Proteome Sciences

Proteome Sciences plc
("Proteome Sciences" or the "Company")

Preliminary results for the year ended 31 December, 2009

7 June 2010

Highlights

- Commercialisation
  - TMT® sublicense between Thermo-Fisher and Life Technologies
  - Royalties on iTRAQ sales to 2021
  - Pre-clinical contract with Takeda Pharmaceutical Co. Ltd.
  - Strategic alliance in biomarkers with Parexel, the global CRO
  - License with Sigma-Aldrich Corporation for ProteoPrep® sample preparation products
  - Licenses with Millipore (Alzheimer's), Axela (brain damage), Oncimmune (lung cancer)
  - Lung cancer blood test launched in USA, May 2009
  - ISO 9001: 2008 accreditation for Frankfurt facilities

- Financial
  - Reduced pre-tax loss of £4.20m (2008: £4.79m)
  - Revenue increased 54% to £1.31m
  - Cash used in operations £2.83m (2008: £3.82m)
  - Cost effective operations with low, consistent and predictable cash burn

- Current Outlook
  - Further multiple licenses expected for proprietary biomarkers
  - Increase in orders from expanding PS Biomarker Services customer base
  - Strong underlying growth in TMT® revenue
  - New royalty streams from iTRAQ, CysTMT™ and ProteoPrep®
  - Further additions to TMT® product range in 2011
  - Targeting breakeven in 2010 supported by rising revenue and royalties

Our key goal for 2009 was to convert the results and intellectual property from our biomarker research activities into revenue and royalties.

With five licences/contracts completed during the year and with a further two concluded to date in 2010, we have fulfilled that objective and have established growing revenue streams for each of our three business units. These include biomarker licenses in lung cancer, brain damage and Alzheimer's disease, a sublicense and regularisation of iTRAQ reagents, and contracts for PS Biomarker Services with Takeda Pharmaceutical and Parexel, the global CRO.

The importance of biomarkers and their rapid growth and utility in diagnostics and drug development is projected to grow at a fast rate for the foreseeable future. This is driven by increasing regulatory requirements and the need to improve the time and cost of drug development and to achieve earlier diagnosis and more effective patient treatment and monitoring.

As a consequence, further multiple licenses are expected from our biomarker portfolio and, coupled to this, the level of enquiries and quotations has continued to grow at PS Biomarker Services where we anticipate a substantial increase in orders in 2010 from an expanding customer base. The strong underlying growth in TMT® is also expected to continue, supplemented by royalties for the first time from iTRAQ and from Thermo-Fisher's recent launch of CysTMT®.

Supported by rapidly rising revenue and royalties, we are targeting breakeven in 2010 with the prospect of serial licenses/contracts from an expanding pipeline.

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Attached: Full text of Chairman's statement, consolidated profit and loss account, consolidated balance sheet, consolidated cashflow statement and notes to the financial information.

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Notes to Editors:

About Proteome Sciences:
Proteome Sciences is a leading biomarker CRO providing protein biomarker discovery, validation and assay development services. The Company's MS Biomarker Assay system (MBA) uses its proprietary isobaric Tandem Mass Tags (TMT®) and reference materials combined with isotope dilution mass spectrometry. Highly multiplexed assays can be developed in weeks and are suitable for screening 10's to 100's of candidate biomarkers in validation studies. Assays for validated biomarkers can be rapidly developed using the same isotope dilution mass spectrometry format, or can be transferred for immunoassay development.

The Company's own research is focused on neurological and neurodegenerative conditions and it has discovered and patented blood biomarkers in stroke and brain damage as well as several cancers, solid organ transplant rejection and Alzheimer's disease. Proteome Sciences is based in Cobham, UK with facilities in London and Frankfurt.

Chairman's Statement

For the year ended 31st December 2009

Dear Shareholder,

Following the license with Thermo-Fisher Scientific Inc. (Thermo-Fisher) for TMT® isobaric mass tags, 2009 witnessed the successful commercialisation of a number of Proteome Sciences biomarkers, including licenses in lung cancer, brain damage and Alzheimer's disease. After obtaining ISO accreditation for our Frankfurt facilities in March 2009, we also received the first contract for PS Biomarker Services with a major pharmaceutical company, Takeda Pharmaceutical Co Ltd. (Takeda) for a pre-clinical study.

These were complemented by the sublicense agreement signed between Thermo-Fisher and Life Technologies Inc. in October, to regularise the patent position and receive royalties from all sales of iTRAQ isobaric mass tag products sold through their ABI subsidiary.

The commercial momentum established in 2009 has continued into 2010 with the strategic alliance in biomarkers with Parexel, the global CRO (contract research organisation) announced in February and the subsequent license with Sigma Aldrich Corporation (Sigma) in April, for all sample preparation products sold by Sigma under Proteome Sciences ProteoPrep® trademark in Europe, Japan and Australia.

Through these licences and contracts, Proteome Sciences has demonstrated its ability to successfully produce revenue from the three main areas of its business and looks forward to sustainable and rising revenues from its expanding pipeline and is targeting breakeven for its activities in 2010.

A total of 26 patents were granted in 2009 across our 12 main patent families including TMT®, stroke, brain damage, Huntington's, organ transplant rejection, Alzheimer's and cancer and new patent applications have been filed for TMT®, Alzheimer's, stroke, cancer and Sensitizer®.

Biomarkers

In a 2007 BCC Research report, biomarker discovery was projected to have a market value close to $6 billion per annum with compound annual growth of 17%. A more recent GBI Research report published in 2010 suggests that the total biomarker market will be worth over $22 billion in 2015. Both of these reports set out the importance of biomarkers and their rapid growth and utility in drug development and diagnostics.

There are a number of drivers propelling this rapid growth. An important factor is the urgent need for markers that show whether a drug is being effective at an early stage of treatment. Too often drugs are given to patients who do not benefit, but it can take weeks or months for the doctor to determine that a change is needed. Often there are also no clear indications of which treatment to try next and this is another area where biomarkers are showing considerable promise.

Biomarkers are the bedrock of the move to Personalised Medicine being driven by all key stakeholders in healthcare. For the pharmaceutical industry, the application of biomarkers to better guide development of new medicines is also showing significant benefits in the time and cost of pre-clinical and clinical research. For healthcare providers including governments and insurers, biomarkers provide a means to reduce costs by providing early diagnosis and better selection and monitoring of therapies tailored to individual patients. This means that they will not continue paying for treatments that are not effective and they will require the use of biomarkers to guide patient selection in late stage clinical trials and after approval.

Proteome Sciences' past strategy intentionally positioned the business in anticipation of these developments and the focus has evolved not only to address specific proprietary biomarkers for individual diseases, but towards the provision of valuable laboratory tools as a service to the wide range of pharmaceutical and diagnostics companies that increasingly require proteomics as a core element of their research. As a result, Proteome Sciences is strategically positioned for the provision of screening