THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek immediately your own financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares prior to the date the shares are traded "ex" the entitlement to the Open Offer, you should send this document, and if relevant, the accompanying Application Form and the enclosed Form of Proxy (and reply-paid envelope) at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or transferred any part of your registered holding of Existing Ordinary Shares in Oxford BioMedica plc, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications set out in the Application Form, if relevant. However, no Application Form should be forwarded to or transmitted in or into the United States or any Excluded Territories where doing so may constitute a violation of local securities laws. Please refer to paragraph 6 of Part 2 of this document if you propose to send this document and/or the Application Form outside the United Kingdom.

The distribution of this document and the accompanying documents, and/or the transfer of the Open Offer Entitlements through CREST into jurisdictions other than the United Kingdom, may be restricted by law. Therefore, persons into whose possession this document and any accompanying documents come should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular such documents should not be distributed, forwarded to or transmitted in or into the United States or any Excluded Territory.

This document, which comprises (i) a circular prepared in accordance with Listing Rule 13.3, and (ii) a prospectus relating to Oxford BioMedica prepared in accordance with the Prospectus Rules, has been approved as such by the Financial Services Authority. A copy of this document has been filed with the Financial Services Authority in accordance with paragraph 3.2.1 of the Prospectus Rules. This document has been made available to the public in accordance with paragraph 3.2.1 of the Prospectus Rules by the same being made available, free of charge, at Oxford BioMedica's registered office, details of which are set out on page 24 of this document.

This document should be read as a whole. Your attention is drawn to the letter of the Chairman of Oxford BioMedica set out on pages 27 to 38 (inclusive) of this document which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

See "Risk Factors" on pages 10 to 21 (inclusive) of this document for a discussion of certain factors that should be considered by Shareholders and investors when considering whether or not to make an application pursuant to the Open Offer or to invest in the New Ordinary Shares. Your attention is also drawn to the letter from the Chairman of Oxford BioMedica set out in Part I of this document. NOTWITHSTANDING THIS, YOU SHOULD READ THE ENTIRE DOCUMENT AND ANY DOCUMENTS INCORPORATED BY REFERENCE.

OXFORD BIOMEDICA plc

(incorporated in England and Wales under the Companies Act 1985 with registered number 3252665)

Firm Placing and Placing and Open Offer of
400,000,000 New Ordinary Shares
at 5 pence per share,
Approval of Related Party Transactions
and
Notice of General Meeting

Singer Capital Markets Limited

Financial Adviser, Sponsor, Broker and Underwriter

The Existing Ordinary Shares are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. Application has been made to the Financial Services Authority and to the London Stock Exchange for the New Ordinary Shares to be admitted to the Official List and to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 10 January 2011.

Singer Capital Markets, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Oxford BioMedica in relation to the Firm Placing and Placing and Open Offer and will not be responsible to anyone other than Oxford BioMedica for providing the protections afforded to clients of Singer Capital Markets nor for providing advice in relation to the Firm Placing and Placing and Open Offer or any other transaction or arrangement referred to in this document and, apart from the responsibilities and liabilities which may be imposed on Singer Capital Markets by the FSMA, Singer Capital Markets accepts no responsibility whatsoever and makes no representation or warranty, express or implied, for or in respect of the contents of this document, including its accuracy, completeness or verification, nor for any other statement made or purported to be made by it, or on its behalf, in connection with Oxford BioMedica or the Firm Placing and Placing and Open Offer. Singer Capital Markets accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this document or any such statement.

The Open Offer closes at 11.00 a.m. on 6 January 2011 and payment is required in full by this time. If you are a Qualifying non-CREST Shareholder and wish to apply or subscribe for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form and return it with your remittance in accordance with the instructions set out in paragraph 4(a) of Part 2 of this document and in the Application Form. If you are a Qualifying CREST Shareholder the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 6 January 2011. The Application Form is personal to Qualifying Shareholders and cannot be transferred, sold or assigned except to satisfy *bona fide* market claims. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Notice of the General Meeting of Oxford BioMedica, to be held at 10.00 a.m. on 7 January 2011 at the offices of Morrison & Foerster (UK) LLP at CityPoint, One Ropemaker Street, London, EC2Y 9AW is set out at the end of this document. A Form of Proxy is enclosed for use by Shareholders in connection with the meeting. To be valid, Forms of Proxy, completed, or submitted electronically, in accordance with the instructions printed thereon, must be received at Oxford BioMedica's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as possible but in any event by no later than 10.00 a.m. on 5 January 2011. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

NOTICE TO US AND OTHER OVERSEAS INVESTORS

The New Ordinary Shares and the Open Offer Entitlements have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under the applicable securities laws of any state or other jurisdiction of the United States or qualified for distribution under any applicable securities laws in any of the Excluded Territories. The New Ordinary Shares may not be offered, sold, taken up, resold, transferred or delivered, directly or indirectly, within the United States (as defined in Rule 902 under Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of the states of the United States. For a description of these and further restrictions, please see Part 2.

Neither the New Ordinary Shares, the Application Form, the Form of Proxy, this document nor any other document connected with this Firm Placing and Placing and Open Offer have been or will be approved or disapproved by the United States Securities and Exchange Commission ("**SEC**") or by the securities commissions of any state or other jurisdiction of the United States or any other regulatory authority, nor have any of the foregoing authorities or any securities commission passed upon or endorsed the merits of the offering of the New Ordinary Shares, the Application Form, the Form of Proxy or the accuracy or adequacy of this document or any other document connected with this Firm Placing and Placing and Open Offer. Any representation to the contrary is a criminal offence.

Notwithstanding anything to the contrary herein, each prospective investor may disclose to any and all persons, without limitation of any kind, the US federal income tax treatment and tax structure of the Company and of the transactions contemplated by the Company. For this purpose, "tax structure" shall mean any fact that may be relevant to understanding the purported or claimed US federal tax treatment of the transaction; provided that none of the following shall for this purpose constitute tax treatment or tax structure information, the name of or other identifying information relating to the performance of the Company or its operations.

Not all Shareholders will be Qualifying Shareholders. Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, any of the Excluded Territories will not qualify to participate in the Firm Placing and Placing and Open Offer and will not be sent an Application Form or a placing letter or otherwise be permitted to participate in the Firm Placing and Placing and Open Offer. The attention of Overseas Shareholders is drawn to paragraph 6 of Part 2 of this document.

ENFORCEMENT OF JUDGMENTS

The Company is incorporated and governed under the laws of England and Wales. A substantial portion of the Company's assets are located outside the United States and all of its Directors and officers are residents of countries other than the United States. As a result, it may be difficult for investors to effect service of process within the United States upon the Company and those Directors, officers or experts who have provided reports set out in this document, excluding Paul Blake and Jill Martin, or to realise in the United States upon judgments of courts of the United States predicated upon the civil liability of the Company and such other Directors, officers or experts under US federal securities laws. There is also doubt as to the enforceability in the UK, in original actions or in actions for enforcement of judgments of US courts, of civil liability predicated solely upon the civil liability provisions of such US federal securities laws. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in the UK.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

THE CONTENTS OF THIS DOCUMENT SHOULD NOT BE CONSTRUED AS LEGAL, BUSINESS, FINANCIAL OR TAX ADVICE. ANY PROSPECTIVE INVESTOR SHOULD CONSULT HIS, HER OR ITS OWN LEGAL, FINANCIAL OR TAX ADVISER FOR LEGAL, FINANCIAL OR TAX ADVICE.

Contents

Summary Information

The following information should be read as an introduction to this document. Any decision to invest in the Firm Placing and Placing and Open Offer should be based on a consideration of this document as a whole. Shareholders and investors should therefore read this entire document and not rely solely on this summary.

Civil liability attaches to the persons who are responsible for this summary, including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document. Where a claim relating to the information contained in this document is brought before a court, the plaintiff investor might, under the national legislation of the member state of the European Economic Area where the claim is brought, have to bear the costs of translating this document before the legal proceedings are initiated.

1. Introduction to the Firm Placing and Placing and Open Offer

The Board announced today that it proposes to raise £18.4 million, net of expenses, by the issue of 400,000,000 New Ordinary Shares through a Firm Placing and Placing and Open Offer at 5 pence per New Ordinary Share. 278,916,543 New Ordinary Shares will be issued through the Firm Placing and 121,083,457 New Ordinary Shares will be issued through the Placing and Open Offer.

2. Information on the Company and key business strengths

Oxford BioMedica is a biopharmaceutical company developing innovative gene-based medicines and therapeutic vaccines that aim to improve the lives of patients with high unmet medical needs.

The Company's major technology platforms are a highly efficient gene delivery system (LentiVector®), which has specific advantages for targeting diseases of the central nervous system and the eye; and a unique tumour antigen (5T4), which is an ideal target for anti-cancer therapy.

Oxford BioMedica is a development stage company with two major products in clinical development and four more due to enter the clinic by the end of 2011. By the end of 2011 it will have one of the largest clinical pipelines in the UK biotechnology sector with six products in the clinic. Four of these products, the ocular products, are partnered with defined routes to generate revenue. The other two, ProSavin® and TroVax® are unpartnered but are expected to produce key data that the Directors believe should crystallise deals within the next 18 months.

The core value and strength of Oxford BioMedica resides in its lead products ProSavin®, the ocular products and TroVax®. The ocular products and ProSavin® are all based on the Company's proprietary LentiVector® technology and, as such, benefit from considerable cross-feeding of manufacturing technology and regulatory procedures.

3. Principal terms of the Firm Placing and Placing and Open Offer

Oxford BioMedica intends to issue 400,000,000 New Ordinary Shares through the Firm Placing and Placing and Open Offer at 5 pence per New Ordinary Share to raise gross proceeds of £20 million.

The Firm Placing and Placing and Open Offer are conditional, among other things, on Shareholder approval, which will be sought at the General Meeting.

Firm Placing

The Firm Placees have agreed to subscribe for 278,916,543 New Ordinary Shares at the Offer Price (representing gross proceeds of £13.9 million). The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer.

Placing and Open Offer

Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares *pro rata* to their existing shareholdings at the Offer Price on the basis of:

held and registered in their name at the Record Date.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares. Excess applications will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their *pro rata* entitlements. If there is an oversubscription resulting from excess applications, allocations in respect of such excess applications will be scaled down according to the Directors' discretion.

Under the Placing and Open Offer, Oxford BioMedica intends to issue 121,083,457 New Ordinary Shares at the Offer Price (representing gross proceeds of £6.1 million) to be made available pursuant to the Open Offer.

Singer Capital Markets, as agents for Oxford BioMedica, have placed the Open Offer Shares conditionally with existing Shareholders and other institutional investors at the Offer Price, subject to clawback to satisfy valid applications in respect of Open Offer Entitlements from Qualifying Shareholders or excess applications pursuant to the Excess Application Facility.

The Offer Price of 5 pence per New Ordinary Share represents a 37.5 per cent. discount to the Closing Price of an Existing Ordinary Share of 8 pence on 10 December 2010 (being the latest practicable date prior to the publication of this document).

The Firm Placing and Placing and Open Offer is being fully underwritten by Singer Capital Markets subject to certain conditions set out in the Placing Agreement.

The New Ordinary Shares, when issued and fully paid, will rank in full for all dividends or other distributions declared, made or paid after Admission and in all other respects will rank *pari passu* with the Existing Ordinary Shares. Application has been made for the New Ordinary Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective on 10 January 2011 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on the same day.

4. Use of proceeds

The Directors expect to use approximately £8.2 million of the net proceeds from the Firm Placing and Placing and Open Offer to advance the development of ProSavin® into a Phase II clinical trial; approximately £5.4 million to acquire, commission and run a manufacturing facility for its gene therapy products; and approximately £4.8 million to fund ongoing business operations and to strengthen the balance sheet.

5. Financial Information on Oxford BioMedica

The selected financial information set out below has been extracted without material adjustment from the audited report and accounts of the Group for the year ended 31 December 2007, 31 December 2008 and 31 December 2009 and the unaudited interim results for the six month periods ended 30 June 2009 and 30 June 2010, prepared under IFRS.

	Year ended 31 December 2007 £'000 Audited	*Year ended 31 December 2008 £'000 Audited*	*Year ended 31 December 2009 £'000 Audited*	*Six months ended 30 June 2010 £'000 Unaudited*	*Six months ended 30 June 2009 £'000 Unaudited*
Revenue	7,219	18,394	19,120	5,345	13,924
Operating Loss	(19,828)	(13,671)	(5,730)	(3,699)	(1,676)
Loss per Ordinary Share (basic and adjusted)	(2.9p)	(1.9p)	(0.7p)	(0.5p)	(0.1p)
Net assets	31,932	23,271	20,976	18,726	23,359
Net current assets	24,281	16,183	18,891	13,955	22,366
Cash resources[1]	38,147	21,891	25,302	16,290	34,839
Shareholders' funds	31,932	23,271	20,976	18,726	23,359

1 The aggregate of cash and cash equivalents and current financial assets: available for sale investments.

6. Significant Change

There has been no significant change in the financial or trading position of the Group since 30 June 2010, being the date of the Group's latest unaudited interim financial statements.

7. Effect of the Firm Placing and Placing and Open Offer

Upon Admission and assuming no further exercise of options under the Share Schemes, the Enlarged Share Capital is expected to be 944,875,557 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 42.3 per cent. of the Company's Enlarged Share Capital. New Ordinary Shares issued through the Firm Placing will represent 29.5 per cent. of the Enlarged Share Capital and New Ordinary Shares issued through the Placing and Open Offer will represent 12.8 per cent. of the Enlarged Share Capital.

Following the issue of the New Ordinary Shares pursuant to the Firm Placing and Placing and Open Offer, Qualifying Shareholders who do not take up any of their Open Offer Entitlements will suffer a dilution of approximately 42.3 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full he will suffer a dilution of 29.5 per cent. to his interest in the Company.

8. Related Party Transaction

As part of the Firm Placing, the Directors propose to allot 35,000,000 New Ordinary Shares at the Offer Price, representing approximately 3.7 per cent. of the Company's Enlarged Share Capital (assuming that all of the Open Offer Entitlements are taken up by Qualifying Shareholders) to M&G Investment Management and to allot 46,200,000 New Ordinary Shares at the Offer Price, representing approximately 4.9 per cent. of the Company's Enlarged Share Capital (assuming that all of the Open Offer Entitlements are taken up by Qualifying Shareholders) to Cubana Investments. Under the Placing, the Directors propose to allot 15,000,000 New Ordinary Shares at the Offer Price, representing approximately 1.6 per cent. of the Company's Enlarged Share Capital (assuming the maximum shares are issued under the Placing) to M&G Investment Management and to allot 19,800,000 New Ordinary Shares at the Offer Price, representing approximately 2.1 per cent. of the Enlarged Share Capital (assuming the maximum number of shares are issued under the Placing) to Cubana Investments. The proposed allotment of the New Ordinary Shares to M&G Investment Management and Cubana Investments constitute "related party transactions" for the purpose of Chapter 11 of the Listing Rules as a result of M&G Investment Management and Cubana Investments each being a "substantial shareholder" as defined by the Listing Rules. As at the date of this document, M&G Investment Management holds 12.43 per cent. of the Company's issued share capital and Cubana Investments holds 10.99 per cent. of the Company's issued share capital.

The Company is required by Chapter 11 of the Listing Rules to seek Shareholder approval for any "related party transaction" which it proposes to enter into. Resolutions 4 and 5 set out in the Notice of General Meeting request, by way of ordinary resolution, the approval of Shareholders for the Related Party

Transactions between the Company and M&G Investment Management and the Company and Cubana Investments.

Pursuant to the requirements of Chapter 11 of the Listing Rules, M&G Investment Management as a Related Party will not vote on Resolution 4 approving its Related Party Transaction with the Company and it has undertaken to take all reasonable steps to ensure that its associates will not do so either. Equally, Cubana Investments as a Related Party will not vote on Resolution 5 approving its Related Party Transaction with the Company and it has undertaken to take all reasonable steps to ensure that its associates will not do so either.

The Directors hold 15,262,216 Existing Ordinary Shares representing approximately 2.80 per cent. of the existing issued ordinary share capital of the Company in aggregate. All of the Directors have subscribed for shares in the Firm Placing, amounting to 2,980,000 New Ordinary Shares in aggregate. Immediately following Admission, the Directors' holdings, in aggregate, are expected to represent 1.93 per cent. of the issued Ordinary Shares of the Company.

9. Working capital

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer receivable by the Company, the Group has sufficient working capital for its present requirements, that is at least 12 months following the publication of this document.

10. Importance of the Vote

If the Resolutions are not approved and the Firm Placing and Placing and Open Offer fails to proceed then the Group will only have sufficient financial resources to fund its business into early 2012 based on current business plans. In the event that the Firm Placing and Placing and Open Offer fails to proceed, the Directors will curtail all appropriate discretionary spend and will immediately endeavour to raise further funds by:

- **seeking to partner programmes that are not already partnered;**
- **monetising existing partnerships; and**
- **taking up alternative financing vehicles that may be on terms less attractive to Shareholders than the Firm Placing and Placing and Open Offer.**

Although these actions are realistically available to the Company, the outcome of each lies outside of the control of the Company and, as a result, the Directors cannot be confident that any will be successful.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions in order that the Firm Placing and Placing and Open Offer can proceed.

11. Current Trading and Prospectus

The unaudited interim results for the six months ended 30 June 2010 were released on 24 August 2010. Since 30 June 2010 the Company's programmes have progressed in line with expectations.

On 18 August 2010 the Company announced a licensing agreement with Emergent Product Development Germany GmBH ("Emergent") granting Emergent non-exclusive rights to Oxford BioMedica's Hi8® PrimeBoost technology patents and poxvirus patents for the development and commercialisation of vaccines and therapeutics targeting eight infectious diseases, including tuberculosis. An upfront licensing fee of US$1 million was payable, with potential future milestone payments up to US$20.4 million and undisclosed royalties on sales.

On 29 October 2010 the Company issued an interim management statement. The Company's net cash balance at 30 June 2010 was £16.3 million and as at 30 September 2010 the Company had a net cash balance of £13.7 million. Both figures are unaudited.

The Company's strategy is to commercialise the current pipeline through partnering deals, and where and when possible, to acquire additional late-stage or marketed products to add to the product portfolio. Regarding partnering deals, it would be the Company's intention to secure partnerships following clinical proof of principle. The terms of such deals would be expected to include upfront and milestone payments, the partial or complete funding of ongoing development costs, and ultimately royalties on sales. Where sufficiently attractive terms are available the Directors would consider deals at an earlier stage, such as the deal in 2009 with sanofi-aventis for ocular gene therapy products.

12. Dividend policy

At present, it is intended that no dividends will be paid by Oxford BioMedica. Even if future operations lead to significant levels of distributable profits, any earnings, of which there can be no assurance, will be reinvested in Oxford BioMedica's business and no dividends are expected to be paid in the foreseeable future.

13. Risk factors

Shareholders should carefully consider the following risks:

A. ***RISK ASSOCIATED WITH THE FIRM PLACING AND PLACING AND OPEN OFFER***

- If the Firm Placing and Placing and Open Offer does not proceed the Company will not have sufficient cash resources to continue trading beyond early 2012.

B. ***RISKS RELATING TO THE GROUP'S BUSINESS***

- Adverse or inconclusive results may substantially affect the development of the products.
- The Group may be unable to successfully establish and protect its intellectual property which is significant to the Group's competitive position.
- Failure by third parties to perform their obligations may substantially delay or halt development or production.
- The Group is subject to UK and EU competition law which may impose fines on companies which enter into agreements that restrict competition in the EU e.g. licenses or patents which restrict competition.
- The Group faces competition from major pharmaceutical companies who may succeed in developing more effective or economic products.
- Future capital requirements may have a dilutive effect on existing Shareholders.
- Even if the Company or a collaborator's products are approved they may still face regulatory difficulties.
- The Company must conduct pre-clinical studies and clinical trials for each of its product candidates to demonstrate safety and efficacy however there can be no assurance that the data collected will be sufficient to satisfy the relevant regulatory authorities.
- Delays in patient or subject enrolment in the clinical trials may increase the Company's costs and slow down its product development and approval process.
- Safety concerns and side effects could lead to a product being discontinued or withdrawn from the market.

- Governments reserve the right to amend policies in relation to full, partial or non-reimbursement of pharmaceutical products.
- The Group may face product liability claims and the Company may be unable to secure adequate insurance at an acceptable cost.
- The Group may never achieve significant revenues or profitability.
- Oxford BioMedica has not paid dividends since incorporation and does not expect that dividends will be paid in the foreseeable future.
- The Company may be unable to retain certain important employees which could weaken the Group's scientific and management capabilities.
- There is uncertainty as to the reimbursement status of newly approved healthcare products. Adequate health administration or third party coverage may not be available to the Group.
- No assurance can be made that the Group will bring the product candidates it is developing to market and even if it does the drugs may not be commercially successsful.
- There is currently no assurance that the medical community will accept gene therapy products.
- ProSavin® clinical data may not show satisfactory levels of efficacy and the DMC may not recommend that the trial proceeds to the next dose level.
- There can be no assurance that animal rights activists will not, in the future, focus on the Group's activities.
- In the longer term, the Group's profitability and liquidity could be adversely affected by foreign currency exchange fluctuations, particularly relating to the pounds sterling, the US dollar and the Euro.

C. ***RISKS RELATING TO THE STOCK MARKET AND TO SHARE TRADING***

- Oxford BioMedica's share price may be volatile and affected by a number of factors some of which are outside Oxford BioMedica's control.
- Future issue or sale of Ordinary Shares could adversely affect the share price.
- US Shareholders may not be able to participate in future equity offerings.
- US-resident Shareholders may be subject to dilution if they are excluded from future rights or other securities offerings.
- Oxford BioMedica's corporate disclosure may differ from the disclosure made by similar companies in the United States.
- Oxford BioMedica's financial statements are not prepared and audited in accordance with US GAAP.
- The Company believes that it is likely to be classified as a passive foreign investment company for US federal income tax purposes for the current taxable year of 2010, which could result in adverse US federal income tax consequences to a US holder of Ordinary Shares.
- It may be difficult for US Shareholders with interests in the Ordinary Shares to effect service of process and enforce legal judgments against the Company or its affiliates.

Risk Factors

The following risk factors, which the Directors believe include all known material risks in relation to the Company or its industry and the Firm Placing and Placing and Open Offer, should be carefully considered by Shareholders and investors when deciding (in the case of Shareholders) what action to take at the General Meeting and/or whether to make an investment in the Group. Shareholders and investors should carefully consider the whole of this document and all of the information incorporated by reference into this document and not rely solely on the information set out in this section.

Investors should be aware that any investment in the Company involves a high degree of risk and should be made only by those with the necessary expertise to appraise the investment.

Additional risks currently unknown to Oxford BioMedica, or currently believed to be immaterial, could have an adverse effect on the Group. Any or all of these factors could have a material and adverse effect on the Group's operational results, financial condition and prospects. Furthermore, the trading price of the Ordinary Shares could decline, possibly rapidly, resulting in the loss of all or part of any investment therein.

A. Risks Associated with the Firm Placing and Placing and Open Offer

(a) ***If the Firm Placing and Placing and Open Offer does not proceed the Company will not have sufficient cash resources to continue trading beyond early 2012***

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer receivable by the Company, the Group has sufficient working capital for its present requirements, that is at least 12 months following the publication of this document.

If the Resolutions are not approved and the Firm Placing and Placing and Open Offer fails to proceed then the Group will only have sufficient financial resources to fund its business into early 2012 based on current business plans. In the event that the Firm Placing and Placing and Open Offer fails to proceed, the Directors will curtail all appropriate discretionary spend and will immediately endeavour to raise further funds by:

- **seeking to partner programmes that are not already partnered;**
- **monetising existing partnerships; and**
- **taking up alternative financing vehicles that may be on terms less attractive to Shareholders than the Firm Placing and Placing and Open Offer.**

Although these actions are realistically available to the Company, the outcome of each lies outside of the control of the Company and, as a result, the Directors cannot be confident that any will be successful.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions in order that the Firm Placing and Placing and Open Offer can proceed.

B. Risks relating to the Group's business

(a) ***Clinical and pre-clinical development***

The Group currently has two products, ProSavin® and TroVax®, in active clinical trials. The Group's other development programmes are at an earlier stage of development with four ocular products expected to start their first clinical trials by the end of 2011. Results of pre-clinical studies are not necessarily indicative of results that may be obtained in clinical trials and results in early clinical trials may be different from those obtained in long term testing or in general use. Adverse or inconclusive results from pre-clinical testing or clinical trials may substantially delay, or halt entirely, the development of products, consequently affecting Oxford BioMedica's expected profitability. The

projected timetables for continued development of the technologies and related product candidates by the Group and/or its partners or licensees may be otherwise subject to delay or suspension.

There is a risk that the failure of any one product candidate could have a significant and sustained adverse impact on the Company's share price. Shareholders and investors should therefore be aware that any investment in the Company involves a high degree of risk and should be made only by those investors with the necessary expertise to appraise the investment.

Furthermore, there is a risk that the failure of one product candidate in clinical development could have an adverse effect on the development of other product candidates, or on the Group's ability to enter into collaborations in respect of product candidates, or to raise additional funds.

(b) ***Intellectual property and patent protection***

The Group's commercial success will depend, amongst other things, on its ability and/or that of its licensors to establish, protect and enforce proprietary rights relating to the manufacture, use and sale of the Group's existing and proposed products. While the Board is confident of the strength and range of the Group's patent position, there can be no assurance that any current or future work will give rise to an invention which can be patented, that any patent applications will mature into granted patents or that existing patents, or patents which may be obtained in the future, will adequately protect the Group's products and technology. Since patent applications are generally maintained in secrecy for at least 18 months (and in the US it can be for much longer) and since publication of discoveries and inventions often lags behind actual discoveries the Group cannot be certain that it was (or its licensors were) the first to make the inventions covered by each of its pending patent applications or that it was (or that its licensors were) the first to file applications for such inventions. Despite regularly monitoring patent and literature databases for third party activity in its areas of interest, there can be no assurance that Oxford BioMedica is aware of all relevant inventions and discoveries which have already been published. Oxford BioMedica cannot therefore be certain that any granted patents will be valid or enforceable or that any patent application will lead to the grant of patents which will be valid and enforceable.

The Group may have to initiate litigation to enforce its patent and licence rights. If the Group's competitors file patent applications that claim technology also claimed by the Group, the Group may have to participate in interference or opposition proceedings to determine the priority of invention. An adverse outcome could subject the Group to significant liabilities and require the Group either to cease using a technology or to pay licence fees.

The Group could incur substantial costs in any litigation or other proceedings relating to patent rights, even if it is resolved in the Group's favour. Some of the Group's competitors may be able to sustain the costs of complex litigation more effectively or for a longer time than the Group can because of their substantially greater resources. In addition, uncertainties relating to any patent, pending patent or other intellectual property litigation could have a material adverse effect on the Group's ability to bring a product candidate to market, enter into collaborations in respect of the disputed or other product candidates, or to raise additional funds.

Competitors or potential competitors may have filed applications for, may have been granted patents for, or may obtain additional patents and proprietary rights that may relate to, products or processes competitive with those of the Group. If patents are granted to other parties that contain claims having a scope that is interpreted to cover any of the Group's products or processes, there can be no assurance that Oxford BioMedica will be able to obtain licences to such patents at reasonable cost, if at all, or be able to develop or obtain alternative technology.

The commercial success of the Group will also depend, amongst other things, on its (and outside parties') ability to preserve the confidentiality of its own and outside parties' know how. There can be no assurance that obligations to maintain the Group's or such outside parties' trade secrets and/or know how will not be breached or that such trade secrets and/or know-how will not otherwise become known in a manner which provides the Group with no practical recourse. In addition, where copyright, design

right and/or know how protect the Group's products or technology, there can be no assurance that a competitor or potential competitor will not independently develop the same product or technology.

The Group's right to use intellectual property is sometimes by way of a licence or an option to take a licence. Where the Group has taken such licences, it has negotiated agreements that provide freedom to operate for the specific product for which the licensed technology is to be used. However, these licences may be wholly or partly terminable or such options may be lost if certain circumstances arise, for instance, if the Group fails to meet agreed performance targets. In addition, if certain circumstances arise, for instance if the Group fails to meet such performance targets or no longer wishes to maintain or exploit intellectual property, a collaborator or other third party may have the right or an option to be granted ownership or a licence over such intellectual property whilst giving limited, if any, compensation to the Group.

Furthermore, licensors may challenge or seek to vary the terms of existing licenses, to the detriment of the Group.

There can be no certainty that the Group could avoid significant future costs arising from the defence or settlement of these types of claims.

Rights of ownership over, and rights to licence and use, intellectual property depend on a number of factors, including the circumstances under which the intellectual property was created and the provisions of any agreements covering such intellectual property. In relation to many contractual arrangements, and in making patent applications the Group has relied upon, and will continue to rely upon, information and obligations in these respects provided by third parties. If the information that is, or has been, provided to the Group is inaccurate or incomplete or such third parties breach their contractual obligations, if any, to the Group, this may affect the entitlement of the Group to the relevant intellectual property or to be licensed the relevant intellectual property from others. There can be no assurance that this would not have an adverse material effect on the Group's business.

(c) ***Commercial agreements and dependence on certain collaborators***

Oxford BioMedica will be dependent on the successful outcome of a number of important arrangements with outside parties as part of its strategy for research, development, manufacture, commercialisation and marketing of products. There can be no assurance that Oxford BioMedica will be able to negotiate or continue such arrangements on terms acceptable to Oxford BioMedica or that such relationships will be successful. Similarly, circumstances may also arise where the failure by collaborators and third parties to perform their obligations in accordance with their agreements with Oxford BioMedica or other parties would substantially delay, or halt entirely, further evaluation, development or production of those products which are the subject of the relevant agreement or agreements or adversely affect the intellectual property protection available for such products. Examples of such circumstances are if a member of the Group, or a third party contracted to or licensed by a member of the Group, fails to conduct a research and development programme or exploit intellectual property to an agreed level, make payments when due, or meet minimum royalty or other targets or commercial, technical or other milestones.

Currently, the Group's most important collaborators are sanofi-aventis and Pfizer. If the relationship with either of these parties is adversely affected, Oxford BioMedica's development programme may also be adversely impacted.

(d) ***Competition regulation***

The activities of the Group are subject to UK and EC competition law, including Article 81(1) of the Treaty of Rome. Article 81(1) prohibits agreements that have as their object or effect the restriction of competition within the European Union and which may affect trade between member states. Provisions of agreements restricting competition within the meaning of Article 81(1) are void. The European Commission (the "Commission") may impose fines of up to 10 per cent. of the respective worldwide revenue in the preceding business year on parties entering into such agreements. Persons who have suffered loss by reason of the anti-competitive restrictions may claim for damages against

those parties. Agreements satisfying certain criteria are automatically exempt from the application of Article 81(1) by virtue of block exemptions.

Parties to an agreement not covered by a block exemption must evaluate whether such agreement or any of its provisions contain a restriction of competition caught by Article 81(1) and, if so, whether, taking into account all the relevant facts and circumstances, the agreement qualifies for exemption under Article 81(3) from the prohibition of Article 81(1).

Certain licence agreements that a member of the Group has entered into or may enter into, grant or may grant exclusive world-wide licences of patents, patent applications and know-how, which are or may arguably be restrictive of competition under Article 81(1). Oxford BioMedica determines on an agreement-by-agreement basis whether a block exemption from the application of Article 81(1) applies to the agreement, and, if it does not, whether, taking into account all the relevant facts and circumstances, the agreement qualifies for exemption under Article 81(3). In the event that a block exemption is not available in respect of a particular agreement, and a court or competition authority subsequently determines that the agreement is restrictive of competition under Article 81(1) and does not otherwise qualify for exemption under Article 81(3), provisions of that agreement, including those relating to the exclusivity of rights, may be unenforceable, which could have a material adverse effect on the Company.

The Group's activities will also be subject to the EC rules on state aid. Article 87(1) prohibits any aid granted by a member state or through state resources which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods and which affects trade between member states. Articles 87(2) and 87(3) provide a list of exhaustive categories of aid compatible with the common market. The European Commission must be informed of any plans to grant or alter aid falling within the meaning of Article 87(1) unless it qualifies under the block exemption de minimis threshold and, if it finds that state aid has been granted or altered without prior notification, it is entitled to require the member state in question to suspend the aid pending the outcome of its decision. If the European Commission finds that the aid is incompatible with the common market, it will generally require repayment of the aid with interest.

Certain arrangements that the Group may enter into, for example with governmental collaborators or R&D tax credit claims, may involve benefits which might be said to be state aid under Article 87(1). The relevant company will determine on a case-by-case basis whether the effect of any arrangement is to grant or later aid which should be notified to the European Commission. Any such arrangements which are not notified and subsequently found to be incompatible with the common market could potentially have to be repaid.

(e) ***Competition***

The Group's competitors, and potential competitors, in the biotechnology and pharmaceutical industries may have superior research and development capabilities, drugs, manufacturing capability or marketing expertise. Many of the Group's competitors have significantly greater financial and human resources and may have more experience in research and development. As a result, the Group's competitors may develop safer or more effective drugs, implement more effective sales and marketing programmes or be able to establish superior proprietary positions which would render the Group's and/or its partners' products and/or technologies obsolete or otherwise uncompetitive. In addition, the Group anticipates that it will face increased competition in the future as new companies enter the Group's markets and alternative drugs and technologies become available.

The Group's products under development are based on a range of different technologies and are expected to address a number of different markets. The Group's competitive position will be determined in part by the potential indication for which the Group's products are developed and ultimately approved by regulatory authorities. In addition, the first pharmaceutical product to reach the market in a therapeutic or preventive area may be at a significant competitive advantage relative to later entrants to the market. Accordingly, the relative speed with which the Group or its collaborative partners can develop products, complete the clinical trials and approval processes and

supply commercial quantities of the products to the market, are expected to be important competitive factors.

The Group's competitors are developing products that could compete with the product candidates the Group is developing. The Group and its collaborators will need to persuade patients and physicians to adopt its products over its competitor's products. If they fail to build a strong position in their markets this would have a material adverse effect on the Group's profitability.

(f) ***Requirement for additional funds***

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer, the Group has sufficient working capital for its present requirements that is at least 12 months following the publication of this document. Oxford BioMedica's capital requirements after that date, if any, to continue the research, development and commercialisation of its technologies and product candidates and to implement Oxford BioMedica's business strategy, as described in Part 3 of this document, are not yet known and will depend *inter alia* on the amount of new commercial funding that it can generate to supplement the net proceeds of the Firm Placing and Placing and Open Offer. It is possible that the Company may raise additional funds by issuing equity securities. If additional funds should be raised by issuing equity securities, dilution to the then existing Shareholders may result. The level and timing of future expenditure will depend on a number of factors, many of which are currently outside Oxford BioMedica's control.

(g) ***Regulatory approval***

The development, clinical evaluation, manufacture and marketing of the Group's and its partners' products and on-going research and development activities are subject to regulation by governments and regulatory agencies in all territories within which Oxford BioMedica and/or its partners intend to manufacture and market their products (whether itself or through a partner) and there can be no assurance that any of the Group's products will successfully complete the clinical trial process or that regulatory approvals to manufacture and market these products will ultimately be obtained. Failure to obtain regulatory approvals for its product candidates could threaten the Group's ability to trade in the long term.

