

SYNTOPIX GROUP PLC
("Syntopix" or "the Company")

Interim results for the six months ended 31 January 2009

Syntopix Group plc (AIM: SYN) the speciality pharmaceutical research and development company focused on dermatological diseases and other conditions requiring antimicrobial compounds today announces its interim results for the six months ended 31 January 2009.

Highlights:

- Initiated a further Phase II proof-of-concept clinical study.
- Our Exclusivity and Evaluation agreement with a major consumer healthcare company has been renewed for a further 12 months.
- Additional placing in August 2008 raising funding of £1.48 million (net of expenses).
- Strong patent portfolio with 17 core patents/applications. 5 patents have been granted in the UK.

Dr Stephen Jones (Chief Executive Officer) commented: "The number of compounds that are entering human use studies for the treatment of several consumer healthcare conditions is steadily increasing, and Syntopix is entering a new, exciting phase."

These interim results will be made available on the Group's website at www.syntopix.com.

Enquiries

Syntopix Group plc

Dr Rod Adams, Chairman

Dr Stephen Jones, Chief Executive Officer

+ 44 (0) 845 125 9204

Zeus Capital Limited

Ross Andrews

Bobby Fletcher

+44 (0) 161 831 1512

Notes to editors

About Syntopix Group plc

Syntopix is a group focused on the discovery and development of drugs for the topical treatment of dermatological diseases and other conditions requiring antimicrobial compounds. The company was founded in 2003 as a spin-out from the University of Leeds by Dr Jon Cove and Dr Anne Eady, two of the leading experts in skin microbiology, with initial funding from The Wellcome Trust.

Syntopix' strategy is to seek to reduce the risks and costs of drug discovery and development by discovering novel uses for known compounds. The company concentrates on compounds and combinations of compounds that have a history of use in man; and that have well characterised properties, for example antimicrobials and anti-inflammatories. The Group currently has five patents that are granted in the UK and overall our portfolio has a total of 41 patents/applications across key international territories.

Syntopix is currently working on acne and has identified a pipeline of lead drug candidates that it intends to take through pre-clinical and, as appropriate, clinical trials. The Group intends to out-license products to commercial partners on obtaining proof of principle and to seek co-development partnerships.

The Group is based at the Institute of Pharmaceutical Innovation in Bradford, giving access to the expertise in skin biology, formulation and toxicology at the universities of Bradford and Leeds.

Syntopix' shareholders include Techtran Group Limited (a subsidiary of IP Group plc), The Wellcome Trust Limited, University of Leeds Limited and Ridings Early Growth Investment Company Limited. Syntopix joined the AIM market of the London Stock Exchange in March 2006.

For further information please visit www.syntopix.com.

Interim management report

Introduction

We are pleased to report the interim results for the six months ended 31 January 2009. Since our last Annual Report we have continued to screen compounds for their antimicrobial potential in the treatment, prevention and maintenance of several dermatological and oral healthcare conditions.

Our focus and area of expertise continues to be acne, although we are responding to considerable interest from other areas of consumer healthcare that require the topical use of antimicrobials. These opportunities are becoming equally commercially attractive and we are extending our expertise as we interact with and further understand the needs of our customers.

Having optimised a topical formulation for maximising efficacy we have initiated another Phase II proof-of-concept clinical study in subjects with acne-prone skin and these results are due mid-summer 2009.

One compound has already been tested and several other compounds are in preparation for proof of principle human-use testing in an oral care setting during 2009. We envisage that this will be an area of growth for us in the future.

Finally we have renewed and expanded, for another 12 months, an Exclusivity and Evaluation Agreement with the same major consumer healthcare company that we announced in December 2007.

Development programme

The Group's compound library is now in excess of 1,800 compounds and is continually growing. All compounds are screened against our key microorganism, *Propionibacterium acnes* and further studies are conducted on active compounds to further characterise their antimicrobial potential and their ability to synergise with other compounds as appropriate. These additional (proprietary) studies add considerable value to the process of evaluating the suitability of compounds for use in the fields of acne and oral care.

