

27 SEPTEMBER 2007

**HENDERSON MORLEY PLC  
(AIM)**

**FINAL RESULTS FOR THE YEAR ENDED 30 APRIL 2007**

The Board of Henderson Morley plc ("Henderson Morley" or "the Company") announces its audited Final Results for the year to 30 April 2007.

**KEY POINTS**

- Turnover for the period under review was £19,251 (2006: £2,991)
- The Company now has 45 granted patents in respect of its ICVT technology
- During the period the Company successfully raised £2.16m via placings
- The scientific pipeline is progressing well

**CHAIRMAN'S STATEMENT**

**Financial Summary**

Turnover for the period under review was £19,251 (2006: £2,991) which related to the sale of nutraceuticals from the Company's website and other licensing income. Research, development and administrative expenses for the year amounted to £995,599 (2006: £797,696), which resulted in a pre-tax loss of £942,804 (2006: £776,011). Basic and diluted loss per share was 0.20p per share (2006: loss - 0.20p). Cash at bank at 30 April 2007 was £1,478,460 (2006: £261,256).

**Review of Operations**

**ICVT**

Close collaboration between Croma Pharma and the Company continues and we are currently considering a number of options to bring the Phase II studies forward.

Development work on the injectable formulation is on schedule and we still envisage that the final formulation will be ready for Pre-IND discussions by the end of 2007.

The therapeutic studies against feline herpes have now been granted Ethics Committee approval and the study is due to start within the next two months and the results should be available by the end of Q2 2008.

**Koi Herpes Vaccine**

The antigenicity studies of the Koi herpes vaccine candidate have now been completed. The data has been analysed and 100% of the vaccine recipients tested have produced a significant immune response.

This level of immunity is a very good indicator of a successful vaccine being developed and late stage discussions with a potential partner continue.

**Patents**

The Company now has 45 granted patents in respect of its ICVT technology platform with a further 28 patents filed and under examination by the patent authorities.

**Laboratory Expansion**

As a result of the recent laboratory expansion, Dr Pardoe and his scientific team have been working on a number of projects including:

- Production and purification of large quantities of PREPS and L-particles from several strains of virus;
- Investigation of novel purification technologies for viruses;
- Preparation of new patent applications in new disease areas;
- Investigation of novel vaccine production methods; and
- Investigation of new applications for PREPS and L-particles.

#### **Issue of Equity**

During the period the Company successfully raised £2.16m via placings. The purpose of these placings was to provide the Company with working capital to continue with its investment and the anticipated commercialisation of its patent portfolio and the ongoing development of ICVT. The total number of shares now in issue stands at 491,928,631.

#### **Website**

We are pleased to announce that we have redesigned our corporate website at [www.henderson-morley.com](http://www.henderson-morley.com) and that it is fully compliant with AIM Rule 26.

#### **Strategic Review**

As previously announced, the Company is continuing to explore strategic options in order to maximise shareholder value. One of these options is the sale of some or all of the business, and the Board has engaged advisers to assist with this process. The Company is in an "offer period" under the City Code on Takeovers and Mergers. As this process may or may not lead to an offer being made for the Company we will keep shareholders updated as and when there are any developments.

Your Board stresses that during this process, the scientific development programme and out-licensing strategy continues unaffected.

#### **Outlook**

The scientific pipeline is progressing well and we continue to make excellent strides forwards across all areas of the pipeline.

Recently, Chief Medical Director, Dr Ian Pardoe has presented the role of PREPS and L-particles as cancer vaccine candidates to an International audience at the Cambridge, Mass., USA Healthtech Institute Conference on Advances in Cancer Immunotherapeutics, where the technology created much interest.

Your Board is very encouraged with the level of patents granted and pending and we believe that this will assist us in our endeavours to secure partners to outlicence our technologies.

**ANDREW KNIGHT**  
Executive Chairman

--ENDS--

Copies of this announcement will be available free of charge to the public at the Company's registered office at Metropolitan House, 2 Salisbury Road, Moseley, Birmingham, B13 8JS and at the offices of Brewin Dolphin Securities Ltd, 34 Lisbon Street, Leeds LS1 4LX for 14 days.