The time taken to obtain regulatory approval varies between territories and there can be no assurance that any of the Group's products will be approved in any territory within the timescale envisaged by the Board, or at all, and this may result in a delay, or make impossible, the commercial exploitation of the Group's products. The same applies to products developed by the Group's partners.

Furthermore, each regulatory authority may impose its own requirements (by, for instance, restricting the products indicated uses) and may refuse to grant, or may require additional data before granting, an approval, even though the relevant product candidate may have been approved by another country's authority.

If regulatory approval is obtained, the product and manufacturer will be subject to continual review and there can be no assurance that such an approval will not be withdrawn or restricted. Changes in applicable legislation or regulatory policies, or discovery of problems with the product, its production process, site or manufacturer may result in the imposition of restrictions on the product, its sale or manufacture, including withdrawal of the product from the market, or may otherwise have an adverse effect on the Group's business and/or revenue streams.

(h) ***Safety and efficacy standards***

As part of the regulatory approval process, the Company must conduct pre-clinical studies and clinical trials for each of its product candidates to demonstrate safety and efficacy. The number of pre-clinical studies and clinical trials that will be required varies depending on the product candidate, the indication being evaluated, the trial results and the regulations applicable to the particular product candidate. The results of pre-clinical studies and initial clinical trials of the Company's product candidates do not necessarily predict the results of later stage clinical trials. Unapproved product

candidates in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through initial clinical trials. There can be no assurance that the data collected from the pre-clinical studies and clinical trials of the Company's product candidates will be sufficient to satisfy the relevant regulatory authorities, or approval from local ethics committees. In addition, the continuation of a particular study after review by an independent data safety monitoring board or review body does not necessarily indicate that all clinical trials will ultimately be successfully completed.

(i) ***Human Volunteers***

Many factors affect enrolment in clinical trials, including the size of the patient or subject population, the novelty and complexity of use of trial material for healthcare professionals, the proximity of patients or subjects to clinical sites, the eligibility criteria for the trial, competing clinical trials, new products approved for the conditions the clinical trial is investigating and adverse publicity surrounding the clinical trials of other product development companies. As a result of all these factors, the Company's clinical trials may take longer to enrol patients or subjects than anticipated. Delays in patient or subject enrolment in the clinical trials may increase the Company's costs and slow down its product development and approval process. Clinical trials may also be subject to delays stemming from patient or subject withdrawal or from lower than expected event rates. The clinical trials may also incur increased costs if enrolment is increased in order to achieve the desired number of events. The Company's development costs will also increase if it needs to perform more, or larger, clinical trials than planned.

(j) ***Safety concerns and side effects***

The Company's product candidates may produce unexpected side effects or serious adverse events which could interrupt, delay or halt clinical trials of the Company's product candidates and could result in the relevant regulatory authorities denying approval of its product candidates for any or all targeted indications. An independent data safety monitoring board, the relevant regulatory authorities or the Company itself may suspend or terminate clinical trials at any time. There can be no assurances that any of the Company's product candidates will ultimately prove to be safe for human use. The Company's clinical trials could also be delayed or terminated in the event that the product candidate being tested is in the same class of product as a marketed product that is revealed to cause side effects.

Any delays in completing clinical trials will delay the Company's ability to generate revenue from product sales, and the Company may have insufficient capital resources to support its operations in the longer term. Even if the Company does have sufficient capital resources, its ability to generate meaningful revenues or become profitable may be delayed.

(k) ***Government actions***

All governments reserve the right to amend their policies in relation to the full, partial or non-reimbursement of the price of pharmaceutical products. These policies are subject to change at any time in any country and can impact profoundly upon the pharmaceutical industry as a whole or in part. As with other pharmaceutical groups, the Group has no immunity from governmental actions.

(l) ***Product liability and insurance***

In carrying out its activities the Group will potentially face contractual and statutory claims, or other types of claim from customers, suppliers and/or investors. In addition, the Group is exposed to potential product liability risks that are inherent in the research, the pre-clinical and clinical evaluation, pre-clinical study, clinical trials, manufacturing, marketing and use of pharmaceutical products. Consumers, healthcare producers or persons selling products based on the Group's technology may be able to bring claims against the Group based on the use of such products in clinical trials and the sale of products based on the Group's technology.

As the Group's business exposes it to potential product liability and professional indemnity risks which are inherent in the research and development, pre-clinical studies, clinical trials, manufacturing,

marketing and use of pharmaceutical products, it will be necessary for the Group to secure certain levels of insurance prior to the commencement of future clinical trials. While the Group is currently able to obtain insurance cover, and can see no reason why it would not continue to be able to obtain insurance in the future, there can be no assurance that any future necessary insurance cover will be available to Oxford BioMedica at an acceptable cost, if at all, or that, in the event of any claim, the level of insurance carried by Oxford BioMedica now or in the future will be adequate or that a product liability or other claim would not have a material and adverse effect on the Group's profitability and financial condition.

(m) ***Continuing losses***

The business of Oxford BioMedica has incurred net losses in each year since it was established. These losses have arisen mainly from the costs incurred in research and development of its products and general administrative costs. Oxford BioMedica expects to incur substantial losses, and substantial net cash outflows, largely because of the time lag between the development of its products and the generation of access and milestone payments and royalty and other revenues through collaborations with pharmaceutical companies.

There is no assurance that Oxford BioMedica will ever achieve significant revenues or profitability.

(n) ***The absence of cash dividends***

Oxford BioMedica has not paid any dividends since its incorporation and does not expect that dividends will be paid in the foreseeable future. Even if future operations lead to significant levels of distributable profits, of which there can be no assurance, it is at present intended that any earnings will be reinvested in the Company's business and that dividends will not be paid until the Company has an established royalty stream to support continuing dividends. No dividends are expected to be paid in the foreseeable future.

Subject to English law, the Company's Shareholders may declare a dividend at a general meeting upon the recommendation of the Board. The Shareholders may declare a smaller dividend than recommended by the Board but they may not declare a larger dividend.

(o) ***Attraction and retention of key employees***

Whilst the Group has entered into employment arrangements with each of its key personnel with the aim of securing their services, the retention of their services cannot be guaranteed. Oxford BioMedica is significantly dependent on certain scientific and management personnel. Incentivisation of key employees to remain with the Group remains critical to the Group's success. The loss of those employees could weaken the Group's scientific and management capabilities, resulting in delays in the development of its drugs and impacting negatively on the Group's business. The biotechnology industry has a highly competitive market for qualified scientific and managerial employees. Competitors may try to recruit some of the Group's important employees.

Recruiting and retaining management and scientific personnel as the Group develops will be critical to the Group's success.

(p) ***Pharmaceutical pricing environment***

The ability of the Group and its partners to commercialise products, may depend on the extent to which reimbursement for the cost of such products and related treatments will be available from government health administration authorities (including the UK National Health Service), private health coverage insurers and other organisations. There is uncertainty as to the reimbursement status of newly approved healthcare products, and there is no assurance that adequate health administration or third party coverage will be available for the Group, its partners or its licensees to obtain satisfactory price levels. If satisfactory pricing cannot be obtained, the Group's future profitability would be adversely affected. In addition, there is increasing pressure by certain governments to contain healthcare costs by limiting both coverage and the level of reimbursement and/or adversely

assessing the cost effectiveness of new therapeutic products, and by refusing in some cases to provide coverage for uses of approved products for disease conditions for which the relevant regulatory agency has not granted marketing approval.

(q) ***Manufacturing***

There can be no assurance that the Group's or its partners' product candidates will be capable of being produced in commercial quantities at acceptable cost or that, if introduced, they will achieve market acceptance. Development of product candidates involves a lengthy and complex process. Any product candidate which the Group wishes to offer commercially to the public must be put through extensive research and pre-clinical and clinical development which will be costly to the Group. This development process takes several years. In addition, the Group or its partners will need to obtain regulatory approvals to conduct clinical trials and manufacture drugs before they can be marketed. Results of pre-clinical studies are not necessarily indicative of results that may be obtained in clinical trials and results in early clinical trials may be different from those obtained in long-term testing or in general use. Adverse or inconclusive results from pre-clinical testing or clinical trials may substantially delay, or halt entirely, the development of products.

The Group may fail to successfully develop a product candidate for many reasons, including:

- the failure to establish any collaborative third party agreements to support drug development;
- the failure to produce a promising compound in sufficient quantities to conduct clinical trials or to manufacture the compound at commercially acceptable quantities and prices;
- the failure of the drug in pre-clinical studies;
- the inability of clinical trials to demonstrate that the drug is safe and effective in humans; or
- the failure to obtain required regulatory approvals.

The Group's success also depends on acceptance of the Group's products by the market, including by physicians and third-party payers, and consequently the Group's progress may be adversely affected if it is unable to achieve market acceptance of its products. Some factors that may affect the rate and level of market acceptance of any of the Group's products include:

- the existence or entry onto the market of superior competing products or therapies;
- the price of the Group's products compared to competing products;
- public perception regarding the safety, efficacy and benefits of the Group's products compared to competing products or therapies;
- the effectiveness of the sales and marketing efforts of the Group's marketing partners;
- regulatory developments related to manufacturing or use of the Group's products;
- the willingness of physicians to adopt a new treatment regimen; and
- publicity concerning the product type in general.

The biotechnology and pharmaceutical industries are subject to rapid technological change which could affect the success of the Group's drugs or make them obsolete. The field of biotechnology is characterised by significant and rapid technological change. Research and discoveries by others may result in medical insights or breakthroughs which render the Group's product candidates less competitive or even obsolete before they generate revenue.

The Group's product candidates use specialised manufacturing processes for which there a few suitable manufacturing contractors. There can be no assurance that the contractors who are currently able to manufacture the Group's product candidates will continue to make capacity available at economic prices, or that suitable new contractors will enter the market.

Manufacturing processes that are effective and practical at the small scale required by the early stages of clinical development may not be appropriate at the higher scale required for later stages of clinical development or for commercial supply. There can be no assurance that the Group will be able to adapt current processes or develop new processes suitable for the scale required by later stages of clinical development or commercial supply in a timely or cost-effective manner, nor that contractors will be able to provide sufficient manufacturing capacity when required.

(r) ***Gene therapy***

To date, only one gene therapy product has been approved for use: a product for the treatment of cancer, which is only approved in China. The commercial success of gene therapy products such as those produced by the Group and its partners will depend, in part, on acceptance by the medical community and the public of the use of gene therapies for the prevention or treatment of diseases. If the use of gene therapy is not fully accepted by the public or the medical community then this may decrease the demand for gene therapy products and have an adverse effect on the Group's business. Furthermore, additional regulatory requirements, over and above those imposed on pharmaceutical products generally, apply to gene therapy and there can be no assurance that further additional requirements will not be imposed in the future as a result of concerns relating to their safety which may have been or are raised by the public, medical community or others. This may increase the cost and time necessary to complete the clinical trial process and obtaining regulatory approval for the Group's and/or its partners' products and/or restrict, delay or make impossible, the commercial exploitation of their products.

(s) ***DMC approval of ProSavin®***

The Company expects that clinical trial data from the three patients treated with ProSavin® in the second half of 2010 will be reviewed by the DMC in December 2010, and that the DMC will make a recommendation to proceed to the next (5x) dose level in the dose escalation. If the data from these patients does not show satisfactory levels of efficacy or if there are concerns over the safety of the product from the data, the DMC may not recommend that the trial proceed to the next dose level, or it may recommend that the trial is stopped. This would delay or may even prevent the Company generating data from the 5x dose, which would be expected to have an adverse effect on the possibility of securing a collaborative partner for ProSavin®, and on the terms of such a collaboration.

(t) ***Special interest groups and adverse public opinion***

Government bodies and regulatory agencies require that potential pharmaceutical products are subject to pre-clinical studies, including animal testing, prior to conducting human trials. Oxford BioMedica arranges for such work either directly or through its collaborators. Such work can be subject to adverse public opinion and has attracted the attention of special interest groups, including those of animal rights activists. Such special interest groups have targeted Oxford BioMedica in the past but this has not had a significant impact on Oxford BioMedica's operations to date. There can, however, be no assurance that such groups will not, in the future, focus on the Group's activities or those of its licensees or collaborators, or that any such public opinion would not adversely affect the Group's operations.

The pharmaceutical industry is frequently subject to adverse publicity on many topics, including corporate governance, product recalls and research and discovery methods, as well as to political controversy over the impact of novel techniques and therapies on humans, animals and the environment. Adverse publicity about the Group, its collaborators, its products, or any other part of the industry may hurt the Group's public image, which could harm its operations, cause its share price to decrease or impair its ability to gain market acceptance for its products.

(u) ***Foreign exchange rate***

The Group records its transactions and prepares its financial statements in pounds sterling, but currently the majority of the Group's income from collaborative agreements and patent licences is received in US dollars. Furthermore the Group incurs a proportion of its expenditure in US dollars and

other currencies, especially the Euro, relating primarily to pre-clinical and clinical development that it conducts in the US and other countries outside the UK. The Group's cash balances are predominantly held in pounds sterling. In the short to medium term, covering a period that is at least 12 months from the date of this document, expenditure denominated in foreign currency is matched to a significant degree by income denominated in US dollars such that the risk of material losses or gains on one is hedged by the other. To the extent that the Group's foreign currency assets and liabilities in the future are not so well matched, fluctuations in exchange rates between pounds sterling, the US dollar and the Euro may result in realised and unrealised gains and losses on translation of the underlying currency into pounds sterling that may increase or decrease the Group's results of operations and may adversely affect the Group's financial condition, each stated in pounds sterling. In addition if the currencies in which the Group earns its revenues and/or holds its cash balances weaken against the currencies in which it incurs its expenses, this could adversely affect the Group's profitability and liquidity in the longer term.

C. Risks relating to the stock market and to share trading

(a) ***Fluctuation of share price***

The share prices of publicly traded biotechnology and emerging pharmaceutical companies such as Oxford BioMedica can be highly volatile. The price at which the Ordinary Shares will be quoted and the price which investors may realise for their Ordinary Shares will be influenced by a large number of factors, some specific to Oxford BioMedica and its operations and some which may affect the quoted healthcare and pharmaceutical sectors, or quoted companies generally.

The Company's share price has fluctuated, and may continue to fluctuate. The factors which may affect the Company's share price are:

- actual or anticipated results of clinical trials;
- actual or anticipated changes in the development status of a development programme;
- actual or anticipated regulatory approvals of healthcare products or of competing products;
- changes in laws or regulations applicable to healthcare products;
- changes in the expected or actual timing of development programmes;
- changes in the expected or actual costs of development programmes;
- actual or anticipated variations in periodic operating results;
- announcements of technological innovations by the Group, or its competitors;
- new products or services introduced or announced by the Group or its competitors;
- changes in financial estimates or recommendations by securities analysts;
- conditions or trends in the biotechnology and pharmaceutical industries;
- changes in the market valuations of similar companies;
- announcements by the Group of significant acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and the Group's ability to obtain, maintain and defend patent protection for its technologies and to avoid infringement of third-party intellectual property rights; and
- trading volume of the Ordinary Shares.

Furthermore, the Company's share price may fall in response to market appraisal of its current strategy or if the Group's operating results and prospects from time to time are below the expectations of market analysts and investors. In addition, stock markets have from time to time experienced significant price and volume fluctuations that have affected the market price of the companies whose shares are traded on such markets. Such fluctuations could affect the Company's share price, though they may be unrelated to the Group's actual operating performances and prospects.

(b) ***Possible issue or sale of shares***

The Company may issue additional shares in the future, which may adversely affect the market price of the outstanding Ordinary Shares. The Company has no current plans for a subsequent offering of its shares or of rights or invitations to subscribe for shares. Significant sales of shares by major Shareholders or the public perception that an offering may occur, could also have an adverse effect on the market price of the Company's outstanding Ordinary Shares.

(c) ***US Shareholders may not be able to participate in future equity offerings***

English company law includes pre-emptive rights for existing Shareholders to subscribe for further issues of shares for cash or issues for cash of securities convertible into or rights to acquire shares, unless such pre-emptive rights are disapplied by a Shareholder resolution. US Shareholders, however, may not be entitled to exercise these rights unless the shares offered are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. The Company has no current intention to seek such registration and intends to evaluate, at the time of any future pre-emptive share offering, the costs and potential liabilities associated with registration or qualifying for an exemption, as well as the indirect benefits to the Company of enabling US Shareholders to participate in the offering and any other factors it considers appropriate at the time, prior to making a decision as to whether to file a registration statement under the Securities Act or to utilise an exemption from the registration requirements of the Securities Act.

(d) ***US-resident Shareholders may be subject to dilution if they are excluded from future rights or other securities offerings***

The Company is an English company and the majority of its Shareholders reside outside of the US. Accordingly, the Board may decide that it is in the Company's best interests to exclude US-resident persons from any such future offering. Exclusion of such US Shareholders may result in dilution of the US Shareholders' interest in the Company's shares.

(e) ***Oxford BioMedica's corporate disclosure may differ from the disclosure made by similar companies in the United States***

Oxford BioMedica's corporate disclosure may differ from the disclosure made by similar companies in the United States. Publicly available information about the issuers of securities listed on the London Stock Exchange differs from and, in certain respects, is less detailed than the information that is regularly published by or about listed companies in the United States. In addition, regulations governing the London Stock Exchange may not be as extensive in all respects as those in effect on United States markets.

(f) ***Oxford BioMedica's financial statements are not prepared in accordance with US GAAP***

Financial Statements prepared under International Financial Reporting Standards ("IFRS") differ from those prepared under US GAAP in a number of respects including, but not limited to, revenue recognition, share option compensation, accounting for business combinations and acquisitions of intellectual property and accounting for capital instruments. Potential investors are advised to consult their own professional advisers as to the significance of these differences.

In making an investment decision, investors must rely upon their own examination of the Company, the terms of the offering and the financial information. Potential investors should consult their own

professional advisors for an understanding of the differences between IFRS and US GAAP, and how those differences might affect the financial information herein.

(g) ***The Company believes that is likely to be classified as a "passive foreign investment company" for US federal income tax purposes for the current taxable year of 2010, which could result in adverse US federal income tax consequences to a US holder of Ordinary Shares.***

The Company believes that it is likely to be classified as a passive foreign investment company ("PFIC") by the US Internal Revenue Service for US federal income tax purposes for the current taxable year of 2010. Such characterisation could result in adverse US federal income tax consequences to a holder of Ordinary Shares if such holder is a US investor. For example, US investors who owned Ordinary Shares during any taxable year in which the Company was a PFIC generally are subject to increased US tax liabilities and reporting requirements for that taxable year and all succeeding years, regardless of whether the Company actually continues to be a PFIC, although a shareholder election to terminate such deemed PFIC status may be available in certain circumstances.

The determination of whether or not the Company is a PFIC is made on an annual basis and depends on the composition of its income and assets from time to time. Specifically, the Company will be classified as a PFIC for US tax purposes for a taxable year if either (a) 75 per cent. or more of its gross income for such taxable year is passive income, or (b) 50 per cent. or more of the average percentage of its assets during such taxable year either produce passive income or are held for the production of passive income. For such purposes, if the Company directly or indirectly owns 25 per cent. or more of the shares of another corporation, the Company generally will be treated as if it (a) held directly a proportionate share of the other corporation's assets, and (b) received directly a proportionate share of the other corporation's income.

The Company also believes that it may have been a PFIC prior to the current taxable year of 2010. Accordingly, the adverse US federal income tax consequences described above could apply to US investors. Given the complexity of the issues regarding the Company's classification as a PFIC, US investors are urged to consult their own tax advisors for guidance as to the US federal, state, local and foreign tax consequences of the Company's status as a PFIC. For further discussion of the adverse US federal income tax consequences of the Company's classification as a PFIC, please refer to paragraph 17 of Part 7 of this document.

(h) ***It may be difficult for US Shareholders with interests in the Ordinary Shares to effect service of process and enforce legal judgments against the Company or its affiliates***

The Company is incorporated under the laws of England and Wales. A majority of its Directors and senior executives are not residents of the US and virtually all of its assets and the assets of those persons are located outside the US. As a result, it may not be possible for those who hold their interests in Ordinary Shares to effect service of process within the US upon those persons or the Company. In addition, persons who hold their interests in Ordinary Shares may be unable to enforce judgments obtained in courts of the US against those persons outside the jurisdiction of their residence, including judgments predicated solely upon the securities laws of the US.

Forward-Looking Statements

This document may contain forward-looking statements that reflect the Group's current expectations regarding future events, including the clinical development and regulatory clearance of the Group's products, the Group's ability to find partners for the development and commercialisation of its products, the business of Oxford BioMedica, and management plans and objectives. Oxford BioMedica considers any statements that are not historical facts as "forward-looking statements". Forward-looking statements involve risks and uncertainties. Actual events could differ materially from those projected herein and depend on a number of factors, including the success of the Group's research strategies, the applicability of the discoveries made therein, the successful and timely completion of pre-clinical and clinical studies with respect to the Group's products, the uncertainties related to the regulatory process, the ability of the Group to identify and agree beneficial terms with suitable partners for the commercialisation and/or development of products, as well as the achievement of expected synergies from such transactions, the acceptance of products by consumers and medical professionals, the successful integration of completed mergers and acquisitions and achievement of expected synergies from such transactions, the ability of the Group to identify and consummate suitable strategic and business combination transactions and the risks described in the Risk Factors set out in pages 10 to 21 (inclusive) of this document.

When used in this document the words "estimate", "project", "intend", "aim", "anticipate", "believe", "expect", "should" and similar expressions, as they relate to Oxford BioMedica or the management of the Group, are intended to identify such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this document. Neither Oxford BioMedica nor any other member of the Group undertakes any obligation publicly to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, save in respect of any requirement under applicable laws, the Listing Rules, Prospectus Rules, Disclosure and Transparency Rules and other regulations.

No person has been authorised to give any information or make any representations in relation to the Oxford BioMedica Group or the Firm Placing and Placing and Open Offer other than those contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised.

Investors and Shareholders should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made as to sufficiency of working capital in this document.

Important Information

Prospective investors are urged to read the sections of this document entitled "Summary", "Risk Factors", "Operating and Financial Review of Oxford BioMedica plc" and "Information on Oxford BioMedica plc" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur.

No profit forecast

No statement in this document is intended as a profit forecast and no statement in this document should be interpreted to mean that earnings per Ordinary Share for the current or future financial years would necessarily match or exceed the historical published earnings per Ordinary Share.

No incorporation of website information

Save where expressly stated otherwise, neither the content of Oxford BioMedica's website nor the content of any website accessible from hyperlinks on Oxford BioMedica's website is incorporated into, or forms part of, this document.

Miscellaneous

In connection with the Firm Placing and Placing and Open Offer, Singer Capital Markets and any of its affiliates, acting as an investor for its own account, may take up New Ordinary Shares in the Firm Placing and Placing and Open Offer and in that capacity may retain, purchase or sell for its own account such New Ordinary Shares or related investments otherwise than in connection with the Firm Placing and Placing and Open Offer. Accordingly, references in this document to New Ordinary Shares being offered or placed should be read as including any offering or placement of New Ordinary Shares to Singer Capital Markets or its affiliates acting in such capacity. Singer Capital Markets does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Directors, Secretary and Advisers

Directors

Dr. Alan John Kingsman, MA PhD	*Chairman*
John Andrew Dawson	*Chief Executive Officer*
Andrew Brian Wood	*Chief Financial Officer*
Dr. Michael Stuart Naylor	*Chief Scientific Officer*
Peter John Nolan	*Executive Director and Senior Vice President, Commercial Development*
Philip Nicholas Rodgers	*Deputy Chairman and Senior Independent Director*
Dr. Paul Blake	*Non-executive Director*
Dr. Andrew John William Heath	*Non-executive Director*
Dr. Alexander David Lewis	*Non-executive Director*

Company Secretary	Andrew Wood
Registered Office	Medawar Centre Robert Robinson Avenue The Oxford Science Park Oxford OX4 4GA
Financial Adviser, Sponsor, and Broker and Underwriter	Singer Capital Markets Limited One Hanover Street London W1S 1YZ
Legal Adviser to the Company	Morrison & Foerster (UK) LLP CityPoint One Ropemaker Street London EC2Y 9AW
Legal Adviser to the Financial Adviser, Sponsor and Broker	Ashurst LLP Broadwalk House 5 Appold Street London EC2A 2HA
Auditors and Reporting Accountants	PricewaterhouseCoopers LLP 9 Greyfriars Road Reading RG1 1JG
Registrars	Capita Registrars Northern House Woodsome Park Fenay Bridge Huddersfield West Yorkshire HD8 0GA
Receiving Agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Expected Timetable of Principal Events

Record Date for entitlements under the Open Offer	Close of business on 10 December 2010
Ex-entitlement date	8.00 a.m. on 14 December 2010
Despatch of Prospectus, Application Forms and Forms of Proxy	13 December 2010
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	8.00 a.m. on 15 December 2010
Latest recommended date for requested withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 30 December 2010
Latest recommended date for depositing Open Offer Entitlements and Excess Open Offer Entitlements into CREST	3.00 p.m. on 31 December 2010
Latest time and date for splitting Application Forms (to satisfy *bona fide* market claims)	3.00 p.m. on 4 January 2011
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via the CREST system	10.00 a.m. on 5 January 2011
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	**11.00 a.m. on 6 January 2011**
Results of the Firm Placing and Placing and Open Offer announced through an RIS	7 January 2011
General Meeting	10.00 a.m. on 7 January 2011
Admission and commencement of dealings in the New Ordinary Shares expected to commence	8.00 a.m. on 10 January 2011
CREST stock accounts expected to be credited for the New Ordinary Shares	8.00 a.m. on 10 January 2011
Share certificates for New Ordinary Shares expected to be despatched	within 7 days of admission

Notes

Each of the times and dates in the above timetable is subject to change, in which event details of the new times and/or dates will be notified to the Financial Services Authority and the London Stock Exchange and, where appropriate, Shareholders. Please note that any Existing Ordinary Shares sold prior to close of business on 13 December 2010, the date on which the Existing Ordinary Shares will trade with entitlement, will be sold to the purchaser with the right to receive entitlements under the Open Offer.

If you have any queries on the procedure for application and payment under the Open Offer, you should contact Capita Registrars at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. If you have any questions relating to the procedure for acceptance, please telephone Capita Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including value added tax) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates.

Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Firm Placing and Placing and Open Offer nor give any financial, legal or tax advice.

Statistics relating to the Firm Placing and Placing and Open Offer

Offer Price	5 pence
Discount to Existing Ordinary Shares[2]	37.5 per cent.
Entitlement under the Open Offer	2 Open Offer Shares for every 9 Existing Ordinary Shares
Number of Existing Ordinary Shares in issue as at 10 December 2010 (being the latest practicable date prior to the publication of this document)	544,875,557
Number of Firm Placed Shares	278,916,543
Number of Open Offer Shares	121,083,457
Number of New Ordinary Shares to be issued pursuant to the Firm Placing and Placing and Open Offer	400,000,000
Number of Ordinary Shares in issue immediately upon completion of the Firm Placing and Placing and Open Offer[3]	944,875,557
Gross proceeds of the Firm Placing and Placing and Open Offer	£20 million
Estimated net proceeds of the Firm Placing and Placing and Open Offer to be retained by the Company	£18.4 million
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital	42.3

2 The discount is to the middle market price of Existing Ordinary Shares at the close of business on 10 December 2010, being the latest practicable date prior to the announcement of the Firm Placing and Placing and Open Offer.

3 This assumes no further exercise of options under the Share Schemes.

Part 1

Letter from the Chairman of Oxford BioMedica plc

(Oxford BioMedica, incorporated in England and Wales with registered no 3252665)

Dr. Alan Kingsman, MA PhD	*Chairman*	*Registered Office*
John Dawson	*Chief Executive Officer*	Medawar Centre
Andrew Wood	*Chief Financial Officer*	Robert Robinson Avenue
Dr. Stuart Naylor	*Chief Scientific Officer*	The Oxford Science Park
Peter Nolan	*Executive Director and Senior Vice President, Commercial Development*	Oxford OX4 4GA
Nick Rodgers	*Deputy Chairman and Senior Independent Director*	
Dr. Paul Blake	*Non-executive Director*	
Dr. Andrew Heath	*Non-executive Director*	
Dr. Alex Lewis	*Non-executive Director*	

13 December 2010

To Shareholders and, for information only, to holders of options under the Share Schemes

Dear Shareholder,

PROPOSED FIRM PLACING AND PLACING AND OPEN OFFER OF 400,000,000 NEW ORDINARY SHARES AT A PRICE OF 5 PENCE PER SHARE, THE RELATED PARTY TRANSACTIONS AND NOTICE OF GENERAL MEETING

1. Introduction

The Board announced today that it proposes to raise £18.4 million, net of expenses, by the issue of 400,000,000 New Ordinary Shares through a Firm Placing and Placing and Open Offer at 5 pence per New Ordinary Share. 278,916,543 New Ordinary Shares will be issued through the Firm Placing and 121,083,457 New Ordinary Shares will be issued through the Placing and Open Offer.

The Firm Placing and Placing and Open Offer and the Related Party Transactions are conditional, *inter alia*, on the passing by Shareholders of the Resolutions at the General Meeting, which is being convened for 10.00 a.m. on 7 January 2011.

The purpose of this document is to provide you with information about the Firm Placing and Placing and Open Offer and the Related Party Transactions, to explain why the Board considers that the Firm Placing and Placing and Open Offer, the Related Party Transactions and the Resolutions are fair and reasonable and in the best interests of Oxford BioMedica and the Shareholders as a whole and to explain why the Board unanimously recommends that Shareholders, to the extent they are permitted by the Listing Rules, vote in favour of Resolutions to be proposed at the General Meeting, as they intend to do in respect of their own beneficial holdings. Pursuant to the requirements of Chapter 11 of the Listing Rules, M&G Investment Management and Cubana Investments, as Related Parties, will abstain, and have undertaken to take all reasonable steps to ensure that their associates will abstain, from voting on the Related Party Resolutions relating to their respective Related Party Transactions at the General Meeting.

The terms and conditions of the Open Offer are set out in full in Part 2 of this document. The Offer Price represents a 37.5 per cent. discount to the Closing Price of 8 pence per Ordinary Share on 10 December 2010 (being the last dealing day prior to the announcement of the Firm Placing and Placing and Open Offer). The Offer Price was decided following a "book-building" exercise, which is a mechanism through which institutional investor support for a fundraising is ascertained. In order to ensure sufficient support for the Placing and Open Offer, it was determined that an Offer Price representing a discount in excess of 10 per cent. was necessary.

The Firm Placing and Placing and Open Offer is being fully underwritten by Singer Capital Markets on, and subject to, the terms of the Placing Agreement.

You are recommended to read the whole of this document, which comprises a circular prepared in accordance with LR 13.3.1 of the Listing Rules and a prospectus prepared in accordance with the Prospectus Rules, and not to rely on only part of it. In particular, you are advised to consult the section entitled "Risk Factors" on pages 10 to 21 of this document and the "Glossary" at the end of this document, which sets out definitions of certain scientific and technical terms.

2. Background to and rationale for the Firm Placing and Placing and Open Offer

Oxford BioMedica has developed a number of proprietary gene-based products and technologies. The Directors believe that the most advanced and potentially valuable of these are ProSavin® for Parkinson's disease, the four ocular products being developed in partnership with sanofi-aventis and TroVax®, a cancer vaccine that is now back in clinical development following the demonstration of clear patient benefit in the subset analyses from the Phase III TRIST study. These programmes are expected to deliver a number of key clinical results during the period of mid-2011 to mid-2013 and, if favourable, are expected to trigger milestone payments from sanofi-aventis for the ocular products and to crystallise licensing agreements with partners for ProSavin® and TroVax®. In all, during this period, there are at least 6 potential revenue generating opportunities that could move Oxford BioMedica significantly towards its goal of becoming a profitable and sustainable biopharmaceutical company. The terms of the sanofi-aventis ocular agreement are consistent with other deals of similar size and scope. This is therefore a particularly promising time for the Company in terms of achievement, news flow and creation of Shareholder value.

However, the current balance sheet contains only sufficient cash to maintain operations at their current level and to fund the present programmes until early 2012. This means that not only is there a fundamental issue of the Company not being able to reach most of the clinical data and potential revenue points but also, as time goes on, the Company will be in an increasingly weak negotiating position with potential partners.

The current Firm Placing and Placing and Open Offer addresses these issues by securing funds that provide working capital to enable the Company to reach the key anticipated clinical development results and potential consequent payments and deals. The stronger balance sheet will also strengthen the Company's position when negotiating those deals. In addition, funds will be used to invest in manufacturing infrastructure for the five LentiVector® products that are expected to be in clinical development by the end of 2011 (ProSavin® and the ocular products). This investment must be made now to ensure that there are no delays in progressing these products into Phase III pivotal studies and onto the market. In addition, the Company having control of its own manufacturing facility may increase revenue, as lucrative supply contracts may be agreed with partners in addition to the normal upfront, milestone and royalty payments. The Company has an option, pending the success of the Firm Placing and Placing and Open Offer, to acquire an already built UK facility that is available at a fraction of the cost of a new build. Finally, funds are required to progress ProSavin® into Phase II studies without dependence on a partner, but while still seeking a partner. This will ensure that there is no delay in the development of the product and it will also provide further strength of position in deal negotiations.

In short, the Firm Placing and Placing and Open Offer provides the Company with resources to generate significant Shareholder value through at least six commercial opportunities and to invest in infrastructure and development that directly underpins those opportunities.

3. Strategy of Oxford BioMedica

Oxford BioMedica's strategy is to develop its leading products to the point where optimum Shareholder value can be realised. This optimum is a balance between revenue returns and risk.

Historically the Company has been successful in pursuing this strategy with major deals having been achieved with Rhone-Poulenc-Rorer, Wyeth (now Pfizer), sanofi-aventis with TroVax® and again sanofi-aventis with the ocular programme. In addition, the Company has secured 13 technology licensing contracts since its inception. Funding from commercial partners and grant income of £83 million pounds have been earned by the Company over the last 12 years. Approximately £78 million of this has arisen since the last major issue of shares to raise funds for the Group in December 2005.

Where possible, the Company will also leverage its technology and products through non-dilutive funding mechanisms such as grants and collaborations with academic and clinical groups.

The overall target of the Company is to attain sustainable profitability. The current goal of securing funds by the Firm Placing and Placing and Open Offer to reach key value inflection points is a major part of that strategy. In addition the Company will continue to evaluate corporate transactions that could accelerate profitability and expand commercial opportunities.

4. Information on the Group and key business strengths

Oxford BioMedica is a biopharmaceutical company developing innovative gene-based medicines and therapeutic vaccines that aim to improve the lives of patients with high unmet medical needs.

The Company's major technology platforms are a highly efficient gene delivery system (LentiVector®), which has specific advantages for targeting diseases of the central nervous system and the eye; and a unique tumour antigen (5T4), which is an ideal target for anti-cancer therapy.

Oxford BioMedica is a development stage company with two major products in clinical development and four more due to enter the clinic by the end of 2011. By the end of 2011 it will have one of the largest clinical pipelines in the UK biotechnology sector with six products in the clinic. Four of these products, the ocular products, are partnered with defined routes to generate revenue. The other two, ProSavin® and TroVax® are unpartnered but are expected to produce key data that the Directors believe should crystallise deals with the next 18 months.

The group employs 76 people, the majority of which have technical qualifications relevant to the Group's activities. Expertise ranges across research, pre-clinical and clinical development, manufacturing and corporate and intellectual property law.