The Group continues to work with Procter and Gamble and are developing a good relationship with all our partner companies.

Clinical programme

We are continuing to move our lead compounds from research into clinical development. Building on the success of our initial Phase II study, SYN 0126 in combination with (a) SYN 0040 and (b) SYN 0040 with SYN 0854, is the subject of another Phase II proof-of-concept clinical study which started in January 2009. The results from this study are expected mid-summer 2009.

SYN 0017 has been evaluated in a human use study by our partner company (a major consumer healthcare company) for use in an oral care setting and, although SYN 0017 demonstrated activity, it was not sufficient to be commercially attractive for this company. However, SYN 0017 is being considered by other major consumer healthcare companies for use in oral care.

Our ability to identify compounds for use in the field of oral healthcare is proving very successful and SYN 0096 and SYN 0601 are being considered for further clinical studies by our partner company. We anticipate that the interest in this area will continue to expand.

Intellectual Property

Our patent portfolio continues to be strengthened by careful strategic management. Syntopix currently has 17 core families of patents/applications. Of these, five are granted in the UK, four are published applications and eight are awaiting publication. Overall our portfolio has a total of 41 patents/applications across key international territories.

Financial and operational review

Income statement

A summary of the Group's results is set out below:

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
Turnover	85	37	141
Operating loss	(656)	(989)	(1,567)
Loss for the period	(577)	(894)	(1,403)

During the period the Group derived sales revenue from commercial deals with pharmaceutical companies as described in more detail in the Interim Management Report above.

The operating loss for the half-year to 31 January 2009 is lower than previous periods as a result of research and development expenditure which is largely due to the timing of the Group's clinical trial programme.

Balance sheet

The Group continues to have a strong balance sheet following the additional placing of shares in August 2008 which raised £1.48 million of additional funding for the Group. As in prior periods the Group has no external borrowings.

Cash

Cash balances have increased in the period from £437,000 at 31 July 2008 to £1,189,000 at 31 January 2009 with the principal elements of the movement being:

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
Net cash used in operating activities	(736)	(791)	(1,086)
Net cash used in investing activities	11	22	29
Issue of share capital	1,477	-	-
Movement during the period	752	(769)	(1,057)

The Group continues to manage its operational expenditure prudently and plans its research and development programme to ensure that it continues to have sufficient cash resources for the foreseeable future.

Taxation

The Group continues to qualify for Research and Development tax credits and the financial statements contain a debtor of £196,000 in respect of research costs incurred in the current and prior period. Subsequent to the period end the Group has received £131,000 of this claim and the remaining £65,000 will form part of the total claim for the year ending 31 July 2009.

Principal risks and uncertainties

A detailed explanation of the principal risks and uncertainties faced by the Group and the steps taken to manage them is set out in Syntopix Group plc's 2008 Annual Report and Accounts. The principal risks and uncertainties are summarised as follows:

- Early stage of operations
- Research and development risk
- Reliance on the Group's founding scientists
- Intellectual property protection
- Risks that the Group will not achieve commercial success

There have been no significant changes in the nature of these risks that will affect the next six months of the financial year.

Outlook

We are pleased with the Group's progress during the last six months. Commercial interest in the Group's activities is increasing and the renewal of a key contract with our partner healthcare company will generate increased sales revenue during the coming year. The results from our current Phase II clinical study are expected mid summer and the directors are confident that positive data from this study will enable the Group to progress commercial discussions with a number of pharmaceutical companies during the next 12 months.

Condensed consolidated interim income statement - unaudited

For the six months ended 31 January 2009

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
Turnover	85	37	141
Administrative expenses:			
Research and development costs	(409)	(669)	(1,050)
Other administrative expenses	(332)	(370)	(671)
	(741)	(1,039)	(1,721)
Other operating income	-	13	13
Operating loss	(656)	(989)	(1,567)
Financial income	14	23	33
Loss before tax	(642)	(966)	(1,534)
Income tax credit	65	72	131
Loss for the period	(577)	(894)	(1,403)
Loss per share			
Basic and diluted	(7.5p)	(15.6p)	(24.5p)

All Group activities relate to continuing operations.