#### **Enquiries:**

**HENDERSON MORLEY PLC**  
Andrew Knight, Chairman

**Tel: 0121 442 4600**

**BREWIN DOLPHIN SECURITIES LTD**  
Neil Baldwin

**Tel: 0113 241 0126**

**H-B CORPORATE**

Jon Levinson

**Tel: 020 7510 8654**

**BISHOPSGATE COMMUNICATIONS LTD**

Maxine Barnes

Jenni Herbert

**Tel: 020 7562 3350**

## HENDERSON MORLEY PLC AND SUBSIDIARY UNDERTAKINGS

### Profit and Loss Account for the Year Ended 30 April 2007

	30.4.07		30.4.06
	£	£	£
<b>TURNOVER</b>	19,251		2,991
Cost of sales	<u>1,905</u>		<u>2,059</u>
<b>GROSS PROFIT</b>	17,346		932
Administrative expenses	667,925	528,395	
Research and development	<u>327,674</u>	<u>269,301</u>	
Total administrative expenses	<u>995,599</u>		<u>797,696</u>
<b>Operating loss</b>	(978,253)		(796,764)
Interest receivable and similar income	<u>36,053</u>		<u>21,521</u>
	(942,200)		(775,243)
Interest payable and similar charges	<u>604</u>		<u>768</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(942,804)		(776,011)
Tax on loss on ordinary activities	<u>45,364</u>		<u>64,632</u>
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>	<u>(897,440)</u>		<u>(711,379)</u>
<b>DEFICIT FOR THE YEAR</b>	<u>(897,440)</u>		<u>(711,379)</u>
Basic and Diluted Loss per Ordinary Share	(0.20p)		(0.20p)

#### CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

#### TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the losses for the current year or previous year.

**HENDERSON MORLEY PLC AND SUBSIDIARY UNDERTAKINGS****Consolidated Balance Sheet 30 April 2007**

	30.4.07		30.4.06	
	£	£	£	£
<b>FIXED ASSETS</b>				
Intangible assets		81,408		101,460
Tangible assets		<u>74,500</u>		<u>38,645</u>
		155,908		140,105
<b>CURRENT ASSETS</b>				
Stocks	400		1,708	
Debtors	138,340		118,059	
Cash at bank	<u>1,478,460</u>		<u>261,256</u>	
	1,617,200		381,023	
<b>CREDITORS</b>				
Amounts falling due within one year	<u>97,723</u>		<u>110,303</u>	
<b>NET CURRENT ASSETS</b>		<u>1,519,477</u>		<u>270,720</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,675,385</u>		<u>410,825</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		614,911		479,911
Share premium		5,940,641		3,913,641
Profit and loss account		<u>(4,880,167)</u>		<u>(3,982,727)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>1,675,385</u>		<u>410,825</u>

## HENDERSON MORLEY PLC AND SUBSIDIARY UNDERTAKINGS

### Cash Flow Statement for the Year Ended 30 April 2007

	30.4.07 £	30.4.06 £
<b>Net cash outflow from operating activities</b>	(929,750)	(753,358)
<b>Returns on investments and servicing of finance</b>	35,449	20,753
<b>Taxation</b>	32,317	67,487
<b>Capital expenditure</b>	<u>(62,261)</u>	<u>(11,775)</u>
	(924,245)	(676,893)
<b>Financing</b>	<u>2,147,479</u>	<u>235,083</u>
<b>Increase/(Decrease) in cash in the period</b>	<u>1,223,234</u>	<u>(441,810)</u>
<hr/>		
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase/(Decrease) in cash in the period	1,223,234	(441,810)
Cash outflow from decrease in debt	<u>-</u>	<u>3,510</u>
Change in net funds resulting from cash flows	<u>1,223,234</u>	<u>(438,300)</u>
<b>Movement in net funds in the period</b>	1,223,234	(438,300)
<b>Net funds at 1 May</b>	<u>246,915</u>	<u>685,215</u>
<b>Net funds at 30 April</b>	<u>1,470,149</u>	<u>246,915</u>