Oxford BioMedica has a strong management team with long standing experience of developing innovative products from the research bench to advanced clinical trials. The team was substantially reinforced in 2008 with the appointment of John Dawson who replaced Dr. Alan Kingsman as Chief Executive Officer. John provides considerable experience of building a European pharmaceutical business, having built Cephalon's European operations from zero revenue to more than US$330 million and implementing corporate deals worth almost US$1 billion during a period of 10 years.

The Company is also supported and guided by a very experienced Board. During 2009 the Board was significantly strengthened by the appointments of Dr. Paul Blake and Dr. Andrew Heath, both of whom have extensive experience in the industry. Paul held senior management positions at Cephalon Inc, including that of executive vice president, Worldwide Medical & Regulatory Operations from 2005. His previous positions include senior vice president and medical director, Clinical Research and Development at SmithKline Beecham Pharmaceuticals. Andrew was chief executive officer of Protherics plc from 1997 to 2008, taking the company from 30 to 350 staff and managing its eventual acquisition by BTG for £220 million. Prior to this, he was president and chief executive officer of Aerogen Inc, and previously held senior positions at Astra AB and Astra USA, including vice president marketing & sales, and at Glaxo Sweden as associate medical director.

The core value and strength of Oxford BioMedica resides in its lead products ProSavin®, the ocular products and TroVax®. The ocular products and ProSavin® are all based on the Company's proprietary LentiVector® technology and, as such, benefit from considerable cross-feeding of manufacturing technology and regulatory procedures.

ProSavin® has shown encouraging efficacy in clinical studies to date with a clean safety record and significant improvements in movement and quality of life over a period where such patients would normally be in decline. Improvements in patients' ability to move are comparable to products that are currently on the market such as deep brain stimulation devices, supporting the notion that, even at current efficacy levels, ProSavin® could be a valuable product for Parkinson's disease patients. Furthermore, the earliest treated patients have maintained benefit for more than two years, supporting the Company's expectation that a single administration of ProSavin® will provide a long term or permanent treatment. The data obtained so far are with relatively low doses of ProSavin®. However, the current trial is expected, subject to the Data Monitoring Committee's recommendations, to progress to the highest dose early in 2011, and with an additional surgical centre opened in the UK will provide key data in the latter part of that year. Based on dose ranging animal studies the Company expects even greater efficacy from the high dose patients.

The Company's top business development priority is to sign a licensing agreement for ProSavin® such that the partner assumes all or part of future development costs as well as paying upfront, milestone and royalty payments. Over the past year or so there has been considerable interest in ProSavin® from potential partners and terms sheets have been exchanged. However, the terms have not recognised the potential value of the product and the negotiations have raised three key issues that have impacted the amount that partners would be prepared to pay: the early stage of the product and the associated risk, the ability to control manufacturing in the future and the regulatory path to registration given that ProSavin® is an entirely novel product. The Directors believe that two of these three issues are solved firstly by the Company having secured an option to acquire a manufacturing facility and secondly by the validation of the Company's overall development strategy toward registration gained through the EMA's formal advice procedure. On the remaining issue of stage of development and associated risk, the Company expects that the data from the highest dose patients, which will emerge mid-2011, will, if favourable, significantly de-risk the product and could crystallise a valuable deal with a partner in late 2011 or early 2012.

The ocular therapy programme is developing four LentiVector®-based products that together are the subject of a collaborative licensing and development agreement with sanofi-aventis. The four products and corresponding four indications are: RetinoStat® for wet age-related macular degeneration (AMD), StarGen™ for Stargardt disease, UshStat® for Usher syndrome 1B and EncorStat® for corneal graft rejection. This is a landmark deal in the field of gene therapy and a strong validation of Oxford BioMedica's LentiVector® technology and expertise in developing advanced biological therapies. The agreement, signed in April 2009, included an upfront payment of US$26 million (£17 million) and up to a further US$24 million in development funding over the initial phase of development. In addition, the Company has the option of offering sanofi-aventis rights to additional indications for the current products and rights to new ocular products in exchange for additional payments which could be substantial. The committed funding is based on a joint development plan that is designed to progress all four candidates into Phase I/II clinical trials in 2010-11 with first results being available for RetinoStat® in the first half of 2012. If the trials are successful, Oxford BioMedica will receive further undisclosed license fees, milestone payments and royalties on product sales, the scale of which are consistent with other deals of this scope and size.

TroVax®, the Company's lead cancer immunotherapy, has resumed clinical development following the disappointment of a pivotal Phase III trial (TRIST) missing its primary endpoint in 2008. Following a subsequent analysis of the TRIST data, supported by the FDA, the Company has demonstrated that certain patients within the trial gained a significant survival advantage from TroVax®. Importantly, by carrying out detailed exploratory analyses, the Company has identified a proprietary biomarker that would enable clinicians to identify patients who will benefit from TroVax®. The biomarker is known as IRS and can be measured in a simple blood test. All future trials of TroVax® will use the IRS biomarker and this would lead to exclusion of patients who will not benefit from TroVax® and inclusion of those that will benefit. Although obviously not foreseen, had this been known at the time of the TRIST study and applied to the TRIST patients, it is likely that the trial would have met its primary endpoint and TroVax® would be on the market at this time. The notion of using a biomarker is consistent with the emerging concept of personalised medicine and is expected to lead to the successful outcome of TroVax® trials in the future. TroVax® is currently in a Phase II study in hormone refractory prostate cancer patients and the first results are due in mid-2012. Other trials are planned as collaborations with clinical oncology groups who continue to be enthusiastic about TroVax® and who may provide funding for the further trials.

The Company is committed to finding a development and commercialisation partner for TroVax® and while this may occur in the coming months, it is likely that the optimum deal will be achieved when new clinical data is available from trials using the IRS biomarker. First data from the current prostate cancer trials are expected to be available mid-2012.

The Company also has a number of other product and technology assets, all of which could generate revenues albeit not as great as for the lead products, in the short to mid term.

More detailed information on Oxford BioMedica is set out in Part 3 of this document.

5. Principal terms of the Firm Placing and Placing and Open Offer

Oxford BioMedica intends to issue 400,000,000 New Ordinary Shares through the Firm Placing and Placing and Open Offer at 5 pence per New Ordinary Share to raise gross proceeds of £20 million.

Firm Placing

The Firm Placees have agreed to subscribe for 278,916,543 New Ordinary Shares at the Offer Price (representing gross proceeds of £13.9 million). The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer.

Placing and Open Offer

Subject to the fulfilment of the conditions set out below and in Part 2 of this document, Qualifying Shareholders are being given the opportunity to subscribe for New Ordinary Shares *pro rata* to their existing shareholdings at the Offer Price on the basis of:

2 New Ordinary Shares for every 9 Existing Ordinary Shares

held and registered in their name at the Record Date.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares. Excess applications will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their *pro rata* entitlements. If there is an oversubscription resulting from excess applications, allocations in respect of such excess applications will be scaled down according to the Directors' discretion.

Under the Placing and Open Offer, Oxford BioMedica intends to issue 121,083,457 New Ordinary Shares at the Offer Price (representing gross proceeds of £6.1 million) to be made available pursuant to the Open Offer.

Singer Capital Markets, as agent for Oxford BioMedica, has placed the Open Offer Shares conditionally with existing Shareholders and other institutional investors at the Offer Price, subject to clawback to satisfy valid applications in respect of Open Offer Entitlements from Qualifying Shareholders or excess applications pursuant to the Excess Application Facility.

Fractions of Ordinary Shares will not be allotted and each Qualifying Shareholder's entitlement under the Open Offer will be rounded down to the nearest whole number. The fractional entitlements will be aggregated and placed for the benefit of the Company, save that Qualifying Shareholders will be entitled to receive proceeds in respect of fractional entitlements of £5 or more.

The New Ordinary Shares when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared after the date of their issue.

Qualifying Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their entitlements under the Open Offer.

The Firm Placing and Placing and Open Offer is being fully underwritten by Singer Capital Markets subject to certain conditions set out in the Placing Agreement, further details of which are set out in paragraph 10 of Part 7 of this document.

Application has been made for the Open Offer Entitlements and Excess Open Offer Entitlements to be admitted to CREST. It is expected that the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST at 8.00 a.m. on 15 December 2010. The Open Offer Entitlements and Excess Open Offer Entitlements will also be enabled for settlement in CREST at 8.00 a.m. on 15 December 2010. Applications through the means of the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will have received an Application Form with this document which sets out their maximum entitlement to Open Offer Shares as shown by the number of Open Offer Entitlements allocated to them. Qualifying Shareholders may apply for Excess Shares pursuant to the Excess Application Facility. Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements and Excess Open Offer Entitlements at 8.00 a.m. on 15 December 2010.

Shareholders should note that the Open Offer is not a rights issue. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer, but will be placed pursuant to the Placing for the benefit of the Company.

Pursuant to, and subject to the terms and conditions of, the Placing Agreement, Singer Capital Markets has agreed conditionally to place the Open Offer Shares with certain existing Shareholders and other institutional investors. To the extent that it fails to do so, Singer Capital Markets has agreed to subscribe for the Open Offer Shares at the Offer Price, subject to clawback to satisfy valid applications in respect of Open Offer Entitlements from Qualifying Shareholders or excess applications pursuant to the Excess Application Facility.

Further information on the Firm Placing and Placing and Open Offer and the terms and conditions on which it is made, including the procedure for application and payment, are set out in the letter from Singer Capital Markets in Part 2 of this document and, where relevant, in the Application Form.

For Qualifying non-CREST Shareholders, completed Application Forms, accompanied by full payment in accordance with the instructions in Part 2, paragraph 4(a) on pages 41 to 44 of this document, should be returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to arrive as soon as possible and in any event so as to be received no later than 11.00 a.m. on 6 January 2011. For Qualifying CREST Shareholders the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 6 January 2011.

Applications by Qualifying Shareholders will be satisfied in full up to their Open Offer Entitlements. In addition and subject to availability, the Excess Application Facility will enable Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Open Offer Entitlements up to a maximum number of Excess Shares not exceeding 121,083,457. Qualifying non-CREST Shareholders should complete the relevant sections of the Application Form. Qualifying CREST Shareholders will have Excess Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4(b)(iii) of Part 2 on how to apply for the Excess Shares pursuant to the Excess Application Facility. If there is an oversubscription resulting from excess applications, allocations in respect of such excess applications will be scaled down according to the Directors' discretion.

The Offer Price represents a discount of 37.5 per cent. to the closing middle market price of the Existing Ordinary Shares at the close of business on 10 December 2010 (being the last practicable date before the publication of this document).

The Firm Placing and Placing and Open Offer is conditional, *inter alia*, upon:

(i) the passing of the Resolutions;

(ii) Admission becoming effective by not later than 8.00 a.m. on 10 January 2011 (or such later time and/or date as Singer Capital Markets and the Company may agree, not being later than 8.00 a.m. on 31 January 2011); and

(iii) the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms prior to Admission.

Accordingly, if any of such conditions are not satisfied or, if applicable, waived, the Firm Placing and Placing and Open Offer will not proceed and any Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will thereafter be disabled.

6. Effect of the Firm Placing and Placing and Open Offer

Upon Admission and assuming no further exercise of options under the Share Schemes, the Enlarged Share Capital is expected to be 944,875,557 Ordinary Shares. On this basis, the New Ordinary Shares will represent approximately 42.3 per cent. of the Company's Enlarged Share Capital. New Ordinary Shares issued through the Firm Placing will represent 29.5 per cent. of the Enlarged Share Capital and New Ordinary Shares issued through the Placing and Open Offer will represent 12.8 per cent of the Enlarged Share Capital.

Following the issue of the New Ordinary Shares to be allotted pursuant to the Firm Placing and Placing and Open Offer, Qualifying Shareholders who do not take up any of their Open Offer Entitlement will suffer a dilution of approximately 42.3 per cent. to their interests in the Company. If a Qualifying Shareholder takes up his Open Offer Entitlement in full he will suffer a dilution of 29.5 per cent. to his interest in the Company.

7. Use of proceeds

The Directors expect to use approximately £8.2 million of the net proceeds from the Firm Placing and Placing and Open Offer to advance the development of ProSavin® into a Phase II clinical trial; approximately £5.4 million to acquire, commission and run a manufacturing facility for its gene therapy products; and approximately £4.8 million to fund ongoing business operations and to strengthen the balance sheet.

Use of net proceeds summary

	£m
Development of ProSavin® into Phase II clinical trial	8.2
Ongoing business operations	4.8
Acquire, commission and run manufacturing facility for gene therapy products	5.4
Total	18.4

8. Current trading and prospects for Oxford BioMedica

The unaudited interim results for the six months ended 30 June 2010 were released on 24 August 2010. Since 30 June 2010 the Company's programmes have progressed in line with expectations.

On 18 August 2010 the Company announced a licensing agreement with Emergent Product Development Germany GmBH ("Emergent") granting Emergent non-exclusive rights to Oxford BioMedica's Hi8® PrimeBoost technology patents and poxvirus patents for the development and commercialisation of vaccines and therapeutics targeting eight infectious diseases, including tuberculosis. An upfront licensing fee of US$1

million was payable, with potential future milestone payments up to US$20.4 million and undisclosed royalties on sales.

On 29 October 2010 the Company issued an interim management statement. The Company's net cash balance at 30 June 2010 was £16.3 million and as at 30 September 2010 the Company had a net cash balance of £13.7 million. Both figures are unaudited.

The Company's strategy is to commercialise the current pipeline through partnering deals, and where and when possible, to acquire additional late-stage or marketed products to add to the product portfolio. Regarding partnering deals, it would be the Company's intention to secure partnerships following clinical proof of principle. The terms of such deals would be expected to include upfront and milestone payments, the partial or complete funding of ongoing development costs, and ultimately royalties on sales. Where sufficiently attractive terms are available the Directors would consider deals at an earlier stage, such as the deal in 2009 with sanofi-aventis for ocular gene therapy products.

9. Related Party Transaction

As part of the Firm Placing, the Directors propose to allot 35,000,000 New Ordinary Shares at the Offer Price, representing approximately 3.7 per cent. of the Company's Enlarged Share Capital (assuming that all of the Open Offer Entitlements are taken up by Qualifying Shareholders) to M&G Investment Management and to allot 46,200,000 New Ordinary Shares at the Offer Price, representing approximately 4.9 per cent. of the Company's Enlarged Share Capital (assuming that all of the Open Offer Entitlements are taken up by Qualifying Shareholders) to Cubana Investments. Under the Placing, the Directors propose to allot 15,000,000 New Ordinary Shares at the Offer Price, representing approximately 1.6 per cent. of the Company's Enlarged Share Capital (assuming the maximum shares are issued under the Placing) to M&G Investment Management and to allot 19,800,000 New Ordinary Shares at the Offer Price, representing approximately 2.1 per cent. of the Enlarged Share Capital (assuming the maximum number of shares are issued under the Placing) to Cubana Investments. The proposed allotment of the New Ordinary Shares to M&G Investment Management and Cubana Investments constitute "related party transactions" for the purpose of Chapter 11 of the Listing Rules as a result of M&G Investment Management and Cubana Investments each being a "substantial shareholder" as defined by the Listing Rules. As at the date of this document, M&G Investment Management holds 12.43 per cent. of the Company's issued share capital and Cubana Investments holds 10.99 per cent. of the Company's issued share capital.

The Company is required by Chapter 11 of the Listing Rules to seek Shareholder approval for any "related party transaction" which it proposes to enter into. Resolutions 4 and 5 set out in the Notice of General Meeting request, by way of ordinary resolution, the approval of Shareholders for the Related Party Transactions between the Company and M&G Investment Management and the Company and Cubana Investments.

Pursuant to the requirements of Chapter 11 of the Listing Rules, M&G Investment Management as a Related Party will not vote on Resolution 4 approving its Related Party Transaction with the Company and it has undertaken to take all reasonable steps to ensure that its associates will not do so either. Equally, Cubana Investments as a Related Party will not vote on Resolution 5 approving its Related Party Transaction with the Company and it has undertaken to take all reasonable steps to ensure that its associates will not do so either.

The Directors hold 15,262,216 Existing Ordinary Shares representing approximately 2.80 per cent. of the existing issued ordinary share capital of the Company in aggregate. All of the Directors have subscribed for shares in the Firm Placing, amounting to 2,980,000 New Ordinary Shares in aggregate. Immediately following Admission, the Directors' holdings, in aggregate, are expected to represent 1.93 per cent. of the issued Ordinary Shares of the Company.

The individual Directors' subscriptions are set out below:

Dr Alan Kingsman has subscribed for 2,000,000 shares representing approximately 0.21 per cent. of the Company's Enlarged Share Capital.

John Dawson has subscribed for 200,000 shares representing approximately 0.02 per cent. of the Company's Enlarged Share Capital.

Andrew Heath has subscribed for 200,000 shares representing approximately 0.02 per cent. of the Company's Enlarged Share Capital.

Alex Lewis has subscribed for 100,000 shares representing approximately 0.01 per cent. of the Company's Enlarged Share Capital.

Peter Nolan has subscribed for 100,000 shares representing approximately 0.01 per cent. of the Company's Enlarged Share Capital.

Nick Rodgers has subscribed for 100,000 shares representing approximately 0.01 per cent. of the Company's Enlarged Share Capital.

Andrew Wood has subscribed for 100,000 shares representing approximately 0.01 per cent. of the Company's Enlarged Share Capital.

Paul Blake has subscribed for 100,000 shares representing approximately 0.01 per cent. of the Company's Enlarged Share Capital.

Stuart Naylor has subscribed for 80,000 shares representing approximately 0.01 per cent. of the Company's Enlarged Share Capital.

10. General Meeting

You will find set out at the end of this document a notice convening the General Meeting to be held at Morrison & Foerster (UK) LLP, CityPoint, One Ropemaker Street, London EC2Y 9AW on 7 January 2011 at 10.00 a.m. where the following Resolutions will be proposed:

Resolution 1

An ordinary resolution approving the issue of New Ordinary Shares at 5 pence per share, representing a discount of 37.5 per cent., which is in excess of 10 per cent. of the Closing Price of the Existing Ordinary Shares at the time of agreeing the Firm Placing and Placing and Open Offer.

Resolution 2

An ordinary resolution to authorise the Directors to allot relevant securities for the purposes of section 551 of the Companies Act provided that such power be limited to the allotment of the New Ordinary Shares up to an aggregate nominal amount of £4,000,000. This resolution is conditional upon the passing of Resolution 1.

Resolution 3

A special resolution to grant the Directors authority to allot equity securities for cash pursuant to the authority conferred on them by Resolution 2 as if section 561 of the Companies Act did not apply to such allotment provided that such power shall be limited to the allotment of the New Ordinary Shares up to an aggregate nominal amount of £4,000,000. This resolution is conditional upon the passing of Resolutions 1 and 2.

Resolution 4

An ordinary resolution to approve, as a related party transaction, M&G Investment Management's participation in the Firm Placing and Placing.

Resolution 5

An ordinary resolution to approve, as a related party transaction, Cubana Investments' participation in the Firm Placing and Placing.

It should be noted that the provisions of section 570 of the Companies Act confer on the Shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are, or are to be, paid up in cash. Whilst section 570 of the Companies Act is to be disapplied by the resolution described in Resolution 3 above for the purposes of the Firm Placing and Placing and Open Offer, except as to fractions of New Ordinary Shares, the Open Offer will be effected on a *pro-rata* basis.

The authority and the power described in Resolutions 2 and 3 above will (unless previously revoked or varied by the Company in general meeting) expire on the date 15 months from the passing of such resolutions or at the conclusion for the next annual general meeting of the Company following the passing of the resolutions, whichever occurs first. The authority and the power described in Resolutions 2 and 3 above are in addition to any like authority or power previously conferred on the Directors.

As described in paragraph 9 above, M&G Investment Management and Cubana Investments will abstain, and have undertaken to take all reasonable steps to ensure that their respective associates will abstain, from voting on the Related Party Resolutions relating to their respective Related Party Transactions at the General Meeting.

11. Actions to be taken

In respect of the General Meeting

A Form of Proxy for use at the General Meeting is enclosed with this document. Whether or not you intend to be present at the meeting, the Form of Proxy should be completed in accordance with the instructions printed thereon and returned to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU or submitted electronically through CREST or via www.capitashareportal.com as soon as possible, but in any event so as to be received by no later than 10.00 a.m. on 5 January 2011. The completion and return, or submission electronically, of a Form of Proxy will not preclude you from attending the General Meeting and voting in person, if you so wish.

In respect of the Open Offer

If you are a Qualifying non-CREST Shareholder you will have received an Application Form together with this document. If you wish to apply for Open Offer Shares and any Excess Shares, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 4(a) of Part 2 of this document and on the Application Form itself. If you do not wish to apply for any Open Offer Shares, you should not complete or return the Application Form. Shareholders are nevertheless requested to complete and return or submit electronically the Form of Proxy.

If you are a Qualifying CREST Shareholder no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your maximum entitlement under the Open Offer and a credit in respect of the Excess Open Offer Entitlement for use in connection with the Excess Application Facility. You should refer to the procedure for application set out in paragraph 4(b) of Part 2 of this document.

The latest time for applications under the Open Offer to be received is 11.00 a.m. on 6 January 2011. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your entitlement under the Open Offer or have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part 2 of this document. Further details also appear in the Application Forms which have been sent to Qualifying non-CREST Shareholders.

Qualifying CREST Shareholders who are CREST-sponsored members should refer to their CREST-sponsors regarding the action to be taken in connection with this document and the Open Offer.

12. Overseas Shareholders

Shareholders who have registered addresses outside the United Kingdom, who are citizens or residents of countries other than the United Kingdom, or who are holding Ordinary Shares for the benefit of such persons (including without limitation, nominees, custodians and trustees) or have a contractual or legal obligation to

forward this document, the Form of Proxy or the Application Form to such persons, should refer to paragraph 6 of Part 2 of this document, which sets out the restrictions applicable to such persons. If you are an Overseas Shareholder, it is important that you read that part of this document.

13. Dividend policy

The New Ordinary Shares will rank *pari passu* in all respects with the Existing Ordinary Shares including the right to receive all dividends and other distributions (if any) declared, paid or made by Oxford BioMedica after Admission.

However, it is, at present, intended that no dividends will be paid by Oxford BioMedica. Even if future operations lead to significant levels of distributable profits, any earnings, of which there can be no assurance, will be reinvested in Oxford BioMedica's business and no dividends are expected to be paid in the foreseeable future.

14. Additional information

You are recommended to read all the information contained in this document and not just rely on the key or summarised information and your attention is drawn to the information set out in Parts 2 to 7 of this document.

15. Risk Factors

Shareholders and investors should consider fully the Risk Factors associated with the Group and the New Ordinary Shares. Your attention is drawn to the Risk Factors set out in pages 10 to 21 (inclusive) of this document.

16. Taxation

Information about United Kingdom and the United States taxation is set out in paragraphs 16 and 17 of Part 7 of this document. This information is a general guide only. If you are in any doubt as to your tax position, or you are subject to tax in a jurisdiction other than the United Kingdom or the United States, you should consult your own independent professional adviser without delay.

17. Working Capital

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer receivable by the Company, the Group has sufficient working capital for its present requirements, that is at least 12 months following the publication of this document.

18. Importance of the Vote

If the Resolutions are not approved and the Firm Placing and Placing and Open Offer fails to proceed then the Group will only have sufficient financial resources to fund its business into early 2012 based on current business plans. In the event that the Firm Placing and Placing and Open Offer fails to proceed, the Directors will curtail all appropriate discretionary spend and will immediately endeavour to raise further funds by:

- **seeking to partner programmes that are not already partnered;**
- **monetising existing partnerships; and**
- **taking up alternative financing vehicles that may be on terms less attractive to Shareholders than the Firm Placing and Placing and Open Offer.**

Although these actions are realistically available to the Company, the outcome of each lies outside of the control of the Company and, as a result, the Directors cannot be confident that any will be successful.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions in order that the Firm Placing and Placing and Open Offer can proceed.

19. Recommendation

The Board, which has been so advised by Singer Capital Markets, believes that the Firm Placing and Placing and Open Offer, the Related Party Transactions and the Resolutions are in the best interests of Oxford BioMedica and the Shareholders as a whole. The Board which has been so advised by Singer Capital Markets believes that the Related Party Transactions are fair and reasonable so far as Shareholders are concerned. In providing such advice to the Directors, Singer Capital Markets has taken into account the Directors commercial assessments of the Group's funding requirement.

Accordingly, the Board unanimously recommends that Shareholders vote in favour of Resolutions to be proposed at the General Meeting (although M&G Investment Management and Cubana Investments will abstain, and have undertaken to take all reasonable steps to ensure that their respective associates will abstain, from voting on the Related Party Resolution relating to their respective Related Party Transactions).

Yours faithfully,

Dr. Alan Kingsman
Chairman

Part 2

Details of the Placing and Open Offer

To: Qualifying Shareholders and, for information only, participants in the Share Schemes

Dear Shareholder,

OPEN OFFER OF 121,083,457 NEW ORDINARY SHARES AT 5 PENCE PER SHARE

1. Introduction

As explained in the letter from your Chairman which comprises Part 1 of this document, your Board proposes to raise approximately £18.4 million (net of expenses) by the issue of 400,000,000 New Ordinary Shares through a Firm Placing and Placing and Open Offer at 5 pence per New Ordinary Share. 278,916,543 New Ordinary Shares will be issued through the Firm Placing and 121,083,457 New Ordinary Shares will be issued through the Placing and Open Offer.

We, as agent for and on behalf of Oxford BioMedica, have placed the Open Offer Shares conditionally with certain existing Shareholders and other institutional investors at the Offer Price, subject to clawback to satisfy valid applications in respect of Open Offer Entitlements from Qualifying Shareholders or excess applications pursuant to the Excess Application Facility. The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer.

The Firm Placing and Placing and Open Offer is being fully underwritten by us on the terms and subject to the conditions set out in the Placing Agreement. A summary of the Placing Agreement is set out in paragraph 10 of Part 7 of this document.

This document and, for Qualifying non-CREST Shareholders only, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, and pursuant to the Placing Agreement, we, as agent for and on behalf of the Company, hereby invite Qualifying Shareholders to apply for Open Offer Shares at a price of 5 pence per share, payable in full on application, free of all expenses, on the basis of:

2 New Ordinary Shares for every 9 Existing Ordinary Shares

held by them and registered in their names on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares. Excess applications will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their *pro rata* entitlements. If there is an oversubscription resulting from excess applications, allocations in respect of such excess applications will be scaled down according to the Directors' discretion.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Qualifying Shareholders' entitlements under the Open Offer.

Fractions of Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for New Ordinary Shares will be rounded down to the nearest whole number of New Ordinary Shares. New Ordinary Shares representing the aggregate of fractional entitlements will be aggregated and placed for the benefit of the Company, save that Qualifying Shareholders will be entitled to receive proceeds in respect of fractional entitlements of £5 or more.

If you have received an Application Form with this document please refer to paragraph 4(a) and paragraphs 5 to 10 of this Part 2.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements and Excess Open Offer Entitlements to your CREST stock account, please refer to paragraph 4(b) and paragraphs 5 to 10 of this Part 2 and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and the Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer. Instead, any Open Offer Shares not taken up by Qualifying Shareholders will be issued at the Offer Price to placees (to the extent procured) or, failing that, to Singer Capital Markets in accordance with our obligations under the Placing Agreement, with the proceeds retained for the benefit of the Company.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all the information in this document including, in particular, the important information set out in the letter from the Chairman of the Company in Part 1 of this document, as well as this paragraph 2 of Part 2 and the Risk Factors set out on pages 10 to 21 (inclusive) of this document. Shareholders who do not participate in the Open Offer will experience dilution of their shareholdings. The material terms of the Firm Placing and Placing and Open Offer are contained in this document.

The Existing Ordinary Shares are listed on the Official List and traded on the London Stock Exchange's main market for listed securities. Application will be made to the Financial Services Authority and to the London Stock Exchange for the New Ordinary Shares to be issued in the Firm Placing and Placing and Open Offer to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities respectively. It is expected that Admission will become effective on 10 January 2011 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on the same day.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares; all such shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements and the Excess Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Open Offer Entitlements and the Excess Open Offer Entitlements are expected to be admitted to CREST with effect from 10 January 2011.

The Open Offer Shares will, when issued and fully paid, be identical to and rank in full for all dividends or other distributions declared, made or paid after Admission and in all other respects will rank *pari passu* with the Existing Ordinary Shares in issue. No temporary documents of title will be issued. Further details of the rights attaching to the New Ordinary Shares are set out in paragraph 4.2 of Part 7 of this document.

3. Conditions of the Firm Placing and Placing and Open Offer

The Firm Placing and Placing and Open Offer is conditional upon the Placing Agreement becoming or being declared unconditional in all respects by 8.00 a.m. on 10 January 2011 (or such later time and/or date as we and the Company may agree, being not later than 8.00 a.m. on 31 January 2011) and the Placing Agreement not being terminated in accordance with its terms. The Placing Agreement is conditional *inter alia* upon (a) the passing of Resolutions set out in the Notice of General Meeting; and (b) Admission becoming effective by not later than 8.00 a.m. on 10 January 2011 (or such later time and/or date as we and the Company may agree, being not later than 8.00 a.m. on 31 January 2011).

It is expected that all these conditions will be satisfied by 8.00 a.m. on 10 January 2011 and that Admission will become effective at 8.00 a.m. on 10 January 2011, and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 10 January 2011. Definitive certificates in respect of New Ordinary Shares will be prepared and are expected to be posted to those allottees who have validly elected to hold their shares in certificated form by 17 January 2011. In respect of those allottees who have validly elected to hold their shares in uncertificated form, the New Ordinary Shares are expected to be credited to their accounts maintained in the CREST system at 8.00 a.m. on 10 January 2011.

Further details of the Placing Agreement are set out in paragraph 10 of Part 7 of this document.

Further terms of the Firm Placing and Placing and Open Offer are set out in this letter and, where relevant, in the Application Form.

If the Placing Agreement is not declared or does not become unconditional in all respects, or if it is terminated in accordance with its terms, the Open Offer will be revoked and will not proceed. In such event, no New Ordinary Shares will be issued, and all monies received by Capita Registrars in connection with the Open Offer will be returned to applicants without interest and at their risk as soon as practicable and any Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will thereafter be disabled.

4. Procedure for Application and Payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

CREST-sponsored members should refer to their CREST-sponsor, as only their CREST-sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

(a) ***If you have an Application Form in respect of your entitlement under the Open Offer***

(i) *General*

Qualifying non-CREST Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows the maximum number of New Ordinary Shares for which you are entitled to apply on a *pro rata* basis under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to you. You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

The Application Form has not been, and will not be, sent to Overseas Shareholders in, or with registered addresses in, the United States, or any Excluded Territories, brokers, banks and other agents may not send an Application Form to, or submit Application Forms on behalf of, Overseas Shareholders in, or with addresses in any of these countries or a person (including, without limitation, stockbrokers, banks or other agents) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom.

(ii) *Market Claims*

Applications may only be made on the Application Form and may only be made by the Qualifying Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, being 14 December 2010. Application Forms may be split up to 3.00 p.m. on 4 January 2011. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 14 December 2010, being the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer by the London Stock Exchange, should consult his or her broker or other professional adviser as soon as possible, as the invitation to acquire New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee from his or her counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Application Form should not, however, be forwarded to or transmitted in or into the United States, or any of the Excluded Territories.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 4(b) below.

(iii) *Excess non-CREST Applications*

Qualifying non-CREST Shareholders who have taken up their Open Offer Entitlements in full may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying non-CREST Shareholders wishing to apply to acquire Excess Shares may do so by following the relevant instructions on the Application Form. The total number of Open Offer Shares will not be increased in response to such excess applications. Excess applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. If there is an oversubscription resulting from excess applications, allocations in respect of such excess applications will be scaled down according to the Directors' discretion. Excess monies in respect of scaled down applications will be returned to the applicant (at the applicant's risk) without interest within 14 days of Admission by way of a cheque.

(iv) *Application Procedures*

If you are a Qualifying non-CREST Shareholder and wish to apply for all or some of your entitlement to New Ordinary Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance and in accordance with the instructions in this Part 2, paragraph 4, by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. A reply-paid envelope is enclosed for use by Qualifying non-CREST Shareholders within the UK, in connection with the Open Offer.

Please note that Capita Registrars cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to New Ordinary Shares under the Open Offer. If any Application Form is sent by first-class post within the United Kingdom, Qualifying non-CREST Shareholders are recommended to allow at least four Business Days for delivery. Singer Capital Markets may require the Company to treat as valid (i) Application Forms and accompanying remittances which are received through the post not

later than 11.00 a.m. on the Business Day immediately following the final date for acceptance and payment of the Open Offer (the cover bearing a legible postmark not later than 11.00 a.m. on the final date for payment and acceptance); and (ii) applications in respect of which remittances are received prior to 11.00 a.m. on the final date for acceptance and payment of the Open Offer from an authorised person (as defined in the Financial Services and Markets Act 2000 (as amended)) specifying the number of New Ordinary Shares concerned and undertaking to lodge the relevant Application Form duly completed by not later than 11.00 a.m. on the second Business Day immediately following the final date for acceptance and payment of the Open Offer.

(v) *Payments*

All payments must be in pounds sterling and cheques or banker's drafts should be made payable to "Capita Registrars Limited Re: Oxford BioMedica plc Open Offer A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application.

Cheques must be drawn on the personal account of the individual investor where they have sole or joint title to the funds. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/bankers' draft to such effect. The account name should be the same as that shown on the application.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct Capita Registrars to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made before they are due and any interest earned on such payments will accrue for the benefit of the Company. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured.

Application monies will be paid into a separate bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 10 January 2011 or such later time and date as we and the Company shall agree (being no later than 8.00 a.m. on 31 January 2011), the Firm Placing and Placing and Open Offer will lapse and application monies will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter. Any interest earned on monies held in the separate bank account will be retained for the benefit of the Company.

(vi) *Effect of Application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

(A) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(B) confirm that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained;

(C) represent and warrant that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;

(D) represent and warrant that you are not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for New Ordinary Shares;

(E) represent and warrant that, (i) you are not in the United States, or any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares or to use the Application Form in any manner in which you have used or will use it; (ii) you are not acting for the account or benefit of a person located within the United States, or any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares and were not acting for the account or benefit of such a person at the time the instruction to apply for the New Ordinary Shares was given; and (iii) you are not acquiring New Ordinary Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such New Ordinary Shares into the United States, or any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, in each case except where proof satisfactory to the Company and Singer Capital Markets has been provided that you are entitled to take up your entitlement without and breach of applicable law; and

(F) represent and warrant that you are not, and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depositary receipts) or Section 96 (clearance services) of the Finance Act 1986.

Further representations and warranties are contained in the Application Form.

If you do not wish to apply for any of the New Ordinary Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the New Ordinary Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST Shareholders under the Open Offer should be addressed to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

(b) ***If you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer***

(i) *General*

Subject as provided in paragraph 6 of this Part 2 in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the basic number of New Ordinary Shares for which he is entitled to apply under the Open Offer and his Excess Open Offer Entitlements (see paragraph 4(b) (iii) below for further details).

The CREST stock account to be credited will be an account under the Participant ID and Member Account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and Excess Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 31 December 2010 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and/or Excess Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to New Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by telephone Capita Registrars on 0871 664 0321 or, if telephoning from outside the UK, on +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice. If you are a CREST-sponsored member you should consult your CREST-sponsor if you wish to apply for New Ordinary Shares as only your CREST-sponsor will be able to take the necessary action to make this application in CREST.