Condensed consolidated interim balance sheet - unaudited

As at 31 January 2009

	At 31 January 2009 £'000	At 31 January 2008 £'000	At 31 July 2008 £'000
Assets			
Non-current assets			
Property, plant and equipment	65	96	79
Current assets			
Trade and other receivables	107	197	58
Income tax	196	72	131
Cash and cash equivalents	1,189	725	437
Total current assets	1,492	994	626
Total assets	1,557	1,090	705
Liabilities			
Current liabilities			
Trade and other payables	(238)	(292)	(372)
Total liabilities	(238)	(292)	(372)
Net assets	1,319	798	333
Capital and reserves attributable to equity holders of the company			
Share capital	772	573	573
Share premium reserve	4,657	3,379	3,379
Merger reserve	338	338	338
Share-based payments reserve	117	183	226
Retained losses	(4,565)	(3,675)	(4,183)
Total equity	1,319	798	333

Consolidated statement of changes in equity - unaudited

For the six months ended 31 January 2009

	Share Capital £'000	Share Premium £'000	Merger Reserve £'000	Share Based Payments Reserve £'000	Retained (losses)/ Earnings £'000	Total £'000
Balance at 1 August 2007	573	3,379	339	132	(2,780)	1,642
Loss for the six month period ended 31 January 2008	-	-	-	-	(894)	(894)
Total recognised (expense) for the period	-	-	-	-	(894)	(894)
Share option charge in the period	-	-	-	50	-	50
Balance at 31 January 2008	573	3,379	338	182	(3,675)	798
Balance at 1 August 2007	573	3,379	338	132	(2,780)	1,642
Loss for the year ended 31 July 2008	-	-	-	-	(1,403)	(1,403)
Total recognised (expense) for the year	-	-	-	-	(1,403)	(1,403)
Share option charge in the year	-	-	-	94	-	94
Balance at 31 July 2008	573	3,379	338	226	(4,183)	333
Balance at 1 August 2008	573	3,379	338	226	(4,183)	333
Loss for the six month period ended 31 January 2009	-	-	-	-	(577)	(577)
Total recognised (expense) for the period	-	-	-	-	(577)	(577)
Shares issued (net of expenses)	199	1,278	-	-	-	1,477
Share options cancelled or lapsed	-	-	-	(195)	195	-
Share option charge in the period	-	-	-	86	-	86
Balance at 31 January 2009	772	4,657	338	117	(4,565)	1,319

Condensed consolidated interim statement of cash flows - unaudited

for the six months ended 31 January 2009

	Six months ended 31 January 2009 £'000	Six months ended 31 January 2008 £'000	Year ended 31 July 2008 £'000
Cash flows from operations			
Loss for the period	(577)	(894)	(1,403)
Adjustments for:			
Interest received	(14)	(23)	(33)
Income tax credit	(65)	(72)	(131)
Depreciation	17	18	37
Share option expense	86	50	94
Decrease/(increase) in trade and other receivables	(49)	11	150
(Decrease)/increase in trade and other payables	(134)	(15)	66
Net cash from operating activities	(736)	(925)	(1,220)
Income tax received	-	134	134
Net cash flows used in operating activities	(736)	(791)	(1,086)
Cash flows used in investing activities			
Interest received	14	23	33
Purchase of property, plant and equipment	(3)	(1)	(4)
Net cash flows used in investing activities	11	22	29
Cash flows from financing activities			
Share issue	1,477	-	-
Net cash flows from financing activities	1,477	-	-
Net decrease in cash and cash equivalents	752	(769)	(1,057)
Cash and cash equivalents at start of period	437	1,494	1,494
Cash and cash equivalents at end of period	1,189	725	437

Notes to the consolidated interim report

For the six months ended 31 January 2009

Basis of preparation

These financial statements are the unaudited condensed half-yearly consolidated financial statements (the "Half-Yearly Financial Statements") of Syntopix Group plc, a company incorporated in Great Britain and registered in England and Wales and its subsidiaries (together, the "Group") for the six months ended 31 January 2009.

