287	9,194
Cost of sales	(2,378)	(1,318)	(1,522)	(111)	(5,329)
Gross profit	<u>1,910</u>	<u>1,484</u>	<u>295</u>	<u>176</u>	<u>3,865</u>
Sales, marketing and distribution costs					(1,058)
Research and development					(606)
Administrative expenses (ex share based payments)					(3,914)
Share based payments					(32)
Total administrative expenses					(3,946)
Reorganisation costs					(90)
Operating loss					<u>(1,835)</u>
Finance income					101
Finance costs					(151)
Loss before tax					<u>(1,885)</u>
Taxation					110
Loss for the year					<u>(1,775)</u>
Net assets					<u>6,269</u>

Geographic segments: the geographical segmental results for 2008 are as follows:

2008	North America £000's	Europe (excl UK) £000's	UK £000's	Rest of the World £000's	Total £000's
Revenue by customer location	3,473	1,330	1,550	656	7,009
Cost of sales	(1,894)	(1,192)	(1,144)	(456)	(4,686)
Gross profit	<u>1,579</u>	<u>138</u>	<u>406</u>	<u>200</u>	<u>2,323</u>
Sales, marketing and distribution costs					(1,048)
Research and development					(532)
Administrative expenses (ex share based payments)					(3,789)
Share based payments					(20)
Total administrative expenses					(3,809)
Operating loss					(3,066)
Finance income					18
Finance costs					(334)
Loss before tax					(3,382)
Taxation					107
Loss for the year					(3,275)
Net assets					<u>4,038</u>

Geographic segments: the geographical segmental results for 2007 are as follows:

2007	North America £000's	Europe (excl UK) £000's	UK £000's	Rest of the World £000's	Total £000's
Revenue by customer location	5,985	2,834	212	163	9,194
Cost of sales	(2,645)	(2,515)	(125)	(44)	(5,329)
Gross profit	<u>3,340</u>	<u>319</u>	<u>87</u>	<u>119</u>	3,865
Sales, marketing and distribution costs					(1,058)
Research and development					(606)
Administrative expenses (ex share based payments)					(3,914)
Share based payments					(32)
Total administrative expenses					(3,946)
Reorganisation costs					(90)
Operating loss					<u>(1,835)</u>
Finance income					101
Finance costs					(151)
Loss before tax					<u>(1,885)</u>
Taxation					110
Loss for the year					<u>(1,775)</u>
Net assets					<u>6,269</u>

5. Loss per ordinary share

	2008 £000's	2007 £000's
Loss for the year	<u>(3,275)</u>	<u>(1,775)</u>
Loss per share		
Weighted average number of shares (000's)	<u>29,694</u>	<u>19,591</u>
Loss per share (pence)	<u>(11.0)</u>	<u>(9.1)</u>

6. Net cash outflow from operating activities

	2008 £000's	2007 £000's
Operating loss	(3,066)	(1,835)
Reorganisation costs	-	90
Depreciation of property, plant and equipment	912	850
Amortisation of intangible fixed assets	18	17
Loss on sale of property, plant and equipment	7	-
Share based payments	20	32
Decrease in inventories	81	213
(Increase)/decrease in trade and other receivables	(527)	812
Increase/(decrease) in deferred income	575	(679)
Increase/(decrease) in trade and other payables	607	(436)
Net cash outflow from operations	<u>(1,373)</u>	<u>(936)</u>
Research and development tax credit	108	65
Net cash outflow from operating activities	<u>(1,265)</u>	<u>(871)</u>

Annual Report

The Annual Report will be posted to shareholders by the 31 March 2009. Further copies will be available on request from the Company Secretary, Cobra Biomanufacturing Plc, The Science Park, Keele, Staffordshire, ST5 5SP.

Annual General Meeting

The Annual General Meeting will be held on 28 May 2009 at 11.00am at the Group's Oxford Facility, County Trading Estate, Watlington Road, Oxford, OX4 6LX.

The board of directors of Cobra Biomanufacturing Plc approved the Preliminary Results on 25 March 2009.