(ii) *Market Claims*

The Open Offer Entitlements and Excess Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlements and Excess Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlements will thereafter be transferred accordingly.

(iii) *Excess Application Facility*

Qualifying CREST Shareholders who have taken up their Open Offer Entitlements in full may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement up to a maximum number of Excess Shares not exceeding 121,083,457 in which case applications made under the Excess Application Facility will be scaled down according to the Directors' discretion. A Qualifying CREST Shareholder should not make an application under the Excess Application Facility unless such Qualifying CREST Shareholder has applied for his Open Offer Entitlements in full.

An Excess Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part 2 in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of *bona fide* market claims only). Neither the Open Offer Entitlements nor the Excess Open Offer Entitlements will be tradeable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph (iv) below and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement is transferred, the Excess Open Offer Entitlements will not transfer with the Open Offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. **Please note that a separate USE Instruction must be sent in respect of any application under the Excess Open Offer Entitlement.**

Fractions of Excess Shares will be rounded down to the nearest whole number.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest within 14 days thereafter, by way of cheque or CREST payment, as appropriate. The interest earned on such monies will be retained for the benefit of the Company.

All enquiries in relation to the procedure for application and completion of applications For Excess Open Offer Entitlements should be addressed to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. (Telephone Capita Registrars on 0871 664 0321 from within the UK or on +44 20 8639 3399 if calling from outside the UK). Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Issue nor give any financial, legal or tax advice.

(iv) *USE Instructions*

CREST members who wish to apply for New Ordinary Shares in respect of all or some of their Open Offer Entitlements and their Excess Open Offer Entitlement in CREST must send (or, if they are a CREST-sponsored member, procure that their CREST-sponsor sends) an Unmatched Stock Event ("USE") instruction to Euroclear which, on its settlement, will have the following effect:

(A) the crediting of a stock account of Capita Registrars under the Participant ID and Member Account ID specified below, with a number of Open Offer Entitlements or Excess Open Offer Entitlements corresponding to the number of New Ordinary Shares applied for; and

(B) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Capita Registrars in respect of the

amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in (A) above.

(v) *Content of USE Instructions*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(A) the number of New Ordinary Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Registrars);

(B) the ISIN of the Open Offer Entitlements. This is GB00B3YQ0B50;

(C) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;

(D) the Participant ID of the accepting CREST Member;

(E) the Participant ID of Capita Registrars, in its capacity as a CREST receiving agent. This is 9RA01;

(F) the Member Account ID of Capita Registrars, in its capacity as a CREST receiving agent. This is 27257OXF;

(G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (A) above;

(H) the intended settlement date. This must be on or before 11.00 a.m. on 6 January 2011; and

(I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 January 2011.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

(aa) a contact name and telephone number (in the free-format shared note field); and

(bb) a priority of at least 80.

CREST members and, in the case of CREST-sponsored members, their CREST-sponsors, should note that the last time at which a USE instruction may settle on 6 January 2011 in order to be valid is 11.00 a.m. on that day.

In the event that the Firm Placing and Placing and Open Offer does not become unconditional by 8.00 a.m. on 10 January 2011 or such later time and date as Singer Capital Markets and the Company shall agree (being no later than 8.00 a.m. on 31 January 2011), the Firm Placing and Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and Capita Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. Any interest earned on such monies will be retained for the benefit of the Company.

(vi) *Content of USE Instruction in respect of Excess Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

(A) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess Open Offer Entitlement(s) being delivered to the Registrar);

(B) the ISIN of the Excess Open Offer Entitlement. This is GB00B4NP0323;

(C) the Member Account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;

(D) the participant ID of the accepting CREST member;

(E) the participant ID of Capita Registrars, in its capacity as CREST receiving agent. This is 9RA01;

(F) the Member Account ID of Capita Registrars, in its capacity as CREST receiving agent. This is 27257OXF;

(G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (A) above;

(H) the intended settlement date. This must be on or before 11.00 a.m. on 6 January 2011; and

(I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 6 January 2011.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to the USE instruction:

(aa) a contact name and telephone number (in the free format shared note field); and

(bb) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 6 January 2011 in order to be valid is 11.00 a.m. on that day.

In the event that the Firm Placing and Placing and Open Offer does not become unconditional by 8.00 a.m. on 10 January 2011 or such later time and date as Singer Capital Markets and the Company shall agree (being no later than 8.00 a.m. on 31 January 2011), the Firm Placing and Placing and Open Offer will lapse, the Open Offer Entitlements and the Excess Open Offer Entitlements admitted to CREST will be disabled and Capita Registrars will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. Any interest earned on such monies will be retained for the benefit of the Company.

(vii) *Deposit of Open Offer Entitlements and Excess Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 6 January 2011. Shortly after depositing their Open Offer Entitlement into their CREST account, CREST holders will receive a credit for their Open Offer Entitlement and Excess Open Offer Entitlement which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of Capita Registrars, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements or Excess Open Offer Entitlements in CREST, is 3.00 p.m. on 31 December 2010, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and/or Excess Open Offer Entitlements from CREST is 4.30 p.m. on 30 December 2010, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and/or Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess Open Offer Entitlements prior to 11.00 a.m. on 6 January 2011. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess Open Offer Entitlement.

Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Capita Registrars from the relevant CREST member(s) that, (i) you are not in the United States, any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares; (ii) you are not acting for the account or benefit of a person located within the United States, any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares and were not acting for the account or benefit of such a person at the time the instruction to apply for the New Ordinary Shares was given; and (iii) you are not acquiring the New Ordinary Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such New Ordinary Shares into the United States, any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, in each case except where proof satisfactory to the Company and Singer Capital Markets has been provided that you are entitled to take up your entitlement without breach of applicable law; and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(viii) *Validity of Application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 6 January 2011 will constitute a valid application under the Open Offer.

(ix) *CREST Procedures and Timings*

CREST members and (where applicable) their CREST-sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST-sponsored member, to procure that his CREST-sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 6 January 2011. In this connection, CREST members and (where applicable) their CREST-sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(x) *Incorrect or Incomplete Applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Capita Registrars reserves the right:

(A) to reject the application in full and refund the payment to the CREST member in question;

(B) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question; or

(C) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(xi) *Effect of Valid Application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

(A) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Capita Registrars' payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);

(B) request that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;

(C) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

(D) represent and warrant that, (i) he is not in the United States, any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares; (ii) he is not acting for the account or benefit of a person located within the United States, any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares and he was not acting for the account or benefit of such a person at the time the instruction to apply for the New Ordinary Shares was given; and (iii) he is not acquiring New Ordinary Shares with a view to the offer, sale, resale, delivery or transfer, directly or

indirectly, of any such New Ordinary Shares into the United States, any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, in each case except where proof satisfactory to the Company and Singer Capital Markets has been provided that he is entitled to take up your entitlement without breach of applicable law;

(E) represent and warrant that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;

(F) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained therein; and

(G) represent and warrant that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and the Excess Open Offer Entitlements or that he has received such Open Offer Entitlements and the Excess Open Offer Entitlements by virtue of a *bona fide* market claim.

(xii) *The Company's Discretion as to Rejection and Validity of Applications*

The Company may in its sole discretion:

(A) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part 2;

(B) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST-sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;

(C) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Capita Registrars receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Capita Registrars has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

(D) accept an alternative instruction or notification from a CREST member or CREST-sponsored member or (where applicable) a CREST-sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST-sponsored member or (where applicable) CREST-sponsor, the CREST member or CREST-sponsored member is unable validly to apply for New Ordinary Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST.

5. Money Laundering Regulations

(a) ***Holders of Application Forms***

It is a term of the Open Offer that to ensure compliance with the Money Laundering Regulations, Capita Registrars may require, in its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements").

The person(s) (the "applicant") who, by lodging an Application Form with payment, and in accordance with the other terms as described above, accept(s) the Open Offer in respect of the New Ordinary Shares (the "relevant shares") comprised in such Application Form shall thereby be deemed to agree to provide Capita Registrars with such information and other evidence as it may require to satisfy the verification of identity requirements.

Capita Registrars may therefore undertake electronic searches for the purposes of verifying identity. To do so Capita Registrars may verify the details against the Applicant's identity, but also may request further proof of identity.

If Capita Registrars determines that the verification of identity requirements apply to any applicant or application, the relevant shares (notwithstanding any other term of the Open Offer) will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application. Capita Registrars is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of Capita Registrars, the Company or Singer Capital Markets will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable period of time and in any event by not later than 6 January 2011, following a request for verification of identity, Capita Registrars has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, terminate the contract of allotment in which event the monies payable on acceptance of the Open Offer will be returned without interest to the account of the bank from which such monies were originally debited (without prejudice to the right of the Company to take proceedings to recover the amount by which the net proceeds of sale of the relevant New Ordinary Shares fall short of the amount payable thereon).

Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

(i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC)); or

(ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or

(iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant; or

(iv) if the aggregate subscription price for the relevant shares is less than the sterling equivalent of €15,000 (currently approximately £13,500).

In other cases the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of Capita Registrars to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:

(A) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker's draft, by the building society or bank endorsing on the cheque or draft the applicant's name and the number of an account held in the applicant's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature by the building society or bank on the reverse of the cheque or banker's draft; or

(B) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Co-operation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to Capita Registrars or the relevant authority.

In order to confirm the acceptability of any written assurance referred to in (B) above or any other case, the applicant should contact Capita Registrars; or

(C) if (an) Application Form(s) is/are in respect of relevant shares with an aggregate subscription price of the sterling equivalent of €15,000 (currently approximately £13,500) or more and is/are lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

Third-party cheques will not be accepted.

(b) ***Open Offer Entitlements in CREST and Excess Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements in CREST and Excess Open Offer Entitlements in CREST and apply for New Ordinary Shares in respect of all or some of your Open Offer Entitlements and Excess Open Offer Entitlements in CREST as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then irrespective of the value of the application, Capita Registrars is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact Capita Registrars before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to Capita Registrars such information as may be specified by Capita Registrars as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to Capita Registrars as to identity, Capita Registrars may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. Overseas Shareholders

6.1 ***General***

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat

the same as constituting an invitation or offer to him, nor should he in any event use such Application Form or credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this document and/or an Application Form or the crediting of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Forms are sent for information only. It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any New Ordinary Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory.

Persons (including, without limitation, stockbrokers, banks and other agents) receiving an Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements and/or Excess Open Offer Entitlements into any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an Application Form or a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the stockbrokers, banks and other agents or nominees of such person, he or she must not seek to take up the New Ordinary Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements and/or Excess Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph. The Company and Singer Capital Markets reserve the right to reject an Application Form or transfer of Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring New Ordinary Shares for resale in any such jurisdiction.

The Company and Singer Capital Markets reserve the right in their absolute discretion to treat as invalid any application for New Ordinary Shares under the Open Offer if it appears to the Company and Singer Capital Markets and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company and Singer Capital Markets have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this document, as appropriate. All payments under the Open Offer must be made in pounds sterling.

6.2 ***United States***

The New Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state of the United States and, unless so registered, may not be offered, sold, resold, taken up, delivered or distributed, directly or indirectly, within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

Outside the United States, the New Ordinary Shares may not be offered, taken up, delivered or transferred, except in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in accordance with Rule 903 or Rule 904 of Regulation S. This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities in the United States.

Application Forms are not being sent to, and Open Offer Entitlements and/or Excess Open Offer Entitlements are not being credited to a stock account in CREST of, any Shareholder with a registered address in the United States. This document is being sent to such Shareholders for information purposes only and does not constitute an offer or invitation to apply for New Ordinary Shares. Any application for New Ordinary Shares under the Open Offer will be treated as invalid if it appears to have been executed or effected in, postmarked or otherwise despatched in or from the United States, or if it provides an address in the United States for the registration or issue of New Ordinary Shares in uncertificated form or for the delivery of New Ordinary Shares in certificated form, or if it appears to have been sent by a person who cannot make the representations and warranties set out in the Application Form or in this document.

In addition, until 40 days after the commencement of the Open Offer, an offer, sale or transfer of the New Ordinary Shares within the US by a dealer (whether or not participating in the Firm Placing and Placing and Open Offer) may violate the registration requirements of the Securities Act.

6.3 ***Other Excluded Territories***

Due to the restrictions under the securities laws of the Excluded Territories, Shareholders who have registered addresses in or who are resident or ordinarily resident in, or citizens of, any Excluded Territories will not qualify to participate in the Open Offer and will not be sent an Application Form and no Open Offer Entitlements or Excess Open Offer Entitlements will be credited to their CREST stock accounts.

The New Ordinary Shares have not been and will not be registered under the relevant laws of any of the Excluded Territories or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly in or into any of the Excluded Territories or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territories except pursuant to an applicable exemption.

7. Withdrawal Rights

Qualifying Shareholders wishing to exercise statutory withdrawal rights after publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by facsimile to Capita Registrars on 020 8639 2142, so as to be sent by the Qualifying Shareholder no later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by Capita Registrars after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment of New Ordinary Shares to such Qualifying Shareholder becoming unconditional save to the extent required by statute. In such event Shareholders are advised to seek independent legal advice.

8. Taxation

Information regarding United Kingdom and United States taxation in respect of the New Ordinary Shares and the Open Offer is set out in paragraphs 16 and 17 of Part 7 of this document. If you are in any doubt about your tax position or are subject to tax in a jurisdiction other than the United Kingdom or the United States, you should consult your professional adviser without delay.

9. Listing, Settlement, Dealings and Publication

Applications have been made to the Financial Services Authority for the New Ordinary Shares to be admitted to the Official List and to the London Stock Exchange for the same to be admitted to trading on its main market for listed securities subject to the fulfilment of the conditions of the Open Offer. Subject to the Firm Placing and Placing and Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that admission of the New Ordinary Shares to the Official List and to trading will become effective and that dealings therein for normal settlement will commence at 8.00 a.m. on 10 January 2011.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 10.00 a.m. on 6 January 2011 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 10 January 2011). On this day, Capita Registrars will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlement to New Ordinary Shares with effect from Admission (expected to be 10 January 2011). The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and Excess Open Offer Entitlements and to allot and/or issue any New Ordinary Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST), or on the part of the facilities and/or systems operated by Capita Registrars in connection with CREST.

For Qualifying non-CREST Shareholders who have applied by using an Application Form, definitive share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post within seven days of Admission. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers of the New Ordinary Shares by Qualifying non-CREST Shareholders will be certified against the share register. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST Shareholders are referred to the Application Form.

Qualifying CREST Shareholders should note that they will be sent no confirmation of the credit of the New Ordinary Shares to their CREST stock account nor any other written communication by the Company in respect of the issue of the New Ordinary Shares.

The completion and results of the Firm Placing and Placing and Open Offer will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known on 7 January 2011.

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of, or in connection with, the Open Offer, this document or the Application Form (including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form). By taking up the Open Offer Shares, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the English courts (including, without limitation, in relation to disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form) and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

10. Other Information

Your attention is drawn to the letter from your Chairman which is set out in Part 1 of this document and to the further information set out in Parts 3 to 7 of this document and also, where relevant, to the terms, conditions and other information printed on the accompanying Application Form.

Yours faithfully,

Shaun Dobson
Partner, Joint Head of Corporate Finance

For and on behalf of
Singer Capital Markets Ltd.

Part 3

Information on Oxford BioMedica plc

Investors are advised to read the whole of this document and not rely on only part of it. In particular, investors are advised to consult the Glossary at the end of this document, which sets out the definitions of certain scientific and technical terms. The Directors confirm that, where information in this document has been sourced from a third party, this information has been accurately reproduced and, as far as they are aware and are able to ascertain from information prepared by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

1. Introduction

Oxford BioMedica (LSE: OXB) is a biopharmaceutical company developing innovative gene-based medicines and therapeutic vaccines that aim to improve the lives of patients with high unmet medical needs.

Oxford BioMedica UK was incorporated in March 1995 as a spin-out from Oxford University. During 1996 a founding management team was put in place, seed capital was raised and in December of that year the Company raised £5 million in an initial public offering and was admitted to trading on AIM. Between 1996 and 2001 Oxford BioMedica raised a further £23.5 million from secondary offerings; in April of 2001 the Company raised £35.5 million and moved to the Official List; and between October 2003 and December 2005 the Company raised a further £52.2 million through two secondary offers. The December 2005 fundraising of £30 million pounds was to strengthen the balance sheet while partnering negotiations for rights to TroVax® were progressing. The outcome was the €518 million deal with sanofi-aventis signed in 2007.

The Company has a platform of gene delivery technologies, which are based on highly engineered viral systems. Oxford BioMedica also has in-house clinical, regulatory and manufacturing know-how. The Company's major technology platforms are a highly efficient gene delivery system (LentiVector®), which has specific advantages for targeting diseases of the central nervous system and the eye; and a unique tumour antigen (5T4), which is an ideal target for anti-cancer therapy.

ProSavin®, Oxford BioMedica's novel gene-based therapeutic for the treatment of Parkinson's disease is in a Phase I/II dose escalating clinical trial at the Henri Mondor Hospital in Paris, France. ProSavin® utilises Oxford BioMedica's proprietary LentiVector® system to deliver three genes which reprogramme cells in the striatum (part of the brain) to manufacture and secrete dopamine, thereby replacing the dopamine that is lost as dopamine synthesising cells die during the course of Parkinson's disease. To date, 9 patients have been treated at the first two of three escalating doses. The product has been safe and well tolerated and significant efficacy has been achieved and, importantly maintained for more than two years from a single administration.

In collaboration with sanofi-aventis, Oxford BioMedica is developing four novel LentiVector®-based product candidates in the field of ophthalmology: RetinoStat® for wet age-related macular degeneration, StarGen™ for Stargardt disease, UshStat® for Usher syndrome 1B and EncorStat® for corneal graft rejection. In 2009 Oxford BioMedica granted sanofi-aventis a license to develop the products, and an option for further development, manufacture and commercialisation on a worldwide basis. Oxford BioMedica is conducting the first stage of development up to and including the first clinical trial of each of the four product candidates. Sanofi-aventis made an initial payment of US$26 million and is providing further funding of up to US$24 million for this stage of development.

The lead vaccine candidate is TroVax®, an immunotherapy product for multiple solid cancers. It is currently in a Phase II clinical trial to treat hormone refractory prostate cancer. In a Phase III trial of TroVax® in renal cancer (the TRIST study), a significant survival advantage was shown in a predefined subset, namely in patients with a good prognostic profile receiving interleukin-2 as standard of care ($n = 100$; $p = 0.046$). Additional exploratory analyses have confirmed that the anti-5T4 immune response induced by TroVax® is associated with enhanced survival ($p = 0.007$), and have also identified haematological factors that were predictive of a more favourable immune response and greater survival benefit from TroVax®. Overall,

however the TRIST study did not show a significant survival advantage for TroVax® compared to placebo in the total population.

The Company is underpinned by over 60 patent families, which represent one of the broadest patent estates in the field. Oxford BioMedica's commercial partners include sanofi-aventis, Sigma-Aldrich and Pfizer for product development and Biogen Idec, GlaxoSmithKline, Merck & Co and Pfizer as technology licensees.

2. Strategy and prospects

Since its inception, Oxford BioMedica has made considerable progress towards becoming a profitable biopharmaceutical company. It has executed a number of collaborations and contracts bringing in a total of £83 million from commercial sources and grants: the 2009 sanofi-aventis ocular collaboration £24.1 million; the 2007 sanofi-aventis TroVax® collaboration £48.2 million; the 2005 Sigma-Aldrich LentiVector® licensing deal £3.0 million; other income including licensing £5.0 million; and grants £2.6 million. The Company will continue to pursue a business model of developing products to a stage where the optimal value from partnerships with larger companies can be achieved.

Resource allocation is always important in a small company. Recognising this, the strategy pursued by the management team for the internal product pipeline is to focus resources on the most valuable opportunities, while ensuring that the Company's value is not dependent on a single product candidate but, rather, value derives from a portfolio of product candidates. While spreading the risk over a relatively diverse portfolio, the management has maintained its therapeutic focus in the areas of neuroscience, ocular disease and oncology.

There are inherent challenges in bringing products from the laboratory to the clinic and Oxford BioMedica has established appropriate expertise to manage the process. In addition to its technical research skill-base, the Company has in-house medical, clinical, regulatory and manufacturing know-how.

The Company's financial management has always been careful and prudent. Current cash reserves are sufficient to run the Group at the present level of activity, including the ocular programmes, the ProSavin® Phase I/II clinical trial and the ongoing and planned Phase II trials with TroVax® until early 2012. The first two ocular product candidates are due to start clinical trials shortly, and a total of six products are expected to be in clinical trials by the end of 2011. Results from these trials, if successful, are expected to lead to significant option payments and milestone payments from sanofi-aventis, in the case of the ocular products, and potentially material new revenue from new collaborations on ProSavin® and TroVax®, the Company's top priority in business development. However, most of these various opportunities to generate substantial revenues fall towards or beyond the end of the Company's current cash life. The Directors believe that there are at least 6 separate opportunities for cash generative events between the third quarter of 2011 and the first half of 2013, yet the current cash only extends to early 2012. Furthermore, the reserves do not allow for further clinical development of ProSavin®, nor would they enable timely investment in manufacturing capability to ensure a seamless transition of the LentiVector® products into Phase III trials, without additional funding. The Directors believe, therefore, that it is in the Company's best interest to raise funds in order to reach the key opportunities to generate revenue, to advance ProSavin® into Phase II development as quickly as possible, to develop product manufacturing capability and to put the Company in a position where it can negotiate lucrative commercial deals from a position of strength. Other development programmes would not require additional funding as the ocular development programme is substantially funded by sanofi-aventis, and current resources are sufficient for the limited investment that is planned for TroVax® development.

Given the resources provided by the Firm Placing and Placing and Open Offer, the Directors believe that the Company's prospects are good with expectation of strong news flow and several valuable commercial opportunities.

Upcoming news flow – 18 months

Q4 2010	RetinoStat®: initiate Phase I/II trial in wet AMD
Q1 2011	ProSavin®: start treatment of final dose cohort in current Phase I/II study
Q1 2011	StarGen™: initiate Phase I/II trial in Stargardt disease
Q1 2011	TroVax®: start of Phase I/II sponsored study in mesothelioma
H2 2011	ProSavin®: results from final dose cohort
H2 2011	EncorStat®: initiate Phase I/II study in corneal graft rejection
H2 2011	UshStat®: initiate Phase I/II study in Usher's Type 1B
H1 2012	First RetinoStat® Phase I/II data and potential milestone payment from sanofi-aventis

3. Product development

The Group has established a pipeline with breadth and depth, where all the programmes are justified on technical and commercial criteria. Resources are principally focussed on the three lead in-house programmes: ProSavin® and the ocular products, partnered with sanofi-aventis, and TroVax®. ProSavin® and the ocular products are based on the Company's LentiVector® gene transfer technology and TroVax® is derived from the 5T4 antigen platform. The Directors believe that these products have the greatest near-term commercial potential. They are described in detail below together with a brief description of the other research and development programmes and the Company's technology licensing activities.

MAJOR PRODUCTS

ProSavin®

ProSavin® is based on the Company's proprietary LentiVector® gene transfer technology. This technology enables efficient delivery of genes to a wide range of cells including neurons of the nervous system and is arguably the most powerful technology currently available for gene delivery to the central and peripheral nervous system.

The Company has shown that gene expression using the LentiVector® technology is maintained for up to 44 months in pre-clinical studies. To date, there has not been a situation where expression has been lost during the course of an experiment. The LentiVector® technology is designed to be safe and non-toxic, which is supported by the fact that no viral genes are taken into the target cell. The Company has demonstrated the versatility of the LentiVector® system to deliver relevant genes and achieve effective expression of those genes in almost every cell type evaluated.

The Company's lead neuroscience product candidate, ProSavin®, is a novel approach to the treatment of Parkinson's disease. On average, Parkinson's disease affects one person in 1,000 of the population but for people in their seventies and eighties this rises to at least one in every 50 (*source: Wright Willis et al (2010*), *Brain & Spine Foundation*). Parkinson's disease currently affects 4.1 million patients globally which is projected to rise to 8.7 million by 2030 (*source: Dorsey et al (2007)*). A patient with Parkinson's disease progressively loses the ability to make the neurotransmitter dopamine, the mediator of the control of movement. The current treatment market for Parkinson's disease is approximately US$3.5 billion (*source: Datamonitor, 2007*).

ProSavin® comprises an advanced LentiVector® delivery system carrying three genes that encode the key enzymes for the synthesis of dopamine. When injected into the appropriate part of the brain, called the striatum, ProSavin® genetically modifies the cells so that they produce dopamine, thereby replacing the dopamine that is lost during the course of the disease. The administration of the product in both animals and man is via direct injection into the brain using MRI guided stereotaxic devices. This is a procedure that is commonly used by neurosurgeons and does not represent a barrier to the product being given to Parkinson's disease patients. It is a procedure that is similar to the implantation of electrodes for deep brain stimulation (DBS), a technique that has been in clinical practice since 1987. Based on animal studies, it is anticipated that only a single administration of ProSavin® will be required to provide benefit to the patient for many years.

Pre-clinical Studies

The Company has conducted pre-clinical efficacy and safety studies with ProSavin® in a large number of animals including the main industry standard *in vivo* model of Parkinson's disease, a model that is highly predictive of efficacy in man. These studies have shown that following a single treatment with ProSavin®, almost complete recovery of movement behaviour was achieved after five to eight weeks, an extremely significant result compared to other treatments for Parkinson's disease reported in the literature. The therapeutic effect of ProSavin® was statistically significant (p.0.05) after two weeks and was maintained throughout the duration of the animal studies, with the latest time point being 44 months. Additional indicators of potentially significant clinical benefit were also identified in that control of disabling dyskinesias was also demonstrated in these studies. Importantly, these studies also established an optimum animal dose that was used as a reference for starting human clinical trials. These pre-clinical data were published in the peer-reviewed article: Jarraya et al. Sci Transl Med. 2009 Oct 14;1(2).

Clinical Development

The first human trial of ProSavin® was initiated in December 2007 following regulatory approval from the French health products safety agency, AFSSAPS. The study is ongoing and is being conducted in Paris. The trial is a dose ranging and safety study in patients who are starting to experience difficulties in managing their doses of the standard Parkinson's disease drug, L-DOPA. Efficacy is being monitored by using the Universal Parkinson's Disease Rating Score (UPDRS), which is a well defined movement assessment and a quality of life score. The trial is overseen by a Data Monitoring Committee (DMC), which has to approve progression to each stage of the trial. Three doses, designated 1x, 2x and 5x are being evaluated. Given that this was the first time that a product of this type had been administered directly to the brain, the protocol called for an appropriately cautious approach. The first dose (1x) was administered to 3 patients but each patient was separated by one month in case of any safety issues. Following treatment of the third patient, there was a three month interval, again to assess safety, before progressing to a further 3 patients at the 2x dose, again each separated by one month.

Data from the first six patients are encouraging. In June of this year the Company was able to report on the status of the 1x dose group at 2 years post-treatment and the 2x dose group at one year. At 2 years, the 1x dose group had an average improvement in UPDRS of about 20 per cent. with a maximum at 30 per cent. At one year, the 2x dose group had an average improvement of about 28 per cent. and a maximum of just over 56 per cent. Importantly, these improvements had been maintained since a previous assessment at three months after treatment. In trials of new treatments for Parkinson's disease, it has been common for there to be significant placebo effects that have confounded trial data. The fact that these improvements in the ProSavin® treated patients have been maintained for so long in the context of an inexorably degenerating disease makes it unlikely that these observations are due to a placebo effect and more likely that they are due to ProSavin®. This long duration of benefit is exactly what the Company would expect based upon the results seen in animal studies. Furthermore, improvements in quality of life were seen in all patients and, importantly all patients either reduced or maintained their dose levels of L-DOPA Equivalent Daily Dose (LEDD) during a period when they would be expected to increase it due to disease progression. Also, the product and administration procedure produced no safety issues. It should be noted that these encouraging results were obtained with doses (1x and 2x) that are 1/6 and 1/3 respectively of the equivalent doses used in the animal studies, taking account of the relative sizes of the human and animal brains. Therefore progressing to the 5x dose is expected to produce greater efficacy given that in the animal study an almost total reversal of Parkinsonian symptoms was observed at a 5x equivalent dose.

The current (low dose) levels of efficacy are similar to those that formed part of the registration data for deep brain stimulation (DBS) devices marketed by Medtronics for Parkinson's disease and requiring similar surgical procedures. The Directors consider, therefore, that even at these efficacy levels ProSavin® could be a valuable product for Parkinson's disease patients. If the efficacy improves at the higher 5x dose the product could make an even greater contribution to treating the disease and achieve a significant market share.

The administration of ProSavin® to human subjects takes several hours of surgery time. Reducing this time would have considerable advantages in terms of patient throughput, market size and market acceptance. During the course of treating the first six patients the Company developed an enhanced administration

technique that reduces surgery time by about 50 per cent. It also makes it easier to administer higher doses such as the planned 5x dose.

In the second half of 2009 the Company submitted a proposal to use the new technique to AFSSAPS. Following constructive discussions with the agency, it was agreed that the new technique could be used in an appropriately cautious repeat of the 2x dose in three patients. These patients have all been treated and the data will be reviewed by the DMC prior to proceeding to the 5x dose, the equivalent of the optimal animal dose, in December 2010. Between 3 and 6 patients can be treated in the 5x dose cohort and then, depending on the data, which will be available in the second half of 2011, the Company has the option of carrying out a sham controlled component of the study in which 8 patients receive the optimal dose of ProSavin® and 4 patients have sham-surgery as a control group. In order to increase the recruitment and treatment rate the Company has recently obtained approval to open a second trial site in Cambridge, UK. Depending on the efficacy seen with the 5x dose a Phase II trial of ProSavin® could be initiated in the EU/US in 2012 and this trial is currently in the planning stages.

Oxford BioMedica works closely with the European Medicines Agency (EMA) and US Food and Drug Administration (FDA) on the development of its pipeline products and in June 2010 the Company received formal scientific advice from the EMA on the development path for ProSavin®. Importantly, the advice validates the Company's current strategy and, unusually, supported the view that, subject to continued demonstration of efficacy and safety, only a single pivotal study would be required, thereby ensuring rapid progress through to registration. Oxford BioMedica also submitted orphan drug applications to the EMA and FDA for the use of ProSavin® in a subset of patients with advanced Parkinson's disease. In September 2010 the EMA decided that ProSavin® may be of significant benefit to a much wider patient population and therefore orphan drug designation is not appropriate. The FDA also indicated that the patient numbers in the proposed target population still exceed the threshold for orphan drug designation. These opinions support the worldwide potential for ProSavin® in the treatment of Parkinson's disease.

ProSavin® – Manufacturing

ProSavin® is based on the Company's unique proprietary LentiVector® technology that was invented by the Company's founders. There is therefore limited expertise available outside the Company for contract manufacture of the products based on this technology. Oxford BioMedica has developed the manufacturing process from scratch and prepared it for a GMP process. However, at present, the Company does not have a GMP approved facility because, in the past, the Directors have believed that the relatively early stage of the product pipeline could not justify the cost of such a facility. Material for Phase I/II studies has been made by a specialised contract manufacturer under the close supervision of Oxford BioMedica's scientists. This arrangement might still be adequate for the amounts of material required for a limited number of patients in Phase II studies but it will not be sufficient for Phase III studies and the market. If, as anticipated, ProSavin® and the ocular products progress to Phase II in parallel, the manufacturing capabilities may limit the speed at which the Company can progress. Therefore, the Company has been seeking cost effective facilities within which to manufacture its LentiVector® products. It now has an option to acquire a previously constructed GMP biological manufacturing facility in the UK for a fraction of the cost of building a new facility. The option secures the facility for the Company pending the successful completion of the current fundraising. The Directors believe that the facility is good value, it gives the Company control of its manufacturing for the future and it may enhance the value of LentiVector® product collaborations by including manufacturing and supply agreements into contracts with partners. The Directors believe that the pipeline justifies this step as there will be at least 5 LentiVector® products in clinical development by the end of 2011 including 4 partnered with sanofi-aventis. The purchase of the facility will be part of the use of proceeds of the Firm Placing and Placing and Open Offer.

ProSavin® – Commercial Aspects

Conservative estimates of the potential market for ProSavin® are about US$900 million per annum (*source: Datamonitor*) depending on the stage of disease at which the product is used. Although using standard neurosurgical techniques, the product is a specialised drug that can only be administered at clinical neuroscience centres. There are approximately 250 of these centres in the major territories of Europe, US and Japan. These statistics mean that substantial revenue could be generated with a small specialised sales

force, making it an attractive product for Oxford BioMedica to market, thereby retaining more of the value. The Directors believe that there is a large number of potential patients for ProSavin® and that the factors most likely to define the size of the market for ProSavin® will be the number of specialist centres and surgeons who can deliver the product, even though the enhanced administration technique reduces surgery time and would assist patient throughput.

However, given the likely cost of Phase II and Phase III development of ProSavin® and the financial resources available to the Company, the Directors believe that the optimum way forward is to sign a licensing agreement with an appropriate partner where the partner takes on at least 50 per cent. of the costs going forward as well as paying suitable upfront and milestone payments and royalties on sales. A co-marketing or territorial split agreement could also be an option.

It is the Company's top business development priority to find such a partner. However, the commercial terms have to reflect the potential of the product. Over the past year or so there has been considerable interest in ProSavin® from potential partners and terms sheets have been exchanged. However, the terms have not recognised the potential value of the product and the negotiations have raised 3 key issues that impact on the amount partners have been prepared to pay: the early stage of the product and the associated risk; the ability to control manufacturing in the future; and the regulatory path to registration given that ProSavin® is an entirely novel product. The Directors believe that two of these three issues are resolved: firstly by the option to acquire a manufacturing facility available at a fraction of a cost of a new build, and secondly by the clear and very favourable guidance obtained from the EMA on ProSavin® development which provides, potentially, a rapid route to registration via a single pivotal study. On the remaining issue (stage of development and associated risk), the Company expects to obtain data from the 5x dose which, based on the animal data, could be of sufficient quality to substantially increase the value of ProSavin® and crystallise a deal with a partner. However, it is important that the Company retain a strong negotiating position through this period by having a strong balance sheet and the resources to continue the development of ProSavin® uninterrupted. The Firm Placing and Placing and Open Offer will achieve that goal.

Ocular Products

The ocular therapy programme is developing four products for four specific indications that together are the subject of a collaborative licensing and development agreement with sanofi-aventis. The agreement, signed in April 2009, included an upfront payment of US$26 million (£17 million) and up to a further US$24 million in development funding over the initial phase of development. In addition Oxford BioMedica has the option of offering sanofi-aventis additional indications for the current products such as the use of RetinoStat® in diabetic macular oedema and/or additional ocular products in exchange for addition consideration which could be significant. The committed funding is based on a joint development plan that is designed to progress all four candidates into Phase I/II clinical trials in 2010-11. If successful, Oxford BioMedica will receive further undisclosed license fees, milestone payments and royalties on product sales, the scale of which are consistent with other deals of this scope and size. The four products are: RetinoStat® for wet age-related macular degeneration (AMD), StarGen™ for Stargardt disease, UshStat® for Usher syndrome 1B and EncorStat® for corneal graft rejection. These are described below:

RetinoStat®

AMD affects an estimated 25 to 30 million people worldwide and the incidence of AMD is expected to triple by the year 2025. The "wet" form of AMD, where the risk of severe sight loss is much greater, accounts for 10 – 15 per cent. of all AMD. Wet AMD is responsible for 90 per cent. of cases of severe vision loss associated with AMD with up to 4.5 million patients worldwide (*source: AMD Alliance International*). Genentech's drug Lucentis® is the market leader at present with sales in excess of US$2.8 billion per annum (*source: Novartis and Roche 3rd quarter accounts for 2010, annualised*). RetinoStat® is a gene-based treatment for neovascular "wet" AMD and it can also be used for diabetic retinopathy (DR). RetinoStat® aims to preserve and improve the vision of patients through anti-angiogenesis, the process of blocking the formation of new blood vessels. The product uses the Company's LentiVector® system to deliver two genes encoding the anti-angiogenic proteins endostatin and angiostatin, directly to the retina by injection. This creates genetically modified cells at the injection site that act as endogenous factories for the two anti-

angiogenic proteins which are then released locally and prevent disruptive vascularisation of the retina. As with all LentiVector® products the Company expects that only a single administration of RetinoStat® will be required, giving the product a significant market advantage over Genentech's Lucentis® which requires injections into the eye to be repeated every 4-8 weeks.