These Half-Yearly Financial Statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting' and should be read in conjunction with the annual audited consolidated financial statements for the year ended 31 July 2008, which have been prepared in accordance with International Financial Reporting Standards. These interim financial statements were approved by the board and authorised for issue on 28 April 2009.

The comparative figures for the full year ended 31 July 2008 are not the Group's full statutory accounts for that year. A copy of the Group's statutory accounts for that year has been delivered to the Registrar of Companies. The Auditors' Report on those accounts was unqualified, did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 237(2) or 237(3) of the Companies Act 1985. These Half-Yearly Financial Statements have neither been audited nor reviewed pursuant to guidance issued by the Auditing Practices Board.

Accounting Policies

The accounting policies applied by the Group in these Half-Yearly Financial Statements are the same as those applied by the Group in its audited consolidated financial statements for the year ended 31 July 2008 and which

will form the basis of the 2009 Annual Report. The basis of consolidation is set out in the Group's accounting policies in those financial statements.

The preparation of the Half-Yearly Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, such as expectations of future events and are believed to be reasonable under the circumstances. Actual results may differ from these estimates. In preparing these Half-Yearly 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 applied to the audited consolidated financial statements for the year ended 31 July 2008.

Business segments

The Group has one business segment – the research and development of pharmaceutical products, with all activities taking place in the UK. Consequently, there are no reportable segments in accordance with IAS 14.

Earnings per share

The calculation of basic and diluted loss per share is based upon the loss after tax divided by the weighted average number of shares in issue during the period. Due to the losses incurred there is no dilutive effect from the issue of share options.

Basic and diluted loss per share	Loss after tax £'000	Weighted average number of shares	EPS (pence)
6 months ended 31 January 2009	(577)	7,658,002	(7.5p)
6 months ended 31 January 2008	(894)	5,732,601	(15.6p)
12 months ended 31 July 2008	(1,403)	5,732,601	(24.5p)

At 31 January 2009, there were 703,616 share options granted but not yet exercised.

Related party transactions

The following transactions took place during the year with other related parties:

Group	Purchase of goods and services			Amounts owed to related parties		
	H12009 £000	H12008 £000	FY2008 £000	H12009 £000	H12008 £000	FY2008 £000
The University of Leeds ¹	26	25	50	69	-	-
Atraxa Consulting Limited ²	13	21	41	4	2	5
Four Shaw Consulting Limited ³	1	7	7	-	-	1

1 – The University of Leeds is a significant shareholder and supplies the services of Dr Jon Cove to the Group through a secondment agreement.

2 – Atraxa Consulting Limited provides accountancy services to the Group. One of the Company's directors, Darren Bamforth, is a director and shareholder of Atraxa Consulting Limited.

3 – Four Shaw Consulting Limited provides consultancy services to the Group. One of the Company's directors, Dr Helen Shaw, is a director and shareholder of Four Shaw Consulting Limited.

Issue of shares

On 12 August 2008, 1,985,230 ordinary shares of 10p each were issued at a price of 75p per share for cash consideration of £1,489,000.

Statement of Directors' Responsibilities

The directors confirm to the best of their knowledge that:

- i) The Half-Yearly Financial Statements have been prepared in accordance with IAS 34 as adopted by the European Union; and
- ii) The interim management report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

The directors of Syntopix Group plc and their functions are listed below.

By order of the Board

Dr RH Adams
Chairman

Dr SP Jones
Chief Executive Officer

28 April 2009

Further information for Shareholders

Company number:	05656604
Registered office:	Institute of Pharmaceutical Innovation Bradford BD7 1DP
Directors:	Dr Rodney Adams (Chairman) Dr Stephen Jones (Chief Executive Officer) Dr Jonathan Cove (Research Director) Dr Anne Eady (Scientific Director) Darren Bamforth (Group Finance Director) Alan Aubrey (Non-Executive Director) Dr Gwyn Humphreys (Non-Executive Director) Dr Helen Shaw (Non-Executive Director)
Company Secretary:	Darren Bamforth