RetinoStat® has demonstrated clear proof-of-concept in industry standard animal models for 'wet' AMD and these results have been published in the peer reviewed article: Balaggan et al. Gene Ther. 2006 Aug;13(15):1153-65. These data, together with appropriate toxicology and dosing studies have formed the basis of progressing RetinoStat® into clinical development. In 2009, the Company reached agreement with the FDA on the requirements for RetinoStat®'s Investigational New Drug (IND) application. In September of this year the Recombinant DNA Advisory Committee (RAC) of the NIH unanimously approved the RetinoStat® Phase I/II protocol and, following this favourable outcome, the IND application was submitted. Subject to FDA approval, the Company aims to start the Phase I/II trial at the Wilmer Eye Institute at Johns Hopkins in Baltimore, USA, before the end of 2010.

The trial protocol submitted to the FDA is for an open label dose escalation safety study in up to 21 patients evaluating 3 dose levels. Safety and aspects of visual acuity and ocular physiology will be assessed. Data from all patients in this study should be available in the first half of 2012. The data, if favourable, could trigger significant additional payments to Oxford BioMedica. However, this timeline is just beyond the time when the Company's current cash resources would run out, and so the Directors believe it is essential to strengthen the balance sheet to ensure that the Company reaches this important event.

StarGen™

Stargardt disease is the most common juvenile degenerative retinal disease with a US and EU prevalence of approximately 80-100,000 patients *(source: Walia et al. (2009), Macular Degeneration International)*. StarGen™ is a gene-based therapy for the treatment of Stargardt disease. The disease is caused by mutation of the ABCR gene which leads to the degeneration of photoreceptors in the retina resulting in vision loss. StarGen™ uses the Company's LentiVector® system to deliver a corrected version of the ABCR gene. Again, a single administration of the product directly to the retina could provide long-term or potentially permanent correction. There are currently no treatments available for Stargardt disease.

StarGen™ has been shown to effectively correct the defect caused by mutated ABCR genes in an authentic animal model of Stargardt disease and these results have been published in the peer reviewed article: Kong et al. Gene Ther. 2008 Oct;15(19):1311-20. The Company plans to initiate a Phase I/II study for StarGen™ in France and is preparing a clinical trial authorisation (CTA) for submission to the French regulatory agency AFSSAPS. This application will be made once the Haut Conseil des Biotechnologies (HCB) has reviewed the dossier. The HCB is a new committee which the Company has not encountered in its previous protocol submissions. Subject to HCB approval, the Company anticipates being able to submit the CTA to AFSSAPS in 2010 and, subject to receiving approval, expects the Phase I/II study to begin in the first quarter of 2011. The Company intends to initiate this clinical trial in France, but the Company plans also to submit an IND application to the FDA in the second quarter of 2011 to allow the opening of a second clinical site, in the US. StarGen™ has already received orphan drug designation from the EMA and FDA. Results from this study are expected in the second half of 2012 and, if favourable, the Directors believe that only one additional confirmatory study would be required for product registration.

Positive results from the Phase I/II study could trigger further payments from sanofi-aventis to Oxford BioMedica. However, as with RetinoStat®, the timeline for these payments falls outside the Company's current cash life, further reinforcing the Directors' opinion that it is prudent to strengthen the balance sheet.

UshStat®

Usher syndrome is the most common form of deaf-blindness with a US and EU prevalence of approximately 30-50,000 patients *(source: Boughman et al, 1983; Gandahl 1987; Hope et al, 1997; Spandau and Rohrschreider, 2002)*. One of the most common subtypes is Usher syndrome 1B, which is associated with a mutation of the gene encoding Myosin VIIA (MYO7A). This leads to progressive retinitis pigmentosa combined with a congenital hearing defect. UshStat® aims to address the retinitis pigmentosa aspect of the disease and uses Oxford BioMedica's LentiVector® technology to deliver a corrected version of the MYO7A

gene to retinal cells. A single administration could provide long-term or potentially permanent stabilisation of ocular function. There are currently no treatments available for retinitis pigmentation associated with Usher syndrome 1B.

UshStat® has been shown to effectively correct the defect caused by mutated MYO7A in an authentic animal model demonstrating clear proof of concept. Results with a prototype version of the product have been published in the peer reviewed article: Hashimoto et al. Gene Ther. 2007 Apr;14(7):584-94. Data from studies using the final product will be published in due course. UshStat® has received orphan drug designation from the EMA and FDA and the Company is planning for a pre-IND meeting in the first quarter of 2011 followed by the formal IND application, which is expected to be submitted to the FDA within the first half of 2011. According to this timeline, the Company expects to see UshStat® entering Phase I/II clinical development in the US in the second half of 2011. If successful, the Directors believe that only one additional confirmatory study would be required for product registration.

As with the other ocular products, favourable results from the Phase I/II study (the timing of which is anticipated to be by the end of 2012) could trigger payments to Oxford BioMedica from sanofi-aventis although, again these payments would occur beyond the current cash life of the Company, further reinforcing the need to strengthen the balance sheet at this time.

EncorStat®

Corneal graft rejection is a significant issue for many of the estimated 60,000 corneal transplants performed worldwide each year *source: Panda et al (Surv. Ophthalmal 52:375-396, 2007)*. The requirement for corneal transplant may arise from a variety of reasons that cause scarring or "clouding" of the cornea. Although the cornea is one of the most successfully transplanted tissues, a significant number of grafts are rejected due to vascularisation. Using the same therapeutic genes as RetinoStat®, EncorStat® uses the Company's LentiVector® system to deliver endostatin and angiostatin *ex vivo* to corneas prior to grafting in order to block vascularisation and to prevent graft rejection. Currently there are no treatments available to prevent corneal graft rejection.

EncorStat® has shown good efficacy in animal models of corneal graft rejecting, thereby proving the design concept of the product and the *ex vivo* administration. Results with a prototype version of the product have been published in the peer reviewed article: Murthy et al. Invest Ophthalmol Vis Sci. 2003 May;44(5):1837-42. Data from studies using the final product will be published in due course. In September 2010, the Company met with the Innovation Task Force at the EMA, who provide a forum for early dialogue regarding new therapies, to discuss the development of EncorStat®. The meeting provided an opportunity to discuss a number of issues for the development of this innovative product, including dosing and toxicity studies. The Company now intends to hold a pre-IND meeting with the FDA in the first quarter of 2011. An IND application is in preparation for submission to the FDA in the first half of 2011, with the aim of starting a Phase I/II study in the second half of 2011. As with the other ocular products, favourable results from this study (the timing of which is anticipated to be by the end of 2012) could trigger payments to Oxford BioMedica from sanofi-aventis although, again these payments would be beyond the current cash life of the Company, further reinforcing the need to strengthen the balance sheet.

Ocular Products – Manufacturing

Because the ocular products are all based on the LentiVector® gene delivery technology, the same manufacturing issues and considerations that apply to ProSavin® also apply to these products. It is almost certain, subject to regulatory approvals, that all four ocular products and ProSavin® will be in various stages of clinical development by the end of 2011. As these then progress into Phase II and beyond the Company's current manufacturing infrastructure may not be able to satisfy the needs of the Company and its partners. This further emphasizes the need to invest in the Company's own manufacturing facility so that there is a seamless, uninterrupted progression of these products to Phase III, registration and marketing. The current fundraising will enable Oxford BioMedica to exercise its option on a GMP facility that is available for a fraction of the cost of building from scratch. It is important to note that StarGen™, UshStat® and EncorStat® have a common technology platform, manufacturing technique and toxicology profiles; although these are relatively smaller markets than that of RetinoStat®, it is these sorts of niche indications that Genzyme built a US$18 billion market cap on.

TroVax®

TroVax® is Oxford BioMedica's leading cancer immunotherapy product candidate. There are substantial efforts being made within the pharmaceutical and biotechnology industry to develop effective cancer vaccines. The global prostate cancer vaccine market is estimated to be US$70 million in 2010 and is expected to reach US$2.3 billion in 2017 growing at a compound annual rate of 66 per cent. (*source: GlobalData, October 2010*). Recently Dendreon Inc obtained registration for its prostate cancer vaccine, Provenge®. This is the first cancer vaccine to reach the market that is not directed against an oncogenic virus. As such, it has stimulated renewed interest from the pharmaceutical industry in the field, as it is already showing strong sales (approx. US$32.5 million in the first six months). Provenge® is a patient-specific product that requires the somewhat cumbersome procedure of removing cells from the patient, manipulating them in the laboratory and then reintroducing them into the patient. TroVax® is a simpler product which is not patient specific (nor prostate cancer specific) and is administered in the same way as most infectious disease vaccines are given; a simple injection in the arm. The Directors believe that this simplicity would be expected to give TroVax® a significant advantage in the market.

TroVax® is designed to stimulate a specific anti-cancer immune response and has potential application in most tumour types. TroVax® induces an immune response against the tumour antigen 5T4, which is broadly distributed throughout a wide range of solid tumours. The distribution of the antigen is such that, in principle, TroVax® could be given to the majority of patients with solid tumours. At $47.7 billion, cancer is one of the largest, fastest growing markets in the pharmaceutical industry, according to MarketResearch.com. The product consists of a pox virus (MVA) gene transfer system, which delivers the gene for 5T4. MVA is known to induce the breaking of immune tolerance when self-antigens, such as 5T4, are expressed from this gene delivery system. Once activated by TroVax®, the components of the immune system, antibodies and killer T-cells, can migrate round the body seeking out and destroying cancer cells bearing 5T4. TroVax® has been evaluated in a total of 9 Phase I/II and II clinical trials and a Phase III trial since 2001 with more than 3,000 doses having been administered to over 550 patients. Much of the data from these trials has been published in peer-reviewed journals. The studies are listed below with a summary of results and a reference to key publications in each case.

Phase I/II Study in Advanced Colorectal Cancer Patients

TroVax® was evaluated first in an open-label Phase I/II study in metastatic colorectal cancer patients. The primary objectives were to assess the safety and immunogenicity of ascending doses of TroVax® and to determine the biodistribution of the product. Seventeen patients received TroVax® at 0, 4, and 8 weeks and were considered to be evaluable for assessment of immunologic responses. Both antibody and cellular responses specific for the tumour antigen 5T4 and the viral vector were monitored throughout the study.

TroVax® was well tolerated in all patients with no serious adverse events attributed to vaccination. Of 17 evaluable patients, 16 showed 5T4-specific cellular responses whereas 14 had detectable antibody levels following vaccination. Periods of disease stabilisation ranging from 3 to 18 months were observed in five patients, all of whom mounted 5T4-specific immune responses. Furthermore, statistical analysis showed a positive association between the development of a 5T4 antibody response and patient survival or time to disease progression, supporting the notion that it is TroVax® that is mediating clinical benefit.

These data were sufficiently encouraging for the Company to take TroVax® into a series of Phase II studies in a number of important clinical settings. The data were published in the peer-reviewed article: Harrop R, et al. Clin Cancer Res 2006;12:3416-24.

Phase II Study in Metastatic Colorectal Cancer Patients Receiving Chemotherapy

TroVax® was evaluated in an open-label Phase II study in metastatic colorectal cancer patients who were also receiving chemotherapy. The primary objective was to assess the safety and immunogenicity of TroVax® injected before, during, and after treatment with cycles of 5-fluorouracil, folinic acid, and oxaliplatin. TroVax® was administered to 17 patients with metastatic colorectal cancer. In total, 11 patients were considered to be evaluable for assessment of immunologic responses having received a total of six injections of TroVax®, administered before, during, and following completion of chemotherapy. Antibody and cellular responses specific for 5T4 and MVA were monitored throughout the study.

Administration of TroVax® alongside 5-fluorouracil, folinic acid, and oxaliplatin was safe and well tolerated with no serious adverse events attributed to TroVax®. Ten of the 11 evaluable patients mounted significant 5T4-specific antibody responses and similarly 10 of the 11 evaluable patients produced high levels of anti-5T4 cytotoxic T-cells. Of the 11 evaluable patients, 6 had complete or partial responses. Again 5T4-specific immune responses, but not MVA-specific immune responses, correlated with clinical benefit. Importantly, immune responses were boosted when patients were receiving concomitant chemotherapy suggesting that TroVax® could be added to chemotherapy regimens to further enhance potential efficacy. The data were published in the peer-reviewed article: Harrop R, et al. Clin Cancer Res 2007; 13 4487-4494.

Phase II Study in Metastatic Colorectal Cancer Patients Receiving Chemotherapy

TroVax® was evaluated in an open label Phase II study in metastatic colorectal cancer patients who were receiving concomitant chemotherapy. The primary objective was to assess the safety and immunogenicity of TroVax® injected before, during and after treatment with 5-Fluorouracil, leukovorin and irinotecan. TroVax® was administered to 19 patients with metastatic colorectal cancer. Twelve patients had blood samples taken following each of the six injections and were considered to be evaluable for assessment of immunological responses. Both antibody and cellular responses specific for the tumour antigen 5T4 and the viral vector MVA were monitored throughout the study.

Administration of TroVax® alongside chemotherapy was safe and well tolerated with no SAEs attributed to the vaccine and no enhancement of chemo-related toxicity. Of the 12 patients who were evaluable for assessment of immune responses, ten mounted significant 5T4-specific antibody responses and 11 patients produced substantial anti-5T4 cytotoxic T-cell responses. Eight patients presented initially with elevated circulating Carcinoembryonic antigen (CEA) concentrations, six of whom showed decreases in excess of 50 per cent. during chemotherapy and four had CEA levels which remained stable for >1 month following completion of chemotherapy. Of the 19 intention to treat (ITT) patients, one had a complete response, six had partial responses and five had stable disease. Potent 5T4-specific cellular and/or humoral immune responses were induced in all 12 evaluable patients and were detectable in most patients during the period in which chemotherapy was administered. These data further support the notion that TroVax® can be layered on top of chemotherapy regimens without any evidence of enhanced toxicity or reduced immunological or therapeutic efficacy. The data were published in the peer-reviewed article: Harrop R, et al. Cancer Immunol Immunother. 2008 57(7):977-86.

Phase II Study in Patients with Colorectal Cancer Liver Metastases

TroVax® was evaluated in patients undergoing surgical resection of colorectal cancer liver metastases. Systemic immunity generated by vaccination before and after resection of metastases was measured in addition to assessing safety and analysing the function and phenotype of tumour-associated lymphocytes. Twenty patients were scheduled to receive 2 TroVax® vaccinations at 2-week intervals preoperatively and 2 postoperatively; if immune responses were detected, 2 further vaccinations were offered. Blood was taken at trial entry and 2 weeks after each vaccination; tumour biopsies were collected at surgery. 5T4-specific antibody and T-cell levels were measured. Seventeen of 19 colorectal cancer patients showed 5T4 expression in the liver metastases or surrounding stroma and 18 mounted a 5T4-specific cellular and/or antibody response. In patients who received at least 4 vaccinations and potentially curative surgery (n = 15), those with above median 5T4-specific T-cell responses or T-cell infiltration into the resected tumour showed significantly longer survival compared with those with below median responses. Seven of 8 patients who had pre-existing proliferative responses to 5T4 were longer term survivors; these patients showed significantly higher T-cell responses after vaccination than those with shorter survival. These data suggest that the magnitude of 5T4 immune responses in colorectal cancer liver metastases is associated with longer survival. These encouraging observations further reinforced the notion that the Company should continue with the development of TroVax®. The data were published in the peer-reviewed article: Elkord et al. J Immunother. 2008 31(9):820-9.

Phase II Study in Renal Cancer Patients Receiving Low Dose IL-2

TroVax® was evaluated in an open-label Phase II trial in metastatic renal cell cancer patients in which the vaccine was administered in combination with interleukin-2 (IL-2). The safety, immunologic, and clinical

efficacy of TroVax® in combination with IL-2 was determined. Twenty-five patients with metastatic renal cell cancer were treated with TroVax® plus IL-2. 5T4-specific T-cell and antibody responses were monitored throughout the study. Clinical responses were assessed by measuring changes in tumour burden by computed tomography or magnetic resonance imaging scan. TroVax® was well tolerated with no serious adverse event attributed to vaccination. Of 25 patients, 21 mounted 5T4-specific antibody responses. Two patients showed a complete tumour response for >24 months and one a partial response for >12 months. Six patients had disease stabilisation from 6 to >21 months. Median progression free survival (PFS) and overall survival (OS) were >3.37 months (range, 1.50->24.76) and >12.87 months (range, 1.90->24.76), respectively. A statistically significant relationship was detected between the magnitude of 5T4-specific antibody responses and PFS and OS. The high frequency of 5T4-specific immune responses and good clinical response rate were encouraging and warranted further investigation. The data were published in the peer-reviewed article: Amato RJ, et al. Clinical Cancer Research 2008 14(22):7504-10.

Phase II Study in Renal Cancer Patients Receiving High Dose IL-2

TroVax® was tested in combination with high-dose IL-2 to determine the safety, objective response rate and effect on antibody and T-cell-mediated immunity. 25 patients with metastatic RCC who qualified for IL-2 treatment were eligible and received three immunisations at three week intervals followed by IL-2 after the second and third vaccinations. Blood was collected for analysis of antibody and T-cell responses. There were no serious vaccine-related adverse events. While no objective responses were observed, three patients (12 per cent.) were rendered disease-free after nephrectomy or resection of residual metastatic disease. Twelve patients (48 per cent.) had stable disease which was associated with improved median overall survival compared to patients with progressive disease (median not reached vs. 28 months, $p = 0.0261$). All patients developed 5T4-specific antibody responses and 13 patients had an increase in 5T4-specific T cell responses. In conclusion, this study showed that while vaccination with TroVax® did not improve objective response rates of IL-2 therapy it did result in stable disease associated with an increase in the ratio of 5T4-specific effector to regulatory T cells in selected patients. Again, clinical benefit correlated with anti-5T4 immune response ($p = 0.05$). The data were published in the peer-reviewed article: Kaufman HL. et al. Journal of Translational Medicine 2009, 7.2.

Phase II Study in Renal Cancer Patients +/- IFN-α

TroVax® was evaluated in an open-label Phase II trial in metastatic renal cell cancer patients in which the vaccine was administered alone or in combination with interferon-a-2b (IFN-α). The safety, immunologic and clinical efficacy of TroVax® with or without IFN-α was determined. Twenty-eight patients with metastatic renal cell cancer were treated with TroVax® alone (13 patients) or plus IFN-α (15 patients). The 5T4-specific cellular and humoral responses were monitored throughout the study. Clinical responses were assessed by measuring changes in tumour burden by computed tomography or magnetic resonance imaging scan. TroVax® was well tolerated with no serious adverse event attributed to vaccination. Of 23 patients tested for immune responses post-vaccination, 22 (96 per cent.) mounted 5T4-specific antibody and/or T-cellular responses. One patient treated with TroVax® plus IFN-α showed a partial response for >7 months, whereas an additional 14 patients (7 receiving TroVax® plus IFN-α and 7 receiving TroVax® alone) showed periods of disease stabilisation ranging from 1.73 to 9.60 months. Median progression free survival and overall survival for all intent-to-treat patients was 3.8 months (range: 1 to 11.47 months) and 12.1 months (range: 1 to 27 months), respectively. As with the other trials there was a significant relationship between immune response to TroVax® and clinical benefit ($p = 0.01$). These data were encouraging and supported further investigation. The data were published in the peer-reviewed article: Amato RJ, et al. J Immunother. 2009 32(7):765-72.

Phase II Study In Renal Cancer Patients Receiving IFN-α

TroVax® was evaluated in an open-label Phase II trial in which TroVax® was administered alongside interferon-a (IFN-α) to 11 patients with metastatic renal cell carcinoma. Antigen-specific cellular and antibody responses were monitored throughout the study, and clinical responses were assessed by measuring the changes in tumour burden by computed tomography scan. The primary objective was to assess the safety, immunogenicity and efficacy of TroVax® when given alongside IFN-α. Treatment with TroVax® plus IFN-α was well tolerated with no serious adverse events attributed to TroVax®. All 11 patients mounted 5T4-

specific antibody responses and 5 (45 per cent.) mounted cellular responses. No objective tumour responses were seen, but the overall median time to progression (TTP) of 9 months (range: 2.1 to 26+ months) was longer than expected for IFN-α alone. For the 10 clear cell patients the TTP ranged from 3.9 to 26+ months, with a median TTP of 10.4 months. The high frequency of 5T4-specific immune responses and prolonged median TTP for clear cell patients compared with that expected for IFN-α alone was encouraging and supported further investigation. The data were published in the peer-reviewed article: Hawkins, R. et al. Journal of Immunotherapy 2009 32(4):424-9.

Phase II Study in Prostate Cancer Patients +/- GM-CSF

TroVax® was evaluated in an open-label Phase II trial in hormone refractory prostate cancer patients in which the vaccine was administered either alone or in combination with granulocyte macrophage-colony stimulating factor (GM-CSF). The comparative safety and immunologic and clinical efficacy of TroVax® alone or in combination with GM-CSF was determined. Twenty-seven patients with metastatic hormone refractory prostate cancer were treated with TroVax® alone (n = 14) or TroVax® + GM-CSF (n = 13). 5T4-specific cellular and antibody responses were monitored throughout the study. Clinical responses were assessed by quantifying prostate-specific antigen concentrations and measuring changes in tumour burden by computer-assisted tomography scan. TroVax® was well tolerated in all patients with no serious adverse events attributed to vaccination. Of 24 immunologically evaluable patients, all mounted 5T4-specific antibody responses. Periods of disease stabilisation from 2 to >10 months were observed. Time to progression was significantly greater in patients who mounted 5T4-specific cellular responses compared with those who did not (5.6 vs. 2.3 months, respectively, p = 0.05). There were no objective clinical responses seen in this study. In this study, the combination of GM-CSF with TroVax® showed similar clinical and immunologic responses to TroVax® alone. The high frequency of 5T4-specific immune responses and relationship with enhanced time to progression was encouraging and supported further investigation. The data were published in the peer-reviewed article: Amato RJ, et al. J Immunother. 2008 31(6):577-85.

Summary of Phase I/II and II Data and Progression to a Phase III Study

Taken together the Phase I/II and Phase II studies were encouraging. The data throughout the trials showed that TroVax® had been safe and well tolerated, that the majority of patients had mounted an anti-5T4 immune response, that many patients showed benefit that was at a higher level than would have been expected from historical data and that benefit was significantly correlated with the immune response to TroVax®. In addition, some of the studies showed that TroVax® could induce very high levels of cytotoxic T-cells, cells that are generally thought to be an important component of an anti-tumour response. These combined data and the associated cross trial analyses have been published in the peer reviewed article: Harrop, R. et al. Journal of Immunotherapy 2010: 33: 999-1005. The data have also been the subject of numerous presentations at international cancer conferences.

The Phase II data were of sufficient quality to justify taking TroVax® into further studies, towards pivotal data and product registration. The Company took into account many factors in choosing the way forward including cost of further studies, choice of indication for ease of trial management and speed of completion and attractiveness to potential partners. In considering the way forward the Company took advice from its Scientific Advisory Board, key opinion leaders in oncology and regulatory consultants. The result of this process was that the Company decided to proceed to a Phase III pivotal study in renal cancer patients. The study was called TRIST (TroVax® Renal Immunotherapy Survival Trial). In May 2006 the Company secured an agreement with the FDA on a Special Protocol Assessment (SPA) for the TRIST trial. This agreement specified the design, conduct and endpoints of the trial. With the SPA in place, the trial was on track to support an efficacy claim in a regulatory submission for product registration in the US without any additional trials.

TRIST: Trial Design and Outcome

TRIST was a randomised, placebo-controlled Phase III study which investigated whether TroVax® prolonged survival of patients receiving first-line standard of care (SOC) treatment for advanced or metastatic renal cell cancer. Patients with metastatic clear cell renal cancer, prior nephrectomy and good or intermediate prognosis were randomised 1:1 to receive up to 13 immunisations of TroVax® or placebo in combination with local standard of care, either sunitinib, interleukin-2 (IL-2) or interferon-alfa (IFN-α). The primary

endpoint was a significant increase in overall survival. Secondary endpoints included increases in progression-free survival, improvements in overall response rate and safety. The trial was monitored by an independent Data Monitoring and Safety Monitoring Board (DSMB) composed of senior clinicians in the field of renal cancer. The role of the DSMB was to assess any safety issues and to determine whether the trial was futile or to resize the trial if interim statistical analyses suggested that this could significantly alter the overall outcome. The trial was initiated in November 2006 and it was anticipated that the study would be complete by mid-2009 which would have meant that TroVax® could have been approved in the US within 2009.

Recruitment of 733 patients was completed by March 2008 at over 100 centres in Europe and the US. However, in July 2008, the DSMB advised that TRIST would not meet its primary endpoint. There was no emerging difference between the treatment and placebo arms of the study. This was subsequently confirmed by the overall survival analysis, using data censored to March 2009, which showed no statistically significant survival advantage. This was a surprising outcome given the results seen in Phase I/II and II studies. The trial was well run and treatment arms were well balanced for standard of care and prognosis. There was no significant difference in adverse events or serious adverse events between TroVax® and placebo treatment arms, thus supporting the good safety profile observed in all of the earlier studies.

Although further administration of TroVax® was halted in July 2008, following the DSMB's advice, the FDA supported the continuation of patient monitoring and also supported a detailed analysis of the TRIST data. In particular, a meeting with the FDA in October 2008 resulted in an agreed set of amendments to the study. A key aspect of these was to explore the potential benefit of TroVax® in subsets of patients. This analysis has been completed recently, but by early 2009 it was clear that certain subsets of patients did indeed show a survival benefit from receiving TroVax® which reached statistical significance. Notably a survival advantage was observed in patients who were classified as having a good prognosis and received IL-2. At the time of data collection more than 50 per cent. of the treated patients were still alive (i.e. no median available) while the corresponding placebo group had a median survival of 19.6 months. This difference was statistically significant (P = 0.046) and demonstrated for the first time, in a randomised controlled study, that TroVax® could extend survival in some cancer patients.

The data from the IL-2 treated patient group were encouraging and strongly suggested that TroVax® was increasing survival, in line with the Phase II data. However, when considering the future development of TroVax®, particularly beyond renal cancer, other aspects of the analyses produced more important results. When patients were given numerical scores based on a set of pre-treatment haematological (blood test) characteristics, it was found that patients with high scores had a survival benefit from TroVax®. In certain subsets this also reached statistical significance. This observation has led the Company to define a new proprietary biomarker, the Immune Response Surrogate (IRS) which is the subject of new patent applications. IRS can be used to predict, before treatment starts, which patients will benefit from TroVax® treatment. The higher the IRS, the more likely the patient is to benefit from TroVax®. In the context of the TRIST result, if patients had been selected on the basis of IRS it is likely that TRIST would have met its primary endpoint. Further analyses also showed that IRS correlated, at high statistical significance, with the anti-5T4 antibody levels induced in TRIST patients by TroVax®, thereby linking, as with the Phase I/II and Phase II studies, survival benefit with immune response.

In summary, although TRIST did not reach its primary endpoint, the subsequent analyses have shown that TroVax® significantly improves survival in well defined patient groups and that those patients can be identified prospectively using the IRS. Importantly, the IRS can be measured with routine blood tests that are part of standard clinical practice; no special equipment or procedures are required to determine the IRS status of a patient. This provides, therefore, a simple yet powerful strategy for taking TroVax® into further clinical development and towards product registration. In short, all future trials will modify the inclusion criterion in order to recruit patients who have a favourable IRS.

Future Development of TroVax®

At a meeting with the FDA in July 2009, the results of the subset analyses were discussed. This resulted in the agency supporting the future development of TroVax®. Since conducting TRIST the renal cancer area has become very complicated with multiple new drugs being used at various stages of disease. Therefore, the

Company did not present proposals for further renal cancer studies. Instead the Company set out outline plans for future trials in colorectal cancer, ovarian cancer, hormone refractory prostate cancer and triple negative breast cancer which have clear unmet treatment needs. The FDA was supportive of pursuing TroVax® trials in these indications and indeed has already given approval for a study in hormone refractory prostate cancer.

Currently TroVax® is being evaluated in a Phase II study in patients with hormone refractory prostate cancer who are also receiving Docetaxal. The study will recruit 80 patients (40+40) and compare TroVax® plus Docetaxel versus Docetaxal alone. Safety, immune responses and efficacy will be measured together with a number of exploratory parameters. Data from the trial is expected in mid-2012.

There has been considerable interest in these studies from the clinical oncology community and the Company expects some or all of any future TroVax® trials to be sponsored by granting organisations. Further trials are currently planned in Mesothelioma (sponsored by The June Hancock Mesothelioma Research Fund, expected to start in the first quarter of 2011) and metastatic ovarian cancer (Phase II protocol being planned with the UK NCRN). A draft protocol for a metastatic colorectal cancer Phase II/III study is also available which would require an industry partner.

In addition, the Company remains committed to pursuing a Phase III registration study in colorectal cancer but only in collaboration with a suitable partner.

It is recognised by the Directors that Shareholders have made a significant investment in TroVax® to date and that, given the outcome of TRIST, there may be concern that future investment should be tightly controlled. The Directors are committed to maximising Shareholder value in TroVax® both through the application of the new proprietary biomarker, IRS, and by careful cost control and the use of grants and other forms of non-dilutive financing. None of the new funds will be used for TroVax® development. In addition, it should be noted that there are substantial reserves of TroVax® clinical material available for future trials that have already been accounted for.

TroVax® – Commercial Aspects

If TroVax® is shown to be efficacious in a pivotal registration trial for even just one of the major cancers, its market potential would be considerable. For example, in prostate cancer, the global cancer vaccine market is estimated to be US$70 million in 2010, growing at a compound annual rate of 66 per cent. *(source: GlobalData report, October 2010)*. Furthermore, analysts are currently forecasting peak sales for Dendreon's Provenge of US$4.3 billion in 2020 (Canaccord Adams) even though Provenge is a patient specific vaccine that requires relatively complex *ex vivo* manipulation of the patients' cells. TroVax® is not patient specific and is administered by simple intro-muscular injection. It is not unreasonable, therefore, to expect TroVax® to reach, at least, comparable sales to Provenge, given similar efficacy. If TroVax® is efficacious in several of the many cancers where it is known that 5T4 is present on the tumours, it has blockbuster potential.

It has always been the Company's intention to partner its oncology products with major pharmaceutical companies for late stage development and marketing. During 2006 a number of pharmaceutical companies expressed interest in acquiring rights to TroVax® as a result of the very encouraging Phase II data and the progress that the Company had made in preparing for Phase III studies, including the achievement of agreeing an SPA for the TRIST study. This interest culminated in the signing of a global licensing agreement with sanofi-aventis in March 2007.

Under the terms of the agreement the Company received payments totaling €38 million during 2007 and a further milestone of €10 million was triggered in February 2008 following the third successful interim analysis by the DSMB. Further payments of up to €470 million were to be paid in the event that TroVax® achieved registration and its use was expanded into other indications. In addition, sanofi-aventis was committed to starting a Phase III study in colorectal cancer patients and Oxford BioMedica and sanofi-aventis jointly planned this study.

In 2009, following the appointment of Chris Viehbacher as Chief Executive Officer of sanofi-aventis, the company embarked on a strategic review its product pipeline. One result of this review was that sanofi-aventis substantially reduced its activity in the field of cancer vaccines across its whole operation and

therefore, also, handed back the rights to TroVax® to Oxford BioMedica, terminating the collaborative agreement.

Following the subset analyses of TRIST, the Directors believe that TroVax® still has the potential to benefit cancer patients and achieve substantial sales. The Directors also believe that by using the new proprietary biomarker, IRS, as an inclusion criterion in future studies clinical benefit may be demonstrated leading to product registration. It remains, therefore, one of the Company's main objectives to find a development partner for TroVax®. There has been significant interest in TroVax® since the publication of the TRIST data and it is possible that an appropriate agreement will be achieved in the coming months. However, the new controlled Phase II studies that are in progress or planned for the near future could produce strong efficacy data because of the application of the IRS biomarker. It is likely, therefore, that a partnering deal with the greatest value to the Company and its shareholders will be achieved when the data emerge from these new studies. The Directors believe that it is important that the Company has the resources to reach these goals and has a balance sheet with sufficient strength for the Company to negotiate the best possible terms of a deal. The current fundraising will provide those resources.

OTHER PRODUCTS

In addition to Oxford BioMedica's major in-house product programmes, ProSavin®, the ocular products and TroVax®, the Company has a number of other product-based assets. While the Company directs very little, if any, resources to these assets following the strategic realignment in 2008, collectively they represent significant value and opportunity for future revenues either directly as with the Pfizer collaboration or by divestment, or by investment when resources allow followed by partnering deals. They are listed below with brief descriptions and current status.

Targeted Antibody Therapy for Cancer – Partnered with Pfizer

Oxford BioMedica licensed global rights to develop antibodies targeting the 5T4 tumour antigen for the treatment of cancer to Wyeth in 2001. The agreement is potentially worth US$24 million plus royalties on product sales, and the next milestone payment is triggered by the start of clinical trials. Following Pfizer's acquisition of Wyeth in 2009 and subsequent portfolio review, Pfizer has indicated its continuing commitment to the collaboration.

Pfizer has responsibility for the development and commercialisation of the 5T4-targeted antibody therapy. The product candidate comprises a toxin linked to a humanised 5T4-specific antibody, which facilitates targeted delivery of the anti-cancer agent payload to cancer cells. Pre-clinical evaluation is ongoing to optimise the product for clinical development, and Pfizer may submit an IND application during 2011.

The concept of an anti-cancer therapy, which has antibody-like specificity as well as chemotherapy-like potency, is clearly attractive. The 5T4-targeted antibody therapy has the potential to benefit patients with any solid cancer that expresses the 5T4 tumour antigen, which represents a multi-billion US dollar market. Based on the product's profile, it could have application as a single agent or could be used in combination with other treatments, including therapeutic vaccines, such as TroVax®.

HI-8® MEL for Melanoma

HI-8® MEL is a cancer vaccine specifically for melanoma. The two completed clinical trials of Hi-8® MEL showed encouraging proof of concept in metastatic melanoma, demonstrating good safety and dose-dependent efficacy. These results support further evaluation in randomised Phase II trials, and the Company aims to advance the programme with a suitable partner. The Company is seeking a buyer to realise the investment made in this programme to date.

More than 100,000 new cases of melanoma are diagnosed each year in the US and Europe *(source: The American Cancer Society and Cancer Research UK)*. Treatment of metastatic melanoma remains a challenge and attempts to improve upon the survival of patients with metastatic disease have met with failure. Worldwide sales of treatments for melanoma are expected to exceed US$881 million in 2015 (*source: Frost & Sullivan*).

MoNuDin® for Motor Neuron Disease

The pre-clinical development of MoNuDin® is supported by the UK Motor Neurone Disease Association, the US ALS Therapy Development Institute and the US Muscular Dystrophy Association. A prototype version

of MoNuDin®, in which LentiVector® delivers a VEGF gene, has shown promising results in early pre-clinical studies and the Company is optimising the product for clinical trials.

In 2009, the Company successfully completed the first phase of the research collaboration with the US non-profit organisation, the ALS Therapy Development Institute (ALS TDI). The collaboration is funded by the US Muscular Dystrophy Association and provides access to the ALS TDI's extensive gene expression database and drug screening capabilities for motor neuron disease. The first phase of the collaboration included the development of new techniques to evaluate and identify gene therapy candidates at the ALS TDI's US research facility in Cambridge, MA.

The Company announced the extension of this collaboration with the ALS TDI in January 2010. In the second phase, the ALS TDI is conducting further pre-clinical efficacy studies of MoNuDin® in established models of motor neuron disease. Furthermore, the joint teams are exploring other LentiVector®-based approaches to inhibit or regulate specific genetic pathways associated with disease onset or progression.

Despite being one of the most common neurodegenerative diseases of adult onset, motor neuron disease has a high unmet need. Amyotrophic lateral sclerosis (ALS), often referred to as Lou Gehrig's disease, is the most prevalent type of motor neuron disease. In the US, there are an estimated 30,000 patients with ALS and nearly 6,000 new cases are diagnosed annually (*source: ALS Association*). Only one drug is approved for the treatment of ALS, and its only benefit is a modest increase in survival time. If MoNuDin® proves to be an effective neuroprotective treatment that can slow or arrest injury to patients' motor neurons, it would have compelling competitive advantages.

EndoAngio-GT for Cancer

EndoAngio-GT is very similar, in concept, to RetinoStat® in that it delivers the two genes for Endostatin and Angiostatin, potent anti-angiogenic proteins. However, in this case the product is targeted to tumours thereby preventing the establishment of tumour vasculature, a prerequisite for tumour growth. Oxford BioMedica has identified a potentially optimal gene delivery system for its anti-cancer EndoAngio-GT programme. With further pre-clinical development, the Directors believe that the product could be a potentially valuable clinical candidate. At present the Company is developing this product with academic collaborators in Manchester and Cambridge in order to make progress but in a cost efficient way.

There is substantial interest within the industry for novel anti-angiogenic approaches for the treatment of cancer. The market leader in the field, Avastin® (Roche/Genentech) generated sales in excess of US$4 billion in 2008. EndoAngio-GT could have competitive advantages in terms of safety and potency.

MetXia® for Pancreatic Cancer

Oxford BioMedica has finalised the clinical study report for the completed Phase I/II trial of MetXia® in 35 patients with non-resectable pancreatic cancer. Treatment was safe and well tolerated and uptake of MetXia® into tumour cells was demonstrated. The Company identified the optimal dose of MetXia® and the prodrug for evaluation in future randomised studies and preliminary efficacy observations were encouraging. Median survival for evaluable patients, who received at least one dose of MetXia® and three doses of cyclophosphamide, was 27 weeks. Increased cycles of cyclophosphamide appeared to be associated with longer survival. The Company is seeking a partner for further development.

Pancreatic cancer is the fourth leading cause of cancer-related mortality in the US with over 35,000 deaths attributable to this disease annually (*Source:* American Cancer Society). It is one of the most aggressive forms of cancer with a five-year survival rate in the low single percentage digits. The US pancreatic cancer drug market is expected to reach US$1.1 billion by 2013 (*source: EPiQ Market Intelligence*).

Technology Overview

Oxford BioMedica's proprietary technologies are based on scientific innovation. The Company has core in-house expertise in genetic engineering, virus biology, angiogenesis, immunology and manufacturing technology. The Company also works closely with leading academic groups in its areas of expertise. Not only do these technologies form the bases of the Company's products but they also are part of the Company's outlicensing business in their own right. Other companies, large and small, may license the technologies

either for their own product development or for their internal research programmes. The key technologies are listed below with a brief description and current status.

LentiVector®

LentiVector® technology is one of the most advanced gene delivery systems currently available, which has many applications in product development and in discovery research. It is the system of choice for gene-based treatments addressing chronic and inherited diseases. Oxford BioMedica has established a dominant intellectual property estate in the field of lentiviral-vector mediated gene delivery through its in-house research and from work conducted by the Company's co-founders at Oxford University.

Gene therapy is 'the treatment or prevention of disease by gene transfer' and involves the genetic modification of human cells by the introduction of one or more genes. The ability to deliver genes effectively has been a key challenge for the successful development of gene therapy. Viral vectors are widely used for gene delivery since they have a natural ability to enter a cell and deliver genetic material both efficiently and in a defined manner. While there is no universal delivery system that can be used to treat every disorder, Oxford BioMedica's LentiVector® system is the vector of choice for long-term therapy.

The versatility of the Company's LentiVector® system to deliver genetic material safely and efficiently to various cell types makes it ideal for gene therapy or for gene silencing using RNA interference. The technology could be used in many therapeutic areas, but it has specific advantages as a gene delivery system for the treatment of neurological and ophthalmic disorders. In these settings, a single administration of a LentiVector®-based gene therapy could achieve permanent therapeutic benefit.

Gene delivery has become an important tool for biological research. The efficiency of LentiVector®-mediated gene transfer makes the technology the preferred system for stable, sustained transgene expression in drug discovery, target validation and biological manufacturing. This technology is being applied in many research laboratories, including those of GlaxoSmithKline, Merck & Co and Pfizer.

5T4 Tumour Antigen

The 5T4 tumour antigen is a unique protein found on most common types of cancer, which makes it a potentially valuable target for novel anti-cancer interventions. The 5T4 antigen was discovered by scientists at Cancer Research UK (formerly Cancer Research Campaign), which was a founding Shareholder of Oxford BioMedica in 1996 and which granted the Company exclusive rights to its intellectual property relating to the 5T4 antigen.

When cells mutate and become cancerous, they often produce and display different proteins, known as tumour-specific antigens, which in some circumstances can trigger an immune response. Some tumour antigens are unique to tumours, while others may also be found on normal cells in certain organs, often at lower concentrations than on cancerous cells. Immune responses to these antigens may be suppressed because they are considered "self".

Cancer was traditionally treated by a combination of surgery, radiation and/or chemotherapy. However, preventing the metastatic spread of tumours has proved challenging and requires therapies that can be targeted to the disseminated cancerous cells. The 5T4 antigen is an ideal target given its restricted expression in normal tissues and its high prevalence on the surface of both primary and metastatic cancerous cells.

Active immunotherapy, also called therapeutic vaccination, is designed to treat cancer by stimulating a patient's own immune system to eradicate disseminated cancerous cells and metastases in distant organs. Vaccine strategies that are specific to tumour-associated antigens, such as 5T4, are among the most promising approaches for active immunotherapy.

Monoclonal antibodies targeting tumour antigens are widely used for the treatment of cancer today. Antibodies can function alone (naked) or as conjugates, linked to active moieties such as radioactive isotopes, chemotherapeutics or other toxins. Pre-clinical studies suggest that 5T4 has ideal characteristics as a target for conjugated antibody therapy. 5T4 is the antigen that is a key component of TroVax® and an anti-5T4 antibody is the subject of the targeted immunotherapy collaboration with Pfizer. The Company has other items of intellectual property relating to 5T4 and it is seeking licensing partners for this technology.

Anti-Angiogenesis

The creation of new blood vessels, known as angiogenesis, is a critical element in tumour formation and growth. A number of anti-angiogenic treatments have proven effective against solid tumours with the added benefit of having less toxicity than chemotherapy. Oxford BioMedica secured exclusive rights to two anti-angiogenic agents, endostatin and angiostatin, for anti-cancer gene therapy from the Children's Hospital Boston in 2007. The Company also has rights to employ these genes for ocular gene therapy. Endostatin and angiostatin are the genetic payload in both RetinoStat® and EncorStat®, which are designed to block aberrant blood vessel growth in the retina and cornea respectively.

Manufacturing challenges have prevented further development of the two proteins as product candidates. A gene-based approach could overcome the limitations of direct administration to exploit the full potential of these anti-angiogenic agents for the treatment of cancer and ocular diseases. These genes are components of RetinoStat®, EncorStat® and EndoAngio-GT.

HI-8® Primeboost

Heterologous prime-boost immunotherapy involves priming the immune system to a target antigen using one delivery system and then boosting the response by administration of the same antigen but using a different vector. This strategy can stimulate greater levels of immunity, particularly cellular immune responses. Oxford BioMedica's Hi-8 PrimeBoost technology is based on the use of DNA vaccines and recombinant poxvirus vectors.

Hi-8 PrimeBoost is a flexible and powerful technology that could be applied to any disease that can be controlled by a disease-specific cellular immune response such as cancer or infection. In clinical and pre-clinical studies, the technology stimulated potent and specific cellular immune responses targeting melanoma, hepatitis B, HIV/AIDS and tuberculosis. This technology has already been the subject of a licensing agreement with Emergent Biosolutions Inc. with an initial payment of US$1 million and potential milestone payments of up to US$20.4 million, signed in August 2010 and is the subject of other early discussions.

GDEPT

Gene-directed enzyme prodrug therapy (GDEPT) is based on delivering into diseased cells a gene encoding an enzyme that can activate a non-toxic prodrug into a toxic agent. Oxford BioMedica has intellectual property covering genetic delivery of P450 enzymes and broader claims covering other retroviral-based prodrug strategies. MetXia® is a GDEPT product.

GDEPT strategies could be used to treat any solid tumour that is accessible either directly or via local perfusion. The technology could also benefit therapeutic strategies in other types of disease, including graft versus host disease.

Technology Licensing

The Company has actively sought revenue generating out-licensing deals and a total of 13 have been successfully completed. The table below list these deals.:

No	*Date*	*Party*	*Subject*	*Details*
1	2010	Emergent Biosolutions Inc	Prime boost technology	Non-exclusive for undisclosed group of infectious diseases; upfront, milestones and royalties
2	2010	Bavarian Nordic	Prime boost technology	Non-exclusive for Bavarian Nordic products; milestones and royalties
3	2006	Large Pharma Confidential	LentiVector®	Non-exclusive patent license for research use only. Upfront payment
4	2007	Large Biotech Confidential	LentiVector®	Non-exclusive patent license for research use only. Upfront payment
5	2005	Large Biotech Confidential	LentiVector®	Non-exclusive patent license for research use only. Upfront and annual payments

No	*Date*	*Party*	*Subject*	*Details*
6	2004	Biogen Idec	LentiVector®	Non-exclusive patent license for research use only. Upfront and annual payments
7	2004	Merck & Co	LentiVector®	Non-exclusive patent license for research use only. Upfront and annual payments
8	2005	Pfizer	LentiVector®	Non-exclusive patent license for research use only. Upfront and annual payments converted to a perpetual licence by a single payment
9	2005	Large Biotech	LentiVector®	Non-exclusive patent license for research use only. Upfront and annual payments now terminated due to the licensee being acquired by another company
10	2005	Sigma-Aldrich Inc	LentiVector®	Exclusive license in research reagent field to make and sell etc. Upfront and royalties; US$5 million equity investment
11	2006	Virxsys	VSV Envelope patent	Non-exclusive license for use in manufacturing lead product
12	2004	MolMed	Graft vs Host Disease patents	License Agreement; Upfront, milestones and royalties
13	2001	Pfizer (Wyeth)	5T4 Antibody technology	Option and license agreement to use 5T4 mab linked to Wyeth calichaemicin technology. Upfront, milestones and royalties

4. Intellectual property

The Company's commercial strategy is to generate income from licensing and commercialising its products and technologies; this is dependent upon there being robust patents and know how covering the composition, manufacture and use of the products and technologies. Maintaining strong intellectual property is therefore fundamental to the Company's success.

The Company has built an extensive patent portfolio that has comprehensive coverage of gene-based delivery technologies and their therapeutic application in wide-ranging disease indications. Eighty-one US and twenty-nine European patents have been granted, and ninety-three patents have issued in other jurisdictions. One hundred and twelve patent applications are currently pending. This portfolio includes patents that are wholly-owned by the Company and an additional 14 patent families, covering key technologies, that have been licensed from third parties. This means that the Company's product pipeline is underpinned by a patent portfolio that has both the breadth of a technology platform but also the depth to protect specific products.

The Company places great importance on ensuring that its products have freedom-to-operate in the context of other third party patents, and also to be aware of potential licensees who may be using the Company's proprietary technology. The Company has been subject to two US patent infringement complaints as a co-plaintiff (Sigma Aldrich and Oxford BioMedica vs Open Biosystems Inc – filed 2006) and as a defendant (Bavarian Nordic A/S vs Oxford BioMedica filed June 2008). These cases were settled in 2008 and 2010 respectively; there are currently no actual or pending legal disputes that involve patent infringement.

The Company also has a considerable trademark portfolio of over 220 registered trademarks worldwide) and a number of pending trademarks providing coverage for products in pre-clinical and clinical development.

5. Selected financial information

Investors should read all the information contained in this document and not just rely on the key or summarised information.

The selected financial information set out below has been extracted without material adjustment from the audited report and accounts of the Group for the year ended 31 December 2007, 31 December 2008 and 31 December 2009 and the unaudited interim results for the six month period ended 30 June 2009 and 30 June 2010, prepared under IFRS.

	Year ended 31 December 2007 £'000 Audited	*Year ended 31 December 2008 £'000 Audited*	*Year ended 31 December 2009 £'000 Audited*	*Six months ended 30 June 2010 £'000 Unaudited*	*Six months ended 30 June 2009 £'000 Unaudited*
Revenue	7,219	18,394	19,120	5,345	13,924
Operating Loss	(19,828)	(13,671)	(5,730)	(3,699)	(1,676)
Loss per Ordinary Share (basic and adjusted)	(2.9p)	(1.9p)	(0.7p)	(0.5p)	(0.1p)
Net assets	31,932	23,271	20,976	18,726	23,359
Net current assets	24,281	16,183	18,891	13,955	22,366
Cash resources[1]	38,147	21,891	25,302	16,290	34,839
Shareholders' funds	31,932	23,271	20,976	18,726	23,359

1 The aggregate of cash and cash equivalents and current financial assets: available for sale investments.

6. Directors and Senior Management

The Board

The Company has a single board of directors headed by a Non-executive Chairman with management led by a Chief Executive. The Board comprises a Non-executive Chairman, four Non-executive Directors and four Executive Directors as set out below:

Dr. Alan John Kingsman	*Chairman*
John Dawson	*Chief Executive Officer*
Andrew Wood	*Chief Financial Officer*
Dr. Stuart Naylor	*Chief Scientific Officer*
Peter John Nolan	*Executive Director and Senior Vice President, CommercialDevelopment*
Nick Rodgers(1)(2)(3)	*Deputy Chairman and Senior Independent Director*
Dr. Paul Blake(2)(3)	*Non-executive Director*
Dr. Andrew Heath(1)(3)	*Non-executive Director*
Dr. Alex Lewis(1)(2)(3)	*Non-executive Director*

(1) Member of the Audit Committee

(2) Member of the Remuneration Committee

(3) Member of the Nomination Committee

John Dawson, *Chief Executive Officer*

John Dawson, age 51, joined Oxford BioMedica's Board as a Non-executive Director on 1 August 2008. He was then appointed Chief Executive Officer on 13 October 2008, having served as Acting Chief Executive Officer since 29 August 2008. From 1996 to 2007 he held senior management positions in the European operations of Cephalon Inc., including from 2005, a management board position as chief financial officer and head of business development Europe. In his time at Cephalon he led many of the deals that built the European business to over 1,000 people, taking the business from having no sales in 1998 to a revenue of several hundred million US dollars. In 2005 he led the US$360 million acquisition by Zeneus by Cephalon. Between 1991 and 1996 he was director of finance and administration of Serono Laboratories (UK) Limited.

Andrew Wood, *Chief Financial Officer*

Andrew Wood, age 52, has been a Director of Oxford BioMedica since 1996. He is a Chartered Accountant with wide experience of financial management in a number of industries. He also holds a first class degree in biochemistry from Oxford University. Before joining Oxford BioMedica he was finance director at the

Yorkshire Cable Group (part of General Cable). Previously, he held senior financial positions with subsidiaries of the Burton Group, Associated Newspapers and Fenner plc.

Dr. Stuart Naylor, *Chief Scientific Officer*

Dr. Stuart Naylor, age 47, joined Oxford BioMedica in 1997 and was appointed to the board in July 2008. He established an international reputation at two world class cancer institutes, the Imperial Cancer Research Fund and the Institute of Cancer Research. His career has covered many aspects of tumour biology from its molecular basis to the clinic. He has published numerous primary and review articles notably in the field of cytokine research and brings with him an extensive network of collaborators in many aspects of basic research and clinical oncology.

Peter Nolan, *Executive Director and Senior Vice President, Commercial Development*

Peter Nolan, age 57, was appointed to Oxford BioMedica's board in May 2002, having been a senior member of the Company since its foundation. He is also a director of the UK BioIndustry Association and is a past chairman of the Oxfordshire Bioscience Network. He has broad experience and knowledge of the biotechnology sector. Prior to joining Oxford BioMedica, he served as head of the Biotechnology Unit at the UK Department of Trade & Industry for eight years. In that role he was responsible for establishing and managing complex collaborative research programmes involving industry, research councils and other government departments. Previously he held senior positions in the Laboratory of the Government Chemist and also the Metropolitan Police Laboratory in London where he was a senior forensic scientist.

Dr Alan Kingsman, *Non-executive Chairman*

Dr. Alan Kingsman, age 60, is co-founder of Oxford BioMedica and served as Chief Executive Officer from 1996 to 2008. He was appointed Non-executive Chairman in July 2008. He is an internationally recognised authority on gene expression and retrovirus research and has over 25 years' experience in this field, including 17 years as co-director of the Retrovirus Molecular Biology Group within the Biochemistry department of the University of Oxford. Until recently, he continued to hold the title of Professor of Biochemistry at Oxford University and is a former fellow of St. Catherine's College, Oxford. He has published extensively in the field and is named inventor on numerous patent applications and issued patents. He has acted as an advisor or consultant to UK research councils, World Health Organization (WHO) and a number of UK and international companies.

Nick Rodgers, *Deputy Chairman and Senior Independent Director*

Nick Rodgers, age 52, was appointed to Oxford BioMedica's board in March 2004. He is a former investment banker with considerable experience in the life sciences sector. He is now chief executive officer of Ipso Ventures plc, an intellectual property commercialization business, having been head of life sciences and joint head of corporate finance at Evolution Beeson Gregory until December 2003. Nick joined Beeson Gregory in 1989 from accountants Ernst & Young, having also worked in the listing department of the London Stock Exchange. He is a non-executive director of Morvus Technology Ltd and TMO Renewables Ltd. He is Chairman of Oxford BioMedica's audit committee.

Dr. Paul Blake, *Non-executive Director*

Dr. Paul Blake, aged 62, was appointed to Oxford BioMedica's board in January 2010. Dr. Blake has over 30 years international pharmaceutical/biotech experience, and is currently senior vice president and chief medical officer of Æterna Zentaris Inc., a global biopharmaceutical company focused on oncology and endrocrine therapy. From 2001 to 2006, he held senior management positions at Cephalon Inc, including executive vice president, Worldwide Medical & Regulatory Operations from 2005. Dr. Blake's previous positions include senior vice president and medical director, Clinical Research and Development at SmithKline Beecham Pharmaceuticals. He gained his medical degree from the London University, Royal Free Hospital.

Andrew Heath, *Non-executive Director*

Dr. Andrew Heath, aged 62, was appointed to Oxford BioMedica's board in January 2010. Dr. Heath is a healthcare and biopharmaceutical executive with experience of both US and UK capital markets. He was

chief executive officer of Protherics plc from 1997 to 2008, taking the company from 30 to 350 staff and managing its eventual acquisition by BTG for £220 million in 2008. Prior to this, Dr. Heath was president and chief executive officer of Aerogen Inc, having previously held senior positions at Astra AB and Astra USA, including vice president marketing & sales, and at Glaxo Sweden as Associate Medical Director. He currently serves as chairman of Anew Optics Inc, and as a non-executive director of Morvus Technology Ltd, XL Tech Group Inc, and Pioneer Technology Inc. He is also a director of the BioIndustry Association.

Dr. Alex Lewis, *Non-executive Director*

Dr. Alex Lewis, age 47, was appointed to Oxford BioMedica's board in April 2008. Dr. Lewis is an experienced consultant to the pharmaceutical and biotech industry with a background in medical research and drug development (24 years). Dr. Lewis is director, Transactions and Due Diligence at Datamonitor. Previously, he was head of the Partnering and Due Diligence practice of consultants Wood Mackenzie. Dr. Lewis has been involved in the provision of expert reports and technical advice for the initial public offerings (IPOs) and fundraising activities for biotech companies based in the US and Europe. He is Chairman of Oxford BioMedica's remuneration committee.

Senior Management

Richard Harrop D.Phil. BSC, *Head of Clinical Analysis*

Dr. Richard Harrop obtained his D.Phil from York University in 1993 and then spent the next 6 years researching vaccine based approaches to tackle common viral and parasitic diseases. He joined Oxford BioMedica in 1999 and now heads the clinical immunology team. He is a named inventor on several patents and has published widely on Oxford BioMedica's key products.

Jill Martin, *Vice President, Intellectual Property – US*

Jill Martin joined Oxford BioMedica's US subsidiary in 2001 and has contributed to the management of the Group's US patent estate as well as its in-licensing and LentiVector® out-licensing activities. Jill is a registered Patent Agent and a member of the BIO IP Committee. Prior to joining Oxford BioMedica, she was a US Patent Examiner in the biotechnology group.

James Miskin PhD, *Head of Manufacturing and Product Release*

Dr. James Miskin obtained his PhD in 1995 from the University of Leeds where he worked on the molecular biology of a bacterium associated with acne. After completing his PhD he moved to The Institute for Animal Health, Pirbright Laboratory where he investigated viral-host interactions of African Swine Fever Virus. Since moving to Oxford BioMedica in December 2000, he worked in a number of research areas, in particular developing methods to investigate the safety profile of lentiviral vectors. He is a named inventor on several patents in the field.

Kyriacos Mitrophanous PhD, *Head of Research*

Dr. Kyriacos Mitrophanous obtained his PhD from the University of London where he worked on chemokine receptors. He then moved to Oxford University where he was involved in a number of research areas, particularly lentiviral vector development. He is a named inventor on several patents in the field.

Graham Price MBBS FFPM, *Chief Medical Officer*

Dr. Graham Price joined Oxford BioMedica in March 2010. He has 15 years experience in the pharmaceutical industry within clinical research, having previously held senior leadership positions in Medimmune, Takeda Global R&D and Servier. He has bachelor's degrees in neuroscience and in Medicine and Surgery from Imperial College of Science Technology and Medicine, London. He is a member of the Faculty of Pharmaceutical Medicine and Consultant in Pharmaceutical Medicine from the Royal Colleges of Physicians of Edinburgh and London, and the Royal College of Surgeons of Glasgow. He has experience of successful management of people, global portfolio management, global product development, clinical program and alliance management. He has a background in a variety of therapeutic areas including hypertension, respiratory, heart failure, metabolic diseases, retinopathy, migraine, anticoagulation, inflammation, autoimmune and atherosclerosis.

7. Corporate Governance

The policy of the Board is to manage the affairs of Oxford BioMedica to the highest standards of corporate governance and in accordance with the principles of good governance and the code of best practice as set out in the Combined Code.

The Board considers that it complies with the provisions for companies set out in Section 1 of the Combined Code.

Compliance with the Provisions of the Combined Code

Oxford BioMedica is led and controlled by a Board currently consisting of a Non-executive Chairman, four Non-executive Directors and four Executive Directors. The Directors have significant experience of the management and development of a biopharmaceutical group and of pharmaceutical research and the new drug development process. There is a clear division of responsibilities, set out in writing, between the Chairman and Chief Executive Officer. The Board considers that the Non-executive Directors (other than the Chairman) are independent of management.

The Directors are satisfied that the Company, as at the date of this document, complies with the Combined Code, as it applies to small companies, other than to provision A2.2. Provision A2.2 of the Combined Code requires that the Chairman should meet the independence criteria on appointment. The present Chairman was until July 2008 the Chief Executive Officer, and for the first year of his tenure as Chairman held an executive position. Hence he did not meet this requirement. The Chairman also holds share options and LTIP Awards that were granted when he was Chief Executive Officer and while he was Executive Chairman, which is contrary to the requirements for independence set out in provision A.3.1. Since July 2009 the position of Chairman has been a non-executive position. The Chairman has no significant external commercial commitments that would impact the performance of his duties. Provision A.3.2 of the Combined Code requires a small company to have at least two independent Non-executive Directors. The Company has fully met this requirement.

Board meetings

The Board meets regularly and at least eight times per year, with meeting dates agreed for each year in advance. There is a formal schedule of matters reserved to the Board for its decision. The schedule covers senior appointments, business strategy and budgets, substantial transactions, contracts and commitments, financing treasury and risk policies, and the approval of certain documents and announcements including the annual report. There is frequent contact between Executive and Non-executive Directors, and each Director is supplied on a timely basis with financial and operational information sufficient for the Board to discharge its duties. All Directors have access, as required, to independent professional advice.

All Directors have access to advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole to consider.

As required, the Chairman holds meetings with Non-executive Directors without the Executive Directors in attendance.

Board committees

As appropriate, the Board has delegated certain responsibilities to Board committees, which operate within defined terms of reference and constitution.

Audit Committee

The Audit Committee comprises three Non-executive Directors: Nick Rodgers (chairman), Dr. Alex Lewis and Dr. Andrew Heath. The Board considers that all the members of the Audit Committee possess recent and relevant financial experience. The Audit Committee monitors the integrity of the financial statements of Oxford BioMedica and any formal announcements relating to the Company's financial performance, reviewing significant financial reporting judgements contained in them. It reviews internal financial controls and the internal control and risk management systems. It makes recommendations to the Board, for it to put

to shareholders for their approval in general meeting, in relation to the appointment, re-appointment and removal of the external auditors, and approves the remuneration and terms of engagement of the external auditors.

Remuneration Committee

The Remuneration Committee presently comprises three independent Non-Executive Directors: Dr. Alex Lewis (Chairman), Dr. Paul Blake and Nick Rodgers. The Remuneration Committee determines, on behalf of the Board, the Company's policy for executive remuneration and the individual remuneration packages for the Executive Directors including awards under the LTIP. At the Committee's invitation or request, the Chief Executive Officer and other Directors may be in attendance at the meetings of the Remuneration Committee. The Committee has access to professional advice, both inside and outside the Company as required.

The Company's policy on remuneration is to attract, retain and incentivise the best staff in a manner consistent with the goals of corporate governance. In setting the Company's remuneration policy, the Remuneration Committee considers a number of factors, including the basic salaries and benefits available to Executive Directors of comparable companies.

Nomination Committee

The Nomination Committee comprises the Non-executive Directors and the Non-Executive Chairman. Nick Rodgers (Senior Independent Director) is the Committee chairman.

The Nomination Committee evaluates the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, determines the role and capabilities required for particular appointments.

Internal control

The Directors are responsible for Oxford BioMedica's system of internal control and for reviewing its effectiveness. Such a system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss. The active involvement of the Executive Directors in our management committees allows the Board continually to monitor and assess significant business, operational, financial, compliance and other risks, and to review the effectiveness of internal control. This is reinforced by the provision to the Board by the Executive Directors of regular and detailed reports covering, *inter alia*, financing, investor relations, research and development, clinical development, financial performance, commercial interactions and intellectual property management. In addition the Board annually reviews the effectiveness of all significant aspects of internal control, including financial, operational and compliance controls and risk management.

8. Employees

As at 10 December 2010 (being the latest practicable date before the publication of this document), the Group had 76 permanent employees, of which 74 are employed in the UK and two are employed in the US. The average number of employees employed by the Group during the periods covered by the historical financial information on Oxford BioMedica contained in this document breaks down as follows:

Average headcount employed in year

	Year ended 31 December 2007	*Year ended 31 December 2008*	*Year ended 31 December 2009*
Research and development	68	73	58
Administration	12	12	11
Total	80	85	69

Part 4

Financial Information Relating to Oxford BioMedica Plc

The following documents, all of which are available on the Company's website at www.oxfordbiomedica.co.uk, are incorporated into this document by reference.

(a) Oxford BioMedica's unaudited consolidated financial statements for the six months ended 30 June 2010 under IFRS together with relevant notes. The unaudited condensed consolidated balance sheet as at 30 June 2010 is on page 8, the unaudited condensed consolidated statement of comprehensive income for the period ended 30 June 2010 is on page 7, an unaudited condensed statement of changes in Shareholders' equity is on page 10, the unaudited condensed consolidated statement of cash flows is on page 9 and the accounting policies and explanatory notes are on pages 11 to 21;

(b) Oxford BioMedica's 2009 Annual Report and Accounts, comprising Oxford BioMedica's audited consolidated financial statements for the year ended 31 December 2009 under IFRS together with relevant notes. The independent auditors' report is on page 50, the consolidated balance sheet as at 31 December 2009 is on page 52, the consolidated statement of comprehensive income for the year ended 31 December 2009 is on page 51, a statement of changes in equity is on page 54, the consolidated statement of cash flows is on page 53 and the accounting policies and explanatory notes are on pages 55 to 81;

(c) Oxford BioMedica's unaudited consolidated financial statements for the six months ended 30 June 2009 under IFRS together with relevant notes. The unaudited consolidated balance sheet as at 30 June 2009 is on page 6, the unaudited consolidated statement of comprehensive income for the period ended 30 June 2009 is on page 5, an unaudited statement of changes in Shareholders' equity is on page 8, the unaudited consolidated statement of cash flows is on page 7 and the accounting policies and explanatory notes are on pages 9 to 19;

(d) Oxford BioMedica's 2008 Annual Report and Accounts, comprising Oxford BioMedica's audited consolidated financial statements for the year ended 31 December 2008 under IFRS together with relevant notes. The independent auditors' report is on page 58, the consolidated balance sheet as at 31 December 2008 is on page 60, the consolidated income statement for the year ended 31 December 2008 is on page 59, a statement of changes in Shareholders' equity is on page 62, the consolidated cash flow statement is on page 61 and the accounting policies and explanatory notes are on pages 63 to 88;

(e) Oxford BioMedica's 2007 Annual Report and Accounts, comprising Oxford BioMedica's audited consolidated financial statements for the year ended 31 December 2007 under IFRS together with the relevant notes. The independent auditors' report is on pages 67 and 68, the consolidated balance sheet as at 31 December 2007 is on page 70, the consolidated income statement for the year ended 31 December 2007 is on page 69, a statement of changes in Shareholders' equity is on page 72, the consolidated cash flow statement is on page 71, the accounting policies and explanatory notes, are on pages 74 to 97.

Oxford BioMedica will provide without charge to each person to whom a copy of this document has been delivered, upon the written or oral request of such person, a copy of any documents incorporated by reference in this document except that exhibits to such documents will not be provided unless they are specifically incorporated by reference into this document. Requests for copies of any such documents should be directed to:

Oxford BioMedica Plc
Medawar Centre
Robert Robinson Avenue
The Oxford Science Park
Oxford OX4 4GA

Att: Andrew Wood
Company Secretary
Telephone: +44(0)1865 783 000

Part 5

Operating and Financial Review of Oxford BioMedica plc

This operating and financial review should be read together with Oxford BioMedica's audited consolidated profit and loss account, consolidated balance sheet, consolidated cash flow statement and accompanying notes to the financial statements for the financial years ended 31 December 2007, 2008 and 2009 and the unaudited profit and loss account, consolidated balance sheet, consolidated cash flow statement and accompanying notes to financial statements for the six month periods ended 30 June 2009 and 30 June 2010, which are incorporated in this document by reference in Part 4 of this document and described in "Documentation Incorporated by Reference" on page 147 of this document. These were all prepared in accordance with IFRS.

Investors should read the whole of this document and should not just rely on the summary operating and financial information set out in this Part 5. For the convenience of the reader, financial amounts have been rounded, and as a result of such rounding adjustments, figures shown as totals in the discussion and analysis may not be exact arithmetic aggregations of the figures shown in the tables.

This discussion involves forward-looking statements based on assumptions about the Company's future business. The Company's actual results could differ materially from those contained in the forward-looking statements.

The principal risks and uncertainties facing the business are discussed in the section entitled "Risk Factors" at the front of this document.

1. Introduction

Oxford BioMedica is a research and development company, employing advanced gene-based technology to develop novel pharmaceutical products. Its principal focus is on therapies for neurological conditions, ocular diseases and cancer. Its business model is to secure the intellectual property in its product candidates through the filing of patent applications, and to develop them to establish proof of principle, either in clinical trials or in relevant pre-clinical disease models. Its commercial strategy is then to seek to licence the products to development partners who would complete the development process, and also market, distribute and sell the products. It also seeks, where possible, to leverage its technology and intellectual property through licensing its patents.

The products Oxford BioMedica is developing address unmet medical needs where the market opportunity is considered to be significant, for example in the treatment of Parkinson's disease, age related macular degeneration and cancer, or where there are no available therapies, for example in the treatment of Stargardt disease or Usher's syndrome 1B. The Company expects, in the long term, to make substantial profits by pursuing this strategy.

The Directors recognise that this strategy may require substantial amounts of capital to develop the products to a point where they can be successfully licensed as the product development process typically takes several years. Since becoming a public limited company in 1996, the Company has raised over £117 million (before expenses) through the issue of Ordinary Shares in order to invest in product development.

The principal risks and uncertainties facing the business are discussed in Part 2 of this document. The Directors seek to mitigate these risks in a number of ways; the most important risk-management strategies are maintaining a portfolio of product candidates rather than relying on the success of a single product, and limiting the investment in product development through the strategy of licensing to development partners.

The Group's progress in developing its product candidates is set out in Part 3 of this document. Paragraph 2 below reviews the Group's operating and financial performance.

2. Summary financial information

Income statement

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Revenue	7,219	18,394	19,120	5,345	13,924
Cost of sales (charge)/credit	(449)	(1,295)	(437)	862	(990)
Gross profit	6,770	17,099	18,683	6,207	12,934
Research and development costs (pre-exceptional)	(22,142)	(22,482)	(14,899)	(7,981)	(7,784)
Research and development costs (exceptional)	–	(4,561)	(3,392)	–	(3,807)
Administrative expenses (pre-exceptional)	(4,282)	(3,840)	(6,056)	(1,933)	(2,928))
Administrative expenses (exceptional)	(335)	–	(169)	–	(169)
Other operating income: grants receivable	161	113	103	8	78
Operating loss	(19,828)	(13,671)	(5,730)	(3,699)	(1,676)
Net finance income	2,087	1,638	636	134	372
Loss before tax	(17,741)	(12,033)	(5,094)	(3,565)	(1,304)
Taxation	2,452	1,992	1,579	702	778
Loss for the financial period	(15,289)	(10,041)	(3,515)	(2,863)	(526)

Balance sheet

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Assets					
Non-current assets					
Intangible assets	14,910	11,119	11,119	11,316	11,119
Property, plant and equipment	810	688	631	652	688
	15,720	11,807	11,750	11,968	11,807
Current assets					
Trade and other receivables	4,672	7,305	4,628	5,519	4,078
Current tax assets	2,623	2,119	2,269	2,370	2,937
Financial assets: available for sale investments	27,185	13,750	18,500	12,591	17,250
Cash and cash equivalents	10,962	8,141	6,802	3,699	17,589
	45,442	31,315	32,199	24,179	41,854
Current liabilities					
Trade and other payables	9,557	10,558	7,669	4,959	11,279
Overseas tax payable	14	–	–	4	–
Deferred income	11,530	4,486	4,741	5,069	5,634
Provisions	60	88	898	192	2,575
	21,161	15,132	13,308	10,224	19,488
Net current assets	24,281	16,183	18,891	13,955	22,366
Non-current liabilities					
Other non-current liabilities	96	131	102	128	74
Deferred income	7,383	3,957	9,024	6,533	10,169
Provisions	590	631	539	536	571
	8,069	4,719	9,665	7,197	10,814
Net assets	31,932	23,271	20,976	18,726	23,359
Shareholders' equity					
Ordinary shares	5,347	5,373	5,412	5,449	5,395
Share premium	109,101	109,686	110,043	110,382	109,881
Merger reserve	14,310	14,310	14,310	14,310	14,310
Other reserves	(625)	(692)	(676)	(676)	(677)
Losses	(96,201)	(105,406)	(108,113)	(110,739)	(105,550)
Total equity	31,932	23,271	20,976	18,726	23,359

3. Group operating and financial performance

(a) ***Revenue***

The Group's revenue since 2007 has mainly been derived from product development collaborations as follows:

Analysis of revenue by source

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
TroVax® collaboration – non-exceptional revenue	6,970	18,064	2,609	–	2,808
Ocular collaboration revenue	–	–	6,224	5,250	1,123
Technology licences & other revenue	249	330	198	95	104
Total non-exceptional revenue	7,219	18,394	9,031	5,345	4,035
TroVax® collaboration – exceptional revenue	–	–	10,089	–	–
Total revenue	7,219	18,394	19,120	5,345	4,035

The TroVax® collaboration with sanofi-aventis was signed in March 2007. An initial payment of €29 million (£19.7 million) and a first development milestone payment of €9 million (£6.1 million) were received in 2007, and a second milestone payment of €10 million (£7.6 million) was received in 2008. Between March 2007 and April 2009 a total of £27.6 million was recognised from these receipts as non-exceptional revenue, and a further £5.7 million was held as deferred revenue. On termination of the TroVax® collaboration in April 2009 sanofi-aventis made a termination payment of US$6.5 million (£4.4 million). This amount, together with the release of £5.7 million of deferred income, make up the exceptional revenue of £10.1 million recognised in 2009. In addition, as part of the termination settlement in 2009, sanofi-aventis paid a further US$10.9 million (£7.2 million) reimbursement of certain TroVax® development costs which was set off against expenses within exceptional research and development costs in 2009.

The ocular collaboration with sanofi-aventis was signed in April 2009. An initial payment of US$26 million (£16.6 million) was received in 2009. Between April 2009 and June 2010 £5.4 million of this was recognised as revenue, with a further £11.2 million held at 30 June 2010 as deferred revenue. In addition, from May 2009 sanofi-aventis has reimbursed R&D expenditure on the ocular programme, and a total £6.0 million was recognised as revenue up to 30 June 2010.

The deferred revenue held at 30 June 2010 is expected to be recognised as revenue between 1 July 2010 and 2013. In addition, under the collaboration agreement Oxford BioMedica expects to receive R&D funding amounting to US$ 24 million in total. A total of US$9.9 million has been accounted for in the accounts up to 30 June 2010. A further US$ 14.1 million (approximately £8.9 million) is anticipated to be recognised between 1 July 2010 and 2013.

All the revenue was generated from operations in the United Kingdom. A summary of revenue analysed by location of customers is as follows:

Analysis of revenue by location of customers

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Europe	7,021	18,141	18,991	5,280	13,858
United States of America	198	253	129	65	66
Total revenue	7,219	18,394	19,120	5,345	13,924

Most of the Group's revenue is denominated in US dollars, and the value of future revenue streams could therefore be affected by changes in the Sterling/Dollar exchange rate.

(b) ***Cost of sales***

Cost of sales: royalty payable on third party licenses:

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Non-exceptional (credit)/ cost of sales	449	1,295	(90)	(862)	275
Exceptional cost of sales	–	–	527	–	715
Total cost of sales	449	1,295	437	(862)	990

Cost of sales is the royalty payable to third party licensors attributable to upfront and milestone payments that are recognised as revenue. Where the recognition of upfront and/or milestone payments is deferred, an appropriate amount of cost of sales is also deferred and is classified as a prepayment. In the audited accounts for the year ended 31 December 2009 a credit of £0.5 million was recognised within non-exceptional cost of sales following a reduction in the estimated royalty rate that had been applied to TroVax® collaboration revenue in 2007 and 2008. A further credit of £1.1 million was recognised in the unaudited accounts for the six months ended 30 June 2010 as a result of the renegotiation of the royalty payment terms in a licence from Cancer Research Technology ('CRT'). Dependent on certain future commercial milestones that relate to the partnering, development and approval of TroVax®, up to £1.1 million could become payable to CRT. Exceptional cost of sales in 2009 was the royalty cost attributed to the £5.7 million of deferred revenue that was recognised on termination of the TroVax® collaboration.

(c) ***Operating expenses***

Analysis of non-exceptional operating expenses

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Non-exceptional research and development costs	22,142	22,482	14,899	7,981	7,784
Non-exceptional administrative expenses	4,282	3,840	6,056	1,933	2,928
Total non-exceptional operating expenses	26,424	26,322	20,955	9,914	10,712

In 2007 and 2008 operating expenses were at their highest, due to the costs of the TRIST Phase III clinical trial, which had started in 2006 and reached full recruitment in the first half of 2008. In June 2009 as part of that year's exceptional costs, a provision was established for the remaining costs to close out the TRIST study. From that point onwards, no material amounts relating to that study have been recognised as non-exceptional expenses. Offsetting this reduction in non-exceptional R&D costs from mid 2009 were the costs (covered by revenue receivable from sanofi-aventis) of the ocular product programmes.

(i) *Research & development costs*

The Group's strategy is to develop its product candidates to establish proof of principle in clinical studies, and then to secure development and commercialisation partners. However, if sufficiently attractive terms could be negotiated for certain products at the pre-clinical stage, the Company would consider taking such an opportunity. This strategy requires substantial investment in R&D.

Expenditure on product development is capitalised as an intangible asset and amortised over the expected useful life of the product concerned. Capitalisation commences from the point at which technical feasibility and commercial viability of the product can be demonstrated and the Group is satisfied that it is probable that future economic benefits will result from the product once completed. The Directors' view is that capitalisation of development expenditure under this policy would not be justified until Phase III clinical trials had been successfully completed, and there was reasonable certainty that a product licence would be issued. Capitalisation ceases when the product is ready for launch. No such costs have been capitalised to date. Expenditure on research activities and development activities that do not meet the above criteria, including ongoing costs associated with acquired intellectual property rights and intellectual property rights generated internally by the Group, is charged to the statement of comprehensive income as incurred.

Prior to 2006 expenditure on R&D had not exceeded £11 million per annum. The commencement in 2006 of the TRIST Phase III clinical trial resulted in a significant increase in the level of external clinical costs, and this high level was sustained through 2007 and 2008. Costs related to TRIST fell back significantly in 2009, with non-exceptional external TroVax® development costs down to £0.7 million compared to £10.0 million in 2008. Offsetting some of this reduction in 2009, there were increases in ocular product and ProSavin® external costs. From May 2009, most of the ocular programme spend has been covered by R&D funding from sanofi-aventis (included in the accounts as revenue).

In-house costs comprise staff salaries and expenses, R&D consumables, IP costs, facilities costs, depreciation of R&D assets and minor external research collaborations. Since 2007

in-house R&D costs have been on a downward trend, as a result of cost controls put in place in 2008.

Research and development costs

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
External pre-clinical & clinical costs	11,833	13,397	6,328	3,929	3,547
In-house R&D costs UK	9,848	8,660	8,138	3,854	3,985
In-house R&D costs USA	461	425	433	198	252
Total non-exceptional research & development costs	22,142	22,482	14,899	7,981	7,784

(ii) *Headcount analysis*

The downward trend in in-house R&D costs is reflected in the headcount trend. After a restructuring in 2004 in which US R&D activities were closed down and absorbed by the UK operation, there had been a progressive slow rebuilding of headcount numbers up to mid 2008. In the second half of 2008 following a setback with the TRIST clinical trial, headcount was reduced through redundancy (13 posts) and through normal levels of employees leaving the Company. Through 2008 and 2009 headcount continued to fall, but due to increased demand from the ocular development programmes, there was a net increase in the first half of 2010.

Analysis of headcount

	Audited Year ended 31 December 2007	*Audited Year ended 31 December 2008*	*Audited Year ended 31 December 2009*	*Unaudited Six months ended 30 June 2010*	*Unaudited Six months ended 30 June 2009*
R&D headcount at period end	69	64	53	61	60
Administration headcount at period end	13	12	12	11	11
Total headcount at period end	82	76	65	72	71
R&D headcount average	68	73	58	61	62
Administration headcount average	12	12	11	11	11
Total headcount average	80	85	69	72	73

(iii) *Administrative expenses*

Excluding the exceptional items, administrative expenses over the period 2007 to the first half of 2010 have been between £3.8 million to £6.1 million per annum. 2009 costs were higher for three reasons. Firstly, staff costs in 2009 included unusually high bonuses of £0.7 million (of which £0.3 million was the cost of a share-settled bonus paid to John Dawson, Chief Executive Officer). No bonuses were paid in 2008 or in the first half of 2010. Secondly, legal costs in 2009 were £0.5 million higher than the year before due mainly to the costs of patent litigation instigated by Bavarian Nordic (resolved in January 2010). Third, there were foreign exchange losses of £0.5 million in 2009 (due mainly to the impact of a weakening US dollar on the value of amounts receivable from sanofi-aventis) in contrast to gains of £0.7 million the year before.

Pre-exceptional administrative expenses

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Administrative staff costs	1,958	2,016	2,815	900	1,260
Legal costs	852	867	1,411	230	547
Net foreign exchange losses/(gains)	3	(695)	465	(80)	509
Other administrative expenses	1,469	1,652	1,365	883	612
Total non-exceptional administrative expenses	4,282	3,840	6,056	1,933	2,928

(iv) *Exceptional operating expenses*

Exceptional items represent significant items of income or expense which due to their nature or the expected infrequency of the events giving rise to them, are presented separately on the face of the statement of comprehensive income to give a better understanding to Shareholders of the elements of financial performance in the year, so as to facilitate comparison with prior periods and to better assess trends in financial performance.

Exceptional operating expenses

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Research and development costs:					
Arising on termination of the TroVax® collaboration	–	–	676	–	694
Provision for TRIST study close-out	–	–	2,202	–	2,599
Write-off re planned Quasar clinical trial	–	–	514	–	514
Impairment of intangible assets	–	4,561	–	–	–
Total exceptional research and development costs	–	4,561	3,392	–	3,807
Administrative expenses:					
Arising on termination of the TroVax® collaboration	–	–	169	–	169
Restructuring costs	335	–	–	–	–
Total exceptional administrative expenses	335	–	169	–	169
Total exceptional operating expenses	335	4,561	3,561	–	3,976

Exceptional costs in 2007 were restructuring costs related to the integration of the Oxxon Therapeutics business and the closure of their former offices and labs.

In 2008 a charge of £4.6 million for the impairment of intangible assets was recognised. It related principally to the in-process R&D that arose on the acquisition of Oxxon Therapeutics in 2007. The impairment reflected the Directors' assessment of overall deterioration of asset values in the market since 2007, and the refocusing of the Group's resources onto its lead programmes.

Exceptional expenses in 2009 related to the termination of the sanofi-aventis TroVax® collaboration in April 2009 and the FDA review of the TRIST clinical trial in June 2009. When sanofi-aventis, terminated the TroVax® collaboration and returned the worldwide rights relating

to TroVax®, it made payments totalling US$17.4 million (£11.6 million), of which US$6.5 million (£4.4 million) was a termination fee, recognised as exceptional revenue, and US$10.9 million (£7.2 million) was reimbursement of TroVax® development expenditure incurred by the Group for the planned sanofi-aventis clinical development programme, treated as a pass-through cost to sanofi-aventis. Exceptional expenses in 2009 are net of the reimbursement received from sanofi-aventis, and comprise the write-off of a net £0.8 million (R&D costs £0.6 million and administrative expenses £0.2 million) that, had the collaboration continued, were expected to be reimbursed by sanofi-aventis.

In June 2009 Oxford BioMedica met with the FDA to discuss the TRIST clinical trial and the future development of TroVax®. The FDA supported Oxford BioMedica's proposal to pursue clinical development of TroVax® in metastatic disease, including colorectal, ovarian, hormone refractory prostate cancer, and triple-negative breast cancer, prior to further trials in renal cancer. Proof of concept from new Phase II studies in these indications was expected to be key to the successful development of TroVax® in the future. Data from the TRIST study in renal cancer would support the development of TroVax®, but was not expected to be a pivotal component. Furthermore, it was considered highly likely that that proof of concept from Phase II studies in metastatic disease would be required prior to commencing clinical trials in adjuvant settings – meaning that the planned Quasar clinical trial in adjuvant colorectal cancer was unlikely to go ahead in the near term. The Group therefore recognised costs of £2.7 million as exceptional comprising: a provision of £2.2 million for the estimated costs to close out the TRIST study in renal cancer; and the write-off of £0.5 million prepaid clinical trial expenses in respect of the planned Quasar clinical trial in adjuvant colorectal cancer. The unaudited accounts for the six months ended 30 June 2009 contained preliminary estimates of the TRIST closure costs that were revised downwards in the audited accounts for the year ended 31 December 2009.

(d) ***Finance income***

The Group places its cash in bank deposits for periods of up to 12 months and generates interest on those deposits. The maturity profile of deposits is intended to match planned expenditure. The dramatic fall in market rates from the end of 2008 resulted in much lower interest income in 2009 and in the first half of 2010. The Group has no debt, but recognises as a finance expense the discount on a lease provision and a dilapidation provision.

Finance income and cost

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Interest receivable – bank	2,113	1,661	642	142	374
Other interest receivable	4	1	27	–	28
Interest payable – discount on provisions	(30)	(19)	(10)	(8)	(6)
Other interest payable	–	(5)	(23)	–	(24)
Net finance income	2,087	1,638	636	134	372

(e) ***Tax***

The UK operating subsidiary Oxford BioMedica (UK) Limited is entitled to claim R&D tax credit. The credit is based on certain eligible expenses, to which a 75 per cent. (2007: 50 per cent.) mark-up and a tax rate of 14 per cent. (2007: 16 per cent.) is applied. The R&D tax credit in any year subject to a cap at the lower of the total amount of payroll tax (Income Tax and National Insurance) paid in

the year and the Corporation Tax losses for the year. The US subsidiary BioMedica, Inc. supplies services to the UK subsidiary subject to a 5 per cent. mark-up, generating a low level of taxable income in the US. The net tax credit for the periods covered by this prospectus is:

Tax credit

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
UK R&D tax credit	2,526	2,047	1,650	720	818
Overseas tax payable	(74)	(55)	(71)	(18)	(40)
Net tax credit	2,452	1,992	1,579	702	778

(f) ***Intangible assets***

The Group's intangible assets comprise intellectual property rights acquired through licensing or assigning patents and know-how and are carried at historic cost less accumulated amortisation and impairment. No amortisation has been charged to date as the products underpinned by the intellectual property are not yet available for commercial use.

Intangible assets

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Cost					
In-process R&D	10,400	10,400	10,400	10,400	10,400
Intellectual property rights	4,780	5,505	5,505	5,702	5,505
	15,180	15,905	15,905	16,102	15,905
Impairment					
In-process R&D	–	3,598	3,598	3,598	3,598
Intellectual property rights	270	1,188	1,188	1,188	1,188
	270	4,786	4,786	4,786	4,786
Net book value of intangibles	14,910	11,119	11,119	11,316	11,119

In 2007 intellectual property rights with a fair value of £2.7 million and in-process research and development with a fair value of £10.4 million relating to the candidate product Hi8-MEL were acquired with the acquisition of Oxxon Therapeutics Limited. Consequently, intangible assets at 31 December 2007 were £13.2 million higher than the year before at £14.9 million.

In an impairment review in 2008, impairment charges were recognised for £3,703,000 in respect of Hi8-MEL and £858,000 in respect of candidate products Innurex, MetXia® and MoNuDin®.

(g) ***Trade and other receivables***

Trade and other receivables have typically been in the range £4-5 million, but peaked at £7.3 million in 2008 due to a material amount receivable from sanofi-aventis.

Trade and other receivables

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Non-current					
Other receivables – rent deposit	118	160	145	157	143
Current					
Trade receivables	91	106	88	1,888	–
Accrued income	34	–	1,925	1,344	201
Other costs receivable from sanofi-aventis	109	3,913	–	–	562
Other receivables	1,020	481	298	257	376
Prepaid clinical trial expenses	969	790	70	13	78
Prepaid royalty on deferred income	1,330	870	1,465	1,246	2,191
Prepayments	587	652	487	499	376
Other tax receivable (mainly VAT)	414	333	150	115	151
	4,554	7,145	4,483	5,362	3,935
Total trade and other receivables	4,672	7,305	4,628	5,519	4,078

Trade receivables at 31 December or 30 June are usually approximately £0.1 million, but 30 June 2010 was unusual in that an invoice for £1.7 million for reimbursement of R&D costs by sanofi-aventis was paid a few days later than expected, and was outstanding at the half-year end.

Up to April 2009, accrued income was not a significant amount. From the start of the 2009 sanofi-aventis ocular collaboration, the amount of accrued income reported above includes the most recent calendar quarter's R&D reimbursement claim, which was £2.0 million at 31 December 2009, but had dropped back to £1.3 million at 30 June 2010.

Other costs recoverable from sanofi-aventis in 2007 and 2008 (£0.1 million and £3.9 million respectively) were pass-through expenses of TroVax® Phase III development: either costs related to the TRIST study that sanofi-aventis had agreed to reimburse, or costs related to other planned Phase III trials that sanofi-aventis was planning to carry out. These receivables were settled in the TroVax® collaboration termination in 2009.

Prepaid clinical trial expenses were significant in 2007 and 2008 (£1.0 million and £0.8 million respectively) due to expenses of the TRIST clinical trial. Now that the TRIST study is closed down, prepaid clinical trial expenses are no longer a material amount.

As explained in (b) above, cost of sales royalty that relates to deferred income is held as a prepaid expense, and is recognised as an expense in the income statement as the underlying deferred income is also recognised.

(h) ***Current tax assets***

Current tax assets in the balance sheet are amounts receivable for UK R&D tax credit. Tax credit is received in arrears following the submission of UK corporation tax returns subsequent to each year end. Normally they are paid in the following year, but sometimes, as with the 2008 claim, part of an R&D claim may still be outstanding at the following year end.

Current tax assets

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Tax credit for the current year	2,526	2,119	1,650	720	818
Tax credit outstanding from the prior year	97	–	619	1,650	2,119
Total current tax assets	2,623	2,119	2,269	2,370	2,937

(i) ***Trade and other payables***

Trade and other payables between 2007 and 2009 have been between £7.7 million and £11.3 million, but at June 2010 they were significantly lower at £5.0 million, as a result settlement of the bulk of creditors and accruals relating to the TRIST clinical trial and royalty on income.

Trade and other payables

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Trade payables	2,948	3,298	1,965	1,716	1,900
Accruals – clinical & pre-clinical costs	3,535	3,924	1,924	1,664	3,500
Accruals – royalties on sales	1,483	2,259	1,788	388	4,317
Accruals – staff costs	210	94	639	87	386
Accruals – other	962	847	1,049	958	1,048
Other taxation & social security	418	136	304	146	128
Total trade and other payables	9,557	10,558	7,669	4,959	11,279

The level of trade payables is linked to the level of purchases at any given time. With the increased spending from the TRIST clinical trial, trade creditors in 2007 and 2008 were unusually high.

The Group accounts for clinical trial and external clinical development contracts on a 'percent completion' basis – that is, it accrues for such costs based on the degree of completion of relevant contracts at each balance sheet date. The higher levels of accruals for clinical and pre-clinical costs in 2007, 2008 and June 2009 reflect amounts accrued but not invoiced by suppliers, and include significant amounts relating to the TRIST clinical trial.

Accruals for royalty on sales are accruals for payments due to licensors as a result of the receipt of income by the Group. A major part of the amounts accrued between December 2007 and December 2009 related to the Cancer Research Technology (CRT) 5T4 licence. A settlement was reached with CRT in June 2010, as a result of which £0.2 million was settled by the issue of Oxford BioMedica plc shares and £1.1 million was written back to the income statement, leaving a residual accrual of £0.1

million. If certain milestones related to TroVax® clinical development and commercialisation are achieved in the future, some or all of the £1.1 million that was written back to the income statement could become payable. Other royalty accruals at June 2009 and December 2009 related to royalty payable on income from the sanofi-aventis ocular collaboration.

(j) ***Deferred income***

Deferred income

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Ocular deferred income (current)	–	–	4,665	4,993	5,547
Ocular deferred income (non-current)	–	–	9,024	6,533	10,169
Other deferred income (current)	90	119	76	76	87
TroVax® deferred income (current)	11,440	4,367		–	–
TroVax® deferred income (non-current)	7,383	3,957	–	–	–
Total deferred income	18,913	8,443	13,765	11,602	15,803

In 2007 and 2008 income received from sanofi-aventis under the TroVax® collaboration was being recognised in the income statement over a period of up to 51 months, and this represented the majority of deferred income in those two years. The receipt of US$ 26 million (£16.6 million) under the sanofi-aventis ocular collaboration is being recognised as revenue over 42 to 51 months, and this accounts for the majority of deferred income in 2009 and at 30 June 2010.

Over the term of the ocular gene therapy collaboration, Oxford BioMedica may recover from sanofi-aventis up to US$24 million in research and development funding. Project costs in excess of US$24 million will be borne by Oxford BioMedica. Oxford BioMedica estimates at each balance sheet date the amount of ocular R&D cost expected to be borne by it under this arrangement, and at 30 June 2010 was carrying deferred income of £0.3 million relating to R&D cost recovery.

(k) ***Provisions***

In the period 2007 to 30 June 2010 the Group has had three provisions, as below:

Provisions

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Onerous lease provision	279	308	200	174	234
Dilapidation provision	371	411	420	450	415
TRIST clinical trial provision	–	–	817	104	2,497
Total provisions	650	719	1,437	728	3,146

The onerous lease provision relates to former offices and laboratories in the US which were sub-let for a rent lower than the head-lease payable by the Group. The lease ends in 2012, by which time this provision is expected to be fully utilised.

The dilapidation provision relates to offices and laboratories in Oxford, UK, and is expected to be payable at the expiry of the current leases in 2016, unless the leases are renewed.

The TRIST clinical trial provision was set up in June 2009 to cover the anticipated costs to close out the TRIST clinical trial. At 30 June 2010 only £0.1 million of this provision remained.

(l) ***Share capital***

The last major issue of shares to raise capital for the Group was in December 2005. Since then a further 46 million shares have been issued, 32 million of which were in connection with the acquisition of Oxxon Therapeutics Limited in 2007. The proceeds and costs of share issues between 2007 and 30 June 2010 are set out below.

Issues of shares – proceeds & costs

	Audited 31 December 2007 £'000	*Audited 31 December 2008 £'000*	*Audited 31 December 2009 £'000*	*Unaudited 30 June 2010 £'000*	*Unaudited 30 June 2009 £'000*
Shares issued on exercise of options	212	52	15	13	4
Shares subscribed by collaborative partner	–	–	172	–	172
Shares issued in connection with IP purchases	99	569	–	197	–
Shares issued to CRT to settle royalty due	–	–	–	185	–
Share-settled bonus paid	–	–	173	–	–
Shares issued in acquisition	16,000	–	–	–	–
Costs of share issues	(10)	(10)	(15)	(19)	(10)
Recovery of VAT on issue costs	–	–	51	–	51
Net value of share issues in the period	1,901	611	396	376	217

It should be noted that only the shares issued on exercise of options and the shares subscribed by collaborative partner represent an unencumbered net inflow of cash. Share issues in connection with IP purchases are usually offset by a cash outflow of a similar amount – effectively using the issue of shares as a means of payment. The shares issued in connection with the purchase of Oxxon Therapeutics Limited in 2007 were valued at £16 million but they resulted in a net cash inflow after costs of £3.4 million.

(m) ***Cash position and cash flows***

The Group does not have any borrowings or committed facilities, but has financed its operations out of cash raised from the sale of Ordinary Shares and from commercial activities. The Group's policy is to place funds with financial institutions rated at least A and to distribute deposits between several banks.

A key measure adopted by cash-consuming development companies is the 'cash burn' or when cash flows are positive, the 'cash generated'. This measure is not readily identifiable in a cash flow statement produced under IFRS, but it can be computed as the aggregate of the cash flow from operating activities, the proceeds of sale of property plant and equipment, and the purchase of property, plant, equipment and intangible assets. Similarly, total cash resources are not readily identifiable in a balance sheet prepared under IFRS, but can be computed as the sum of financial assets: available for sale investments and cash and cash equivalents.

Statement of cash flows & balance sheet – extract

	Audited Year ended 31 December 2007 £'000	*Audited Year ended 31 December 2008 £'000*	*Audited Year ended 31 December 2009 £'000*	*Unaudited Six months ended 30 June 2010 £'000*	*Unaudited Six months ended 30 June 2009 £'000*
Cash generated by/(used in) operations	2,307	(20,610)	904	(9,602)	12,327
Net interest received	1,567	2,162	976	168	612
Tax credit received	2,480	2,551	1,500	619	–
Overseas tax paid	(57)	(74)	(67)	(15)	(36)
Net cash generated by/ (used in) operating activities	6,297	(15,971)	3,313	(8,830)	12,903
Proceeds from sale of property, plant and equipment	7	10	1	–	1
Purchases of property, plant and equipment	(259)	(162)	(247)	(149)	(159)
Purchases of intangible assets	(162)	(766)	(41)	(234)	–
Sub-total – 'Cash generated/ (burn)'	5,883	(16,889)	3,026	(9,213)	12,745
Cash and cash equivalents acquired with subsidiary, net of acquisition costs	3,377	–	–	–	–
Financial assets: available for sale investments	27,185	13,750	18,500	12,591	17,250
Cash and cash equivalents	10,962	8,141	6,802	3,699	17,589
Sub-total – 'Cash resources'	38,147	21,891	25,302	16,290	34,839

In 2007 the Company generated cash of £5.9 million, principally due to cash receipts of £25.8 million from the TroVax® collaboration with sanofi-aventis. Net bank interest and UK R&D tax credit contributed £4.0 million. In addition, the acquisition of Oxxon Therapeutics, funded by the issue of Oxford BioMedica shares, brought in net cash of £3.4 million. Cash resources at the end of 2007 were £38.1 million.

In contrast, the Company had a cash burn of £16.9 million in 2008. R&D expenditure was high, as the TRIST clinical trial reached full recruitment. A milestone of £7.2 million received from sanofi-aventis in the year partially offset the expenditure on TRIST, as did interest and tax receipts of £4.7 million. Purchases of intangibles (£0.8 million in total) included £0.7 million for patent rights to RNAi technology, which was offset by a contemporaneous £0.6 million share subscription. Cash resources at the end of 2008 were down to £21.9 million.

In 2009 the Company generated cash of £3.3 million, as a consequence of the inflow of funds associated with the initiation of the ocular product collaboration with sanofi-aventis and the termination of the TroVax® collaboration. Expenditure on TRIST was much lower than in 2008, offset a little by increased spending on ProSavin®. By the end of 2009, the TRIST study was being closed out, with an estimated residual cash outflow to closure of £1.5 million expected to be paid in 2010. Interest and tax receipts were lower in 2009 at £2.5 million. Cash resources at 31 December 2009 were £25.3 million.

In the first half of 2010 the cash burn was relatively high at £8.8 million, leaving cash resources at 30 June 2010 at £16.3 million. An R&D reimbursement payment of £1.7 million from sanofi-aventis that had been expected by 30 June 2010 was received a few days later in July. Had it been received on time, the cash burn would have been reduced to £7.1 million and cash resources increased to £18.0 million.

Cash burn in the second half of 2010 is expected to be lighter than the first half, as a result of the receipt in July 2010 of the £1.7 million R&D reimbursement that had been expected in the first half of 2010, and the anticipated receipt of approximately £1.7 million 2009 UK R&D tax credit.

The Company's cash flow projections indicate that the cash resources at 30 June 2010 are expected to be sufficient to support the present scale of operations, in the absence of funding from new commercial collaborations or an equity share issue, until early 2012. Addition of the proceeds of the Firm Placing and Placing and Open Offer, even after taking account of increased spending plans, extends this window further forward.

The Group does not currently have any debt facilities. Cash balances are mainly held on short and medium term deposits with financial institutions with a credit rating of at least A, in line with the Group's policy to minimise the risk of loss. The Group's policy in relation to interest rate risk is to monitor short and medium term interest rates and to place cash on deposit for periods that optimise the amount of interest earned while maintaining access to sufficient funds to meet day to day cash requirements. In relation to foreign currency risk, the Group's policy is to hold the majority of its funds in pounds sterling, and to use short term currency options and interest-bearing foreign currency deposits to manage short term fluctuations in exchange rates. No other hedging of foreign currency cash flows is undertaken.

(n) ***Non-financial information***

Details of Oxford BioMedica's research and development, intellectual property, product pipeline, clinical development and its collaborations are in Part 3 'Information on Oxford BioMedica plc' of this document. Details of the Directors and senior staff are in Part 7, Section 7 'Directors' of Oxford BioMedica of this document.

(o) ***Other matters***

Since the end of the last financial year, there are no trends in production, sales and inventory, costs and selling prices that are expected to have a material effect on the current financial period.

Although there have been numerous updates to accounting standards and interpretations under IFRS since 2007, none had a material impact on the Company's accounting policies or the financial information presented in this prospectus.

Part 6

Unaudited Pro Forma Financial Information

Section A: Unaudited Pro Forma Financial Information

The unaudited pro forma statement of net assets (the "Unaudited Pro Forma Financial Information") set out below has been prepared to illustrate the effects of the Firm Placing and Placing and Open Offer on the assets and liabilities of the Group as if they had occurred on 30 June 2010. It is compiled on the basis set out in the notes below and in accordance with items 1 to 6 of Annex II to the PD Regulation and is based on the unaudited interim consolidated balance sheet of the Oxford BioMedica Group as at 30 June 2010. The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its illustrative nature, addresses a hypothetical situation and, therefore, does not represent the Oxford BioMedica Group's actual financial position or results.

The Pro Forma Financial Information has been prepared on the basis of the IFRS accounting policies adopted by the Oxford BioMedica Group in preparing its unaudited interim consolidated financial statements for the six months ended 30 June 2010.

	Unaudited As at 30 June 2010 (Note 1) £'000	*Adjustment for Firm Placing and Placing and Open Offer (Note 2) £'000*	*Pro forma as at 30 June 2010 £'000*
Assets			
Property, plant and equipment	652	–	652
Intangible assets	11,316	–	11,316
Non-current assets	11,968	–	11,968
Trade and other receivables	5,519	–	5,519
Tax receivable	2,370	–	2,370
Held-to-maturity financial assets	12,591	–	12,591
Cash and cash equivalents	3,699	18,385	22,084
Current assets	24,179	18,385	42,564
Total assets	36,147	18,385	54,532
Liabilities			
Other non-current liabilities	128	–	128
Deferred income	6,533	–	6,533
Provisions	536	–	536
Non-current liabilities	7,197	–	7,197
Trade and other liabilities	4,963	–	4,963
Deferred income	5,069	–	5,069
Provisions	192	–	192
Current liabilities	10,224	–	10,224
Total liabilities	17,421	–	17,421
Net assets	18,726	18,385	37,111

Notes

1. The financial information has been extracted, without material adjustment, from the unaudited interim consolidated financial statements of the Oxford BioMedica Group for the six months ended 30 June 2010 incorporated by reference in this document and prepared under the Group's IFRS accounting policies.

2. Adjustment to reflect the gross proceeds of the Firm Placing and Placing and Open Offer of £20.0 million (comprising 400,000,000 New Ordinary Shares at 5 pence per share) net of associated costs of £1.62 million.

3. No account has been taken of the trading results or transactions of the Oxford BioMedica Group for the period since 30 June 2010.

4. This Unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Companies Act 2006.

Section B: Accountants' report on the unaudited Pro Forma Financial Information

PricewaterhouseCoopers LLP
Thames Valley Office
9 Greyfriars Road
Reading RG1 1JG

The Directors
Oxford BioMedica plc
Medawar Centre
Robert Robinson Avenue
The Oxford Science Park
Oxford OX4 4GA

Singer Capital Markets Limited
One Hanover Street
London W1S 1YZ

13 December 2010

Dear Sirs

Oxford BioMedica plc (the "Company")

We report on the unaudited pro forma statement of net assets (the "**Pro forma financial information**") set out in Section A of Part 6 of the Company's prospectus dated 13 December 2010 (the "**Prospectus**") which has been prepared on the basis described in the notes to the Pro forma financial information, for illustrative purposes only, to provide information about how the proposed Firm Placing and Placing and Open Offer might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the unaudited interim financial statements for the period ended 30 June 2010. This report is required by item 20.2 of Annex I to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro forma financial information in accordance with item 20.2 of Annex I to the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro forma financial information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted

primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

In our opinion:

(a) the Pro forma financial information has been properly compiled on the basis stated; and

(b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3 R(2)(f), we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

Part 7

Additional Information

1. Responsibility

1.1 The Company and the Directors, whose names are set out on page 24 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and contains no omission likely to affect its import.

2. The Company

2.1 The Company was incorporated on 20 September 1996 under the Companies Act 1985 as a private limited company limited by shares and registered in England and Wales under number 03252665 with the name Pinco 838 Limited. The Company was re-registered as a public company on 30 October 1996, on which date the name of the Company was changed to Oxford BioMedica plc.

2.2 The registered and head office of the Company is at the Medawar Centre, Robert Robinson Avenue, Oxford Science Park, Oxford OX4 4GA, United Kingdom (telephone number +44 (0) 1865 783 000).

2.3 The principal legislation under which the Company operates and under which the shares were and are created is the Companies Act (including the Companies Act 1985) and regulations made thereunder.

3. Share capital

3.1 The issued and fully paid up share capital of the Company as at 10 December 2010 (being the latest practicable date before the publication of this document) was as follows:

	Issued	*Number*
Existing Ordinary Shares of one pence each	£5,448,755.57	544,875,557

The issued and fully paid up share capital of the Company immediately following Admission (assuming there has been no exercise of share options under the Share Schemes) will be as follows:

	Issued	*Number*
Ordinary Shares of one pence each	£9,448,755.57	£944,875,557

3.2 On 1 January 2007 (being the date of commencement of the period for which historical financial information on Oxford BioMedica has been provided in this document), the authorised share capital of the Company was £6,500,000 divided into 650,000,000 Ordinary Shares of one pence each in nominal value of which 501,369,655 were issued and fully paid. Since that date the following changes have been made to the authorised and issued share capital of the Company:

(a) a total of 1,271,636 Ordinary Shares were allotted and issued at a price per share of between 7 pence and 39 pence between 3 January 2007 and 24 August 2007 pursuant to the Company's share option schemes;

(b) on 9 March 2007 31,771,246 Ordinary Shares were allotted and issued at a price per share of 50.4 pence as (i) repayment of a loan and the payment of the redemption premium on such loan and (ii) as consideration for the transfer of 7,042,638 ordinary shares in Oxxon Therapeutics Limited to the Company;

(c) on 4 July 2007 243,306 Ordinary Shares were allotted and issued at a price per share of 40.75 pence to Children's Hospital, Boston, US;

(d) on 7 January 2008 2,369,818 Ordinary Shares were allotted and issued at a price per share of 24 pence to the University of Massachussets medical school and the Carnegie Institute of Washington;

(e) a total of 264,100 Ordinary Shares were allotted and issued at a price per share of between 7 pence and 23 pence between 11 February 2008 and 6 May 2008 pursuant to the Company's share option schemes;

(f) on 4 February 2009 2,209,042 Ordinary Shares were allotted and issued at a price per share of 7.8 pence pursuant to an investment made in the Company under the collaboration agreement with the Foundation Fighting Blindness through its translational research arm the National Neurovision Research Institute;

(g) a total of 187,025 Ordinary Shares were allotted and issued at a price per share of between 7 pence and 8.75 pence between 28 May 2009 and 16 October 2009 pursuant to the Company's share option schemes;

(h) on 4 June 2009 the authorised share capital of the Company was increased from £6,500,000 to £10,000,000 by the creation of 350,000,000 new Ordinary Shares;

(i) on 1 September 2009 1,500,000 Ordinary Shares were allotted and issued at a price per share of 11.5 pence to John Dawson, Chief Executive Officer, as a one-off share-based bonus payment;

(j) on 21 January 2010 1,699,876 Ordinary Shares were allotted and issued at a price per share of 11.6 pence to the Research Development Foundation, the technology transfer entity of the Clayton Foundation for Research of Houston, Texas;

(k) between 18 February 2010 and 28 April 2010, 181,892 Ordinary Shares were allotted and issued at a price per share of between 5.75 pence and 7 pence pursuant to the Company's share option schemes;

(l) at the annual general meeting of the Company held on 27 April 2010 the Company passed a resolution which removed from the articles of association of the Company the statement of the Company's authorised share capital which on 1 October 2009 became a provision of the articles of association limiting the nominal amount of shares which the Directors can allot and adopted new articles of association which do not contain such a limit, so the share capital of the Company is unlimited; and

(m) on 18 June 2010 1,807,961 Ordinary Shares were allotted and issued at a price per share of 10.25 pence to Cancer Research Technology.

3.3 If Shareholders vote in favour of the Resolutions set out in the Notice of General Meeting and if the Resolutions become unconditional:

(a) pursuant to Resolution 2, the Directors will be unconditionally authorised, in accordance with section 551 of the Companies Act, to exercise all powers of the Company to allot shares, up to a maximum nominal amount of £4,000,000 (400,000,000 Existing Ordinary Shares equating to approximately 73.4 per cent. of the issued existing ordinary share capital as at 10 December 2010, being the latest practicable date prior to the publication of this document) pursuant to the Firm Placing and Placing and Open Offer which authority will be in addition to any existing authority. The authority conferred by Resolution 2 shall expire (unless previously revoked or varied by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of the passing of the Resolution, whichever is earlier, save that the Company may, before such expiry, revocation or variation, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuant of such offer or agreement as if the authority conferred had not expired or been revoked or varied; and

(b) pursuant to Resolution 3, the Directors will be given power to allot for cash equity securities (as defined by section 560 of the Companies Act) pursuant to the authority under section 570 of the Companies Act conferred on them by Resolution 2 as if section 561 of the Companies Act did not apply to the allotment, provided that the power shall be limited to the allotment of equity securities pursuant to the Firm Placing and Placing and Open Offer, such power to expire on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of the passing of the Resolution, whichever is earlier, but may be revoked or varied from time to time by Special Resolution so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

3.4 Save as disclosed in paragraph 3.10 of this Part 7, neither Oxford BioMedica nor any of its subsidiaries has granted any options over its share or loan capital which remain outstanding or has agreed, conditionally or unconditionally, to grant any such options.

3.5 The Existing Ordinary Shares currently in issue are, and the New Ordinary Shares will be, in registered form and capable of being held in uncertificated form in CREST. Where New Ordinary Shares are held in certificated form, share certificates will be sent to the registered member by first class post.

3.6 When admitted to trading, the New Ordinary Shares will be registered with the International Security Identification Number GB0006648157 the same as the current ISIN number for Existing Ordinary Shares.

3.7 The New Ordinary Shares to be issued pursuant to the Firm Placing and Placing and Open Offer will be credited as fully paid and will rank equally in all respects with the Existing Ordinary Shares, including the right to receive any dividends or distributions made, paid or declared after Admission.

3.8 Of the balance of the unissued ordinary share capital of the Company immediately following Admission 35,717,895 Ordinary Shares are available for issue on exercise of the outstanding share options granted to certain Directors and employees of the Group under the Share Schemes detailed at paragraph 3.10 of this Part 7.

3.9 The provisions of section 561 of the Companies Act and the Listing Rules confer on Shareholders rights of pre-emption in respect of the allotment of equity securities (as defined in section 560 of the Companies Act) which are to be paid up in cash, except to the extent disapplied by resolutions of the Company including the Resolutions.

3.10 As at 10 December 2010 (the latest practicable date prior to the publication of this document) the following share options granted to certain Directors and employees of the Group under the Share Schemes were outstanding:

	Date options granted (and term where relevant)	*Subscription price per share £*	*Exercisable from*	*Expiry date*	*Number Existing of Ordinary Shares under option*
1996 Share Scheme	2004	16.5p to 23.0p	26 March 2007 to 29 November 2007	26 March 2011 to 29 November 2011	1,964,676
1996 Share Scheme	2005	20.25p to 43.25p	01 April 2008 to 15 December 2008	01 April 2012 to 15 December 2012	2,006,999
1996 Share Scheme	2006	28.25p to 31.0p	21 March 2009 to 06 September 2009	21 March 2013 to 06 September 2013	980,125
2007 Share Scheme	2007	22.0p to 49.25p	08 March 2010 to 14 December 2010	08 March 2017 to 14 December 2017	1,121,411

	Date options granted (and term where relevant)	*Subscription price per share £*	*Exercisable from*	*Expiry date*	*Number Existing of Ordinary Shares under option*
2007 Share Scheme	2008	5.75p to 22.5p	13 March 2011 to 13 October 2011	13 March 2018 to 13 October 2018	1,681,307
2007 Share Scheme	2009	6.10p to 11.25p	25 March 2012 to 08 October 2012	25 March 2019 to 08 October 2019	2,450,376
2007 Share Scheme	2010	9.5p to 9.69p	1 April 2013 to 13 September 2013	1 April 2020 to 13 September 2020	2,891,719
LTIP	2008	1p	13 March 2011	13 March 2018	3,352,088
LTIP	2008	1p	13 October 2011	13 October 2018	2,875,000
LTIP	2009	1p	25 March 2012	25 March 2019	6,423,000
LTIP	2010	1p	15 June 2013	15 June 2020	6,106,000
Individual option agreement	2001	43.0p to 51.0p	25 May 2002 to 25 June 2002	25 May 2011 to 25 June 2011	3,865,194
Total					35,717,895

All of the above options were granted for nil consideration.

4. Memorandum of Association and Articles of Association

4.1 *Memorandum of Association*

At the annual general meeting of the Company held on 27 April 2010 a resolution was passed which amended the Company's memorandum of association so that all of the provisions in the memorandum of association other than the Company's name were deleted. The Company has unrestricted objects.

4.2 *Articles*

The Company's Articles contain provisions to the following effect:

(a) *Rights attaching to the Ordinary Shares*

The following is a summary of the rights under the Articles which attach to Existing Ordinary Shares.

(i) Voting rights

Subject to any special rights or restrictions as to voting which are given to any shares (as to which there are none at present), the Articles state that every qualifying person (being a member, authorised representative in the case of a corporate member, or proxy) present at a general meeting has one vote on a show of hands, and on a poll every Shareholder present in person or by proxy has one vote for every share of which he is the holder. Shareholders may appoint one or more proxies (or authorised representatives in the case of a corporate member) but on a vote on a show of hands if a person is appointed as proxy for two or more Shareholders he shall have one vote, unless those Shareholders instruct him to vote in different ways, in which case he has one vote for and one vote against the resolution being voted on. If a Shareholder present is also a proxy for one or more other Shareholders he shall have one vote only. In the case of joint holders, the vote of the person whose name stands first in the register of members is accepted to the exclusion of any vote tendered by any other joint holder. Unless the Directors otherwise determine, a Shareholder is not entitled to be present or to vote, either personally or by proxy, at any general or class meeting while any amount of money relating to his shares remains outstanding.

(ii) Voting by Proxy

To appoint a proxy, the Shareholder must deliver a validly executed instrument appointing a proxy (a "Proxy Notice") to the registered office of the Company, or to any other place specified in the notice of meeting or in any document sent with the notice within the specified time frame. The time frame for delivery is 48 hours before a meeting or adjourned meeting or 24 hours before a poll is to be taken if the poll is taken more than 48 hours after the day of the meeting or adjourned meeting. A Proxy Notice will expire 12 months from its date of execution or delivery by electronic communication (such as fax or e-mail). A Proxy Notice can be in any form which the Directors may approve including the appointment of a proxy by means of an electronic communication in the form of an uncertificated proxy instruction in such form and subject to such terms and conditions as may from time to time be prescribed by the Directors. Delivery of a Proxy Notice does not preclude a Shareholder from attending, speaking or voting in person at the meeting or poll concerned.

(iii) Dividends

Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force, the Company may, by ordinary resolution, declare dividends to be paid to the Shareholders according to their rights and interests in the profits available for distribution, but no dividend shall be declared in excess of the amount recommended by the Directors. Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force, the Directors may pay interim dividends of such amounts and on such dates and in respect of such periods as the Directors think fit. Except as otherwise provided by the rights attached to the shares, all dividends shall be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in which the dividend is paid.

No dividend will be paid unless the Company has profits available for that purpose in accordance with the provisions of the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force.

Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide, dividends may be declared or paid in any currency the Directors agree with Shareholders.

Directors may retain any dividend (or part of a dividend) or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution the Directors may settle the same as they think expedient.

The Board may, in respect of any dividend declared or paid on or before the date of the fifth annual general meeting of the Company after 27 April 2010, and thereafter with the sanction of an ordinary resolution of the Company, offer Shareholders the right to elect to receive Ordinary Shares instead of some or all of their cash dividend.

The Company may cease to send any means of payment for any dividend payable on any shares if in respect of at least two consecutive dividends payable on those shares the means of payment has failed but the Company shall recommence sending payments in respect of dividends if the holder of the relevant shares requests such recommencement in writing.

Any dividend which remains unclaimed after a period of twelve years from the date on which such dividend is payable shall be forfeited and returned to the Company.

(b) *Transfer*

Existing Ordinary Shares are in registered (certificated or uncertificated) form and are freely transferable.

Any Shareholder may effect the transfer all or any of his certificated shares by an instrument of transfer in the usual common form or in any other form which the Directors may approve. The transfer of an uncertificated share need not be in writing and shall comply with the rules adopted by the Directors which are consistent with the CREST Regulations.

A share transfer form must be signed by or on behalf of the transferor and, in the case of a partly paid share, also on behalf of the transferee. The transferor will continue to be treated as a Shareholder until the name of the transferee is entered in the register of members for the relevant share or shares.

The Directors may, in their absolute discretion and without giving any reason except as required by law, decline to register any transfer of any share which is not a fully paid up share or on which the Company has a lien provided that, if any of these shares have been admitted to the Official List, this does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also decline to register any transfer unless:

(i) in the case of a certificated share, the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

(ii) in the case of a certificated share, the instrument of transfer is in respect of only one class of share;

(iii) in the case of a transfer to joint holders of a certificated or uncertificated share, the number of joint holders to whom the share is to be transferred does not exceed four.

The Board may also refuse to register a transfer of uncertificated shares in accordance with the CREST Regulations.

If the Directors decline to register a share transfer they must send notice of the refusal to the transferee providing the reason for such refusal. In the case of a certificated share, such notice must be sent by the earlier of (1) the time required by the London Stock Exchange, the UK Listing Authority or the Financial Services Authority in force for the time being or (2) the expiration of two months after the date on which the instrument of transfer was lodged. In the case of an uncertificated share, such notice must be sent within two months of the date on which the Company's registrars received "dematerialised instructions" authenticated in accordance with the CREST Regulations to update the Company's register of members to show the transferee as the holder of such share.

(c) *Alteration of share capital*

The Company may from time to time, by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares. Subject to the Companies Act and any other relevant statute, order, regulation or other subordinate legislation from time to time in force the Company may by ordinary resolution sub-divide all or any of its share capital into shares of smaller nominal value than its existing shares and provide that, as between the holders of the divided shares, different rights and restrictions apply. The Company may also cancel any shares which, at the date of the passing of the ordinary resolution have not

been taken, or agreed to be taken and reduce the amount of the Company's share capital by the amount of the cancelled shares.

The Company may by special resolution, subject to any confirmation or consent required by law, reduce its share capital, any capital redemption reserve, any share premium account or any other undistributable reserve in any manner.

The Directors have the power to deal with fractions of shares resulting from a consolidation, division or sub-division, including issuing fractional certificates or arrange for the sale of the shares representing the aggregated fractions in the market and for the distribution of the net proceeds of sale in proportion among the Shareholders who would have been entitled to the fractions or, if permitted for the retention of such net proceeds for the benefit of the Company.

(d) *Restrictions on Shareholders*

If any Shareholder or any other person who the Company has reasonable cause to believe has an interest in the Company's shares has been duly served with a statutory notice (pursuant to section 793 of the Companies Act) and has not, within 14 days, provided details of those who have an interest and the extent of their interest in that particular shareholding, the Company may send out a further notice to the shareholder (a "restriction notice") to direct that in respect of the shares in relation to which the default occurred (the "identified shares") (which expression shall include any further shares which are issued in respect of such shares) the Shareholder shall not be entitled to attend or vote either personally or by proxy at a general meeting of the Company or a meeting of the holders of any class of shares or to exercise any other right in relation to general meetings of Oxford BioMedica or meeting of the holders of any class of shares.

Where the identified shares represent 0.25 per cent. or more in number of the issued shares of a class then the restriction notice may additionally direct that any dividend (or part thereof) or shares issued in lieu of dividend which would otherwise be payable in respect of the identified shares may be withheld and/or that a transfer of any of the identified shares in certificated form and, as far as permitted by the CREST Regulations, any of the identified shares in uncertificated form may be declined to be registered by the Directors, unless the Directors are satisfied that they have been sold outright to an independent third party. Any sale through the London Stock Exchange or other stock exchange or acceptance of a takeover offer will be treated as an outright sale to an independent third party.

(e) *Variation of rights*

Subject to the provisions of the Companies Act all or any of the rights for the time being attached to any class of shares may from time to time be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of any shares or class of shares shall not, unless expressly provided in the rights attaching to, or the terms of issue of such shares, be deemed to be altered by the creation or issue of further shares ranking *pari passu* therewith.

The provisions of the Articles relating to general meetings will apply to any such separate class meeting but:

(i) the necessary quorum is two Shareholders present in person or by proxy who hold at least one-third in nominal value of the issued shares of the class;

(ii) every Shareholder of the class present in person shall be entitled to one vote or if present by one or more proxies or authorise representatives to one vote for every proxy or authorised representative appointed by him;

(iii) any Shareholder who is present in person, by proxy or by authorised representative can demand a poll at which every Shareholder who is present in person, by proxy or by authorised representative is entitled to one vote for every share he has of the class; and

(iv) if at an adjourned meeting, a quorum as defined above is not present, one person who holds shares of the class, or his proxy, will be a quorum.

(f) *Directors*

Number – Subject to the passing of an ordinary resolution of the Company, there must be at least two Directors and not more than twelve (disregarding alternative Directors).

Age – No person will be disqualified from being appointed a Director or be required to stop being a Director because he has reached a particular age.

Appointment – Directors may be appointed by ordinary resolution of the Company or by the Board of Oxford BioMedica and a Director need not be a Shareholder. A Director appointed by the Board of Oxford BioMedica holds office only until the next following annual general meeting when he will be eligible for reappointment but he is not taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting.

Removal – In addition to any power to remove Directors under the Companies Act, the Company may pass a special resolution (or an ordinary resolution of which special notice has been given in accordance with the provisions of the Companies Act) to remove a Director from office even though his time in office has not ended and may (subject to the Articles) elect a person to replace a Director who has been removed in this way by passing an ordinary resolution.

Retirement by rotation – At every annual general meeting, one-third of the Directors will retire by rotation and be eligible for re-election. If one-third is not a whole number, the number of Directors to retire is the number nearest to and less than one-third. The Directors to retire will be those who have been Directors longest since they were last elected. If there are Directors who were last elected on the same date, and they cannot agree who is to retire, they must draw lots to decide. In addition, any Director who would not otherwise be required to retire by rotation must retire by rotation at the third annual general meeting since his last appointment or re-appointment.

Eligibility – Only the following may be elected as Directors at a general meeting:

(i) Directors retiring at that meeting;

(ii) anyone recommended by the Directors; and

(iii) anyone nominated by a Shareholder (not being the person nominated) entitled to vote at the meeting who has delivered to the office of the Company between seven and 42 clear days before the meeting a letter stating that he intends to nominate another person for election as Director and written confirmation from the nominee that he is willing to be elected.

Remuneration – The total fees paid to all of the Directors for their services as such (excluding amounts payable under other provisions of the Articles) must not exceed £350,000 per annum or such other higher amount as may from time to time be decided by ordinary resolution. Any Director who performs any services for Oxford BioMedica which, in the opinion of the Directors, go beyond the ordinary duties of a Director is entitled to receive extra remuneration (whether by way of salary, commission, participation in profits or otherwise as well as his ordinary pay as a Director) as the Board of Oxford BioMedica or a committee thereof may decide. Each Director may be paid reasonable expenses incurred in attending and returning from Board meetings, committee meetings, general meetings or otherwise properly and

reasonably incurred in connection with Oxford BioMedica's business or in the performance of his duties as a Director.

Pensions and gratuities for Directors – The Directors may provide benefits, whether by the payment of gratuities or pensions or by purchasing and maintaining insurance or otherwise, for the benefit of any persons who are or were at any time Directors or the holders of any executive or comparable office of employment with the Company or any other company or undertaking which is or has been (a) a subsidiary of the Company or (b) otherwise allied to or associated with the company or a subsidiary of the Company or (c) a predecessor in business of the Company or of any such subsidiary, or (d) for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before or after he ceases to hold such office or employment) establish, maintain, subscribe and contribute to any fund and pay premiums for the purchase or provision of any such benefit.

(g) *Directors' interests*

Subject to the provisions of the Companies Act a Director may be a party to or otherwise interested in any contract, transaction, arrangement or proposal with the Company or in which the Company is otherwise interested either in regard to his tenure of any office or place of profit or as vendor, purchaser or otherwise. A Director may hold any other office or place of profit under the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director and may act by himself or through his firm in such professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any remuneration shall be in addition to any remuneration provided for by any other article.

A Director who to his knowledge is in any way (directly or indirectly) interested in a contract, transaction, arrangement or proposal with the Company shall declare the nature of his interest at the meeting of the Directors at which the question of entering into such contract, transaction, arrangement or proposal is first considered if he knows his interest then exists or in any other case at the first meeting of the directors after he knows that he is or has become so interested or by means of a notice complying with the Companies Act, given as soon as practicable after the interest arises or, as the case may be, the Director knows that he is or has become so interested.

A Director shall not vote or be counted in the quorum on any resolution of the directors concerning his own appointment (including the fixing and varying of terms of appointment) as the holder of any office or place of profit with the Company or any other company in which the Company is directly or indirectly interested. Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employment with the Company or any body corporate in which the Company is interested (other then one in which the Director and any persons connected with him have such an interest as is mentioned in (d) of the paragraph below) the proposals may be divided and considered in relation to each director separately and (provided he is not under the Articles or for any other reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

A Director shall not vote or count in the quorum in relation to a resolution or meeting of the Directors in respect of any contract or arrangement or any other proposals whatsoever in which he has an interest which (together with any interest of a connected person) to his knowledge is a material interest. Notwithstanding the above, a Director shall be entitled to vote (and be counted in the quorum) on: (a) any transaction in which he is interested by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company; (b) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations undertaken by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or the giving of any guarantee, security or indemnity to

a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security; (c) any transaction relating to an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which the Director is to participate; (d) any contract, transaction, arrangement or proposal to which the Company is or is to be a party relating to another company, including any subsidiary undertaking of the Company, in which he and any persons connected with him do not to his knowledge (directly or indirectly) hold an interest in shares (as that term is used in Part 22 of the Companies Act) whether as an officer, shareholder, creditor or otherwise representing one per cent. or more of any class of the equity share capital, or the voting rights, in that company or of any other company through which his interest is derived; (e) any contract, transaction, arrangement or proposal for the benefit of employees of the Company or any of its subsidiary undertakings (including in relation to a pension fund, retirement, death or disability benefits scheme or personal pension plan) which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; (f) any contract, transaction, arrangement or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors; and (g) (save in relation to any matter concerning or affecting his own participation therein) any transaction involving the adoption or modification of any share option or share incentive scheme of the Company.

The provisions of the Articles relating to the permitted interests of the directors and their ability to vote thereon may be suspended or relaxed and a transaction not duly authorised thereby may be ratified, in each case by ordinary resolution.

Without prejudice to any of such provisions of the Articles the Directors have power, in accordance with the Companies Act, to authorise any interest of a Director which conflicts, or may conflict, with the interests of the Company, not being in relation to a contract or arrangement between the Director and the Company itself.

(h) *Borrowings*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (as regards subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Group (exclusive of any borrowings which are owed by one Group company to another Group company) after deducting the amount of cash deposited will not, without the previous sanction of the Company in general meeting, exceed an amount equal to four times the adjusted capital and reserves (as defined in the Articles) or any higher limit fixed by ordinary resolution of the Company which is applicable at the relevant time.

(i) *Shareholders' meetings*

Subject to the provisions of the Companies Act, an annual general meeting shall be called by at least twenty-one clear days' notice, and all other general meetings shall be called by at least fourteen clear days' notice, subject to compliance with section 307A of the Companies Act. The notice shall specify the place, the date and the time of meeting and the general or special nature of business to be transacted. A general meeting shall, notwithstanding that it has been called by shorter notice than that specified above, be deemed to have been duly called if it is so agreed in the case of an annual general meeting, by all the members entitled to attend and

vote at the meeting; and in the case of any other meeting, by a majority in number of the members having a right to attend and vote at that meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right.

(j) *Untraced Shareholders*

The Company may sell at the best price reasonably obtainable any share of a Shareholder or any share to which a person is entitled by transmission, if:

(i) during the 12 years before the earliest of the notices referred to in (ii) below, at least three dividends have become payable on the shares and no dividend has been claimed during that period;

(ii) after the 12 year period, the Company has published a notice, stating that it intends to sell the shares in a national newspaper in the United Kingdom and in a local newspaper appearing in the area in the United Kingdom which includes the address held by the Company for serving notices relating to those shares;

(iii) during the 12 year period and for three months after the last of the notices referred to in (ii) above appear, the Company has not heard from the Shareholder or any person entitled to the shares by law; and

(iv) the Company has notified the London Stock Exchange that it intends to sell the shares.

To sell any shares in this way, the Directors may appoint anyone to transfer the shares. This transfer will be just as effective as if it had been signed by the Shareholder, or by a person who is entitled to the shares by law. The person to whom the shares are transferred will not be bound to concern himself as to what is done with the purchase moneys nor will his ownership be affected even if the sale is irregular or invalid in any way.

After the sale, the Company must record the name of the Shareholder, or (if known) the person who would have been entitled to the shares by law, as a creditor for the money in its accounts. The Company will not be a trustee of the money and will not be liable to pay interest on it. The Company can use the money, and any money earned by using the money, for its business or in any other way that the Directors decide, but the money cannot be invested in the Company's shares or in the shares of any holding company of the Company. The former Shareholder, or the person who would have been entitled to the shares by law may request such net amount of money to be paid to him at any time.

4.3 ***Mandatory bids, squeeze-out and sell-out rules***

(a) *Mandatory bid*

The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of shares were to increase the aggregate holding of the acquirer and its concert parties to shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer and, depending on the circumstances, its concert parties would be required (except with the consent of the Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for the shares by the acquirer or its concert parties during the 12 months prior to the announcement of the offer. This requirement would also be triggered by any acquisition of shares by a person holding (together with its concert parties) shares carrying between 30 and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

(b) *Squeeze-out*

Under the Companies Act, if an offeror were to acquire or contract to acquire 90 per cent. of the shares to which the offer relates within four months of making its offer, it could then compulsorily acquire the remaining 10 per cent. It would do so by sending a notice to outstanding Shareholders telling them that it will compulsorily acquire their shares and then,

six weeks later, it would execute a transfer of the outstanding shares in its favour and pay consideration to the Company, which would hold the consideration on trust for outstanding Shareholders. The consideration offered to the Shareholders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

(c) *Sell-out*

The Companies Act would also give minority Shareholders in the Company a right to be bought out in certain circumstances by an offeror who made a takeover offer. If a takeover offer related to all the shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. of the shares to which the offer relates, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any Shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority Shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a Shareholder exercises his/her right, the offeree is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no public takeover bids by third parties in respect of the share capital of the Company in the last or current financial year.

5. Principal Subsidiary Undertakings of Oxford BioMedica

Oxford BioMedica plc is the parent company of the Group. Details of the Company's principal subsidiary undertakings are set out below. The capital of each subsidiary undertaking is directly or indirectly wholly owned by Oxford BioMedica.

Subsidiary undertaking	*Nature of business and operation*	*Country of Incorporation*
Oxford BioMedica (UK) Ltd	Gene therapy research and development	England and Wales
Biomedica, Inc.	Gene therapy research and development	US

6. Property, plant and equipment

6.1 The following table contains information regarding existing or planned material tangible fixed assets owned or leased by members of the Group.

Location	*Tenure*	*Floor Area (m^2)*	*Principal Use*
Medawar Centre Robert Robinson Avenue The Oxford Science Park Oxford OX4 4GA, UK	Leasehold	2,549	Offices and laboratories
11622 El Camino Real #100 San Diego CA 92130, US	Leasehold	55	Offices
6828 Nancy Ridge Drive Suite 100 San Diego CA 92123	Leasehold	2,270	Former offices and laboratories, now sub-let

6.2 As far as the Directors are aware and other than as provided in the audited financial statements, there are no pending or likely remediation and compliance costs which may have a material adverse effect on the Company or its property, plant or equipment.

6.3 As far as the Directors are aware, there are no material encumbrances on the Company or its property, plant and equipment.

6.4 As far as the Directors are aware, there are no material environmental issues that may affect the utilisation of the Company's fixed assets.

6.5 The funds required to fulfil the Company's commitments under its leases of the premises detailed above are provided from the Group's operating income.

7. Directors of Oxford BioMedica

7.1 The Directors and Senior Managers of Oxford BioMedica and their respective functions are as follows:

Director/Senior Manager	*Position*
Dr. Alan John Kingsman	Chairman
John Andrew Dawson	Chief Executive Officer
Andrew Brian Wood	Chief Financial Officer
Dr. (Michael) Stuart Naylor	Chief Scientific Officer
Peter John Nolan	Executive Director and Senior Vice President, Commercial Development
(Philip) Nicholas Rodgers	Deputy Chairman and Senior Independent Director
Dr. Paul Blake	Non-executive Director
Dr. Andrew John William Heath	Non-executive Director
Dr. Alexander David Lewis	Non-executive Director
Richard Harrop	Head of Clinical Analysis
Jill Martin	Vice President, Intellectual Property – US
James Miskin	Head of Manufacturing and Product Release
Kyriacos Mitrophanous	Head of Research
Graham Price	Chief Medical Officer

7.2 The business address of each of the Directors and Senior Managers is the Medawar Centre, Robert Robinson Avenue, Oxford Science Park, Oxford OXB 4GA, other than Jill Martin whose business address is 11622 El Camino Real, #100 San Diego, CA 92130, US

7.3. The brief biographical details of the Directors are set out in Part 3 of this document.

7.4 The following table sets out the names of all companies and partnerships outside the Group of which any Director or Senior Manager is or has been a member of the administrative, management or supervisory body or partner at any time in the previous five years (excluding subsidiaries of any company of which the Director or Senior Manager in question is also a member of an administrative, management or supervisory body):

Name	*Position*	*Company/ Partnership*	*Position still held (Y/N)*
Dr. Alan Kingsman	Director	Canitech Limited	N
John Dawson	Director	Cephalon Holdings Limited	N
		Cell Therapeutics (UK) Limited	N
Andrew Wood	None		
Stuart Naylor	None		
Peter Nolan	Director	BioIndustry Association	Y

Name	*Position*	*Company/ Partnership*	*Position still held (Y/N)*
Nick Rodgers	Director	Therakind Limited	Y
		IPSoL Energy Ltd	Y
		Spice plc	N
		Nick Rodgers Financial Limited	Y
		Morvus Technology Limited	Y
		Burvale Corporate Governance Advisory Limited	Y
		Ipso Ventures plc	Y
		TMO Renewables Limited	Y
		Quickend Limited	N
Dr. Paul Blake	Director	QR Pharma, Inc.	Y
		Aeterna Zentaris, Inc.	Y
		Y-prime Technologies	Y
		Cephalon, Inc.	N
		Protex Pharmaceuticals, Inc.	N
		Viacell, Inc.	N
		Memory Pharmaceuticals Corp.	N
Dr. Andrew Heath	Director	22-24 Sloane Gardens Limited	Y
		Anew Optics Inc.	Y
		Pioneer Technology Inc.	Y
		XL Techgroup, Inc.	Y
		Bioindustry Association	Y
		Morvus Technology Limited	Y
		Protherics plc	N
		BTG Management Services Limited	N
Dr. Alex Lewis	Director	Lewis Health Care Consultants	Y
		EctoPharma Limited	Y
		Iris Cancer Partnership	Y
Richard Harrop	None		
Jill Martin	None		
James Miskin	None		
Kyriacos Mitrophanous	None		
Graham Price	None		

7.5 None of the Directors or Senior Managers:

(a) is or has been a member of the administrative, management or supervisory body of any company or partner of any partnerships outside the Group at any time in the previous five years, save as disclosed in paragraph 7.4 above; or

(b) has any convictions in relation to fraudulent offences at any time in the previous five years; or

(c) has been bankrupt, been the subject of or entered into an individual voluntary arrangement at any time in the previous five years; or

(d) has at any time in the previous five years been a member of any administrative, management or supervisory body of any company that has been subject to any receivership, compulsory liquidation, creditors voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors; or

(e) has at any time in the previous five years been a partner in a partnership at the time of any compulsory liquidation, administration or partnership voluntary arrangement of such partnership; or

(f) has at any time in the previous five years had any of his or her assets the subject of any receivership or has been a partner of a partnership at the time of any assets thereof being the subject of the receivership; or

(g) has at any time in the previous five years been subject to any official public criticism, incrimination and/or sanction by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any company or from acting in the management or conducting the affairs of any company.

7.6 As at 10 December 2010 (being the latest practicable date prior to the publication of this document): (a) the interests of the Directors and Senior Managers, and persons connected with the Directors and Senior Managers in the share capital of the Company, such interests being those which could with reasonable diligence be ascertained by the Directors and Senior Managers, whether or not held through another party, and (b) the number of shares held under options by the Directors and Senior Managers under the Share Schemes were, and are expected to be, immediately following Admission as follows:

(a) *Shares*

Name of Director/ Senior Manager	*Number of Existing Ordinary Shares beneficially held at present*	*Per cent. of Existing Ordinary Shares beneficially held at present*	*Number of Ordinary Shares held immediately following Admission*	*Per cent. of issued Ordinary Shares immediately following Admission*
Dr. Alan Kingsman	13,032,590	2.39%	15,032,590	1.59
John Dawson	1,500,000	0.28%	1,700,000	0.18
AndrewWood	305,067	0.06%	405,067	0.04
Dr. Stuart Naylor	8,921	0.00%	88,921	0.01
Peter Nolan	263,638	0.05%	363,638	0.04
Nick Rodgers	52,000	0.01%	152,000	0.02
Dr. Paul Blake	–	–	100,000	0.01
Dr. Andrew Heath	–	–	200,000	0.02
Dr. Alex Lewis	100,000	0.02%	200,000	0.02
Richard Harrop	–	–	–	–
Jill Martin	–	–	–	–
James Miskin	–	–	–	–
Kyriacos Mitrophanous	–	–	–	–
Graham Price	–	–	–	–

(b) *Options over Ordinary Shares*

Director/ Senior Manager	*Date of Grant*	*No. of Ordinary Shares under option*	*Exercise price (p)*	*Date from which exercisable*	*Expiry date*	*Share Scheme*
Dr. Alan Kingsman	2004	340,000*	20.5	12 October 2007	12 October 2011	1996 Share Scheme
Dr. Alan Kingsman	2005	378,000*	29.0	15 December 2008	15 December 2012	1996 Share Scheme
Dr. Alan Kingsman	2008	1,291,871	1.0	13 March 2011	13 March 2018	LTIP
Dr. Alan Kingsman	2009	899,000	1.0	25 March 2012	25 March 2019	LTIP

*Includes connected person shares

Director/ Senior Manager	*Date of Grant*	*No. of Ordinary Shares under option*	*Exercise price (p)*	*Date from which exercisable*	*Expiry date*	*Share Scheme*
John Dawson	2008	2,500,000	1.0	13 October 2011	13 October 2018	LTIP
John Dawson	2009	2,500,000	1.0	25 March 2012	25 March 2019	LTIP
John Dawson	2010	1,692,000	1.0	15 June 2013	15 June 2020	LTIP
Andrew Wood	2004	175,000	20.5	12 October 2007	12 October 2011	1996 Share Scheme
Andrew Wood	2005	193,000	29.0	15 December 2008	15 December 2012	1996 Share Scheme
Andrew Wood	2008	977,533	1.0	13 March 2011	13 March 2018	LTIP
Andrew Wood	2009	1,082,000	1.0	25 March 2012	25 March 2019	LTIP
Andrew Wood	2010	1,128,000	1.0	15 June 2013	15 June 2020	LTIP
Dr. Stuart Naylor	2004	97,485	20.5	12 October 2007	12 October 2011	1996 Share Scheme
Dr. Stuart Naylor	2005	120,750	29.0	15 December 2008	15 December 2012	1996 Share Scheme
Dr. Stuart Naylor	2008	311,284	1.0	13 March 2011	13 March 2018	LTIP
Dr. Stuart Naylor	2009	811,000	1.0	25 March 2012	25 March 2019	LTIP
Dr. Stuart Naylor	2010	897,000	1.0	15 June 2013	15 June 2020	LTIP
Peter Nolan	2004	140,000	20.5	12 October 2007	12 October 2011	1996 Share Scheme
Peter Nolan	2005	153,000	29.0	15 December 2008	15 December 2012	1996 Share Scheme
Peter Nolan	2008	711,400	1.0	13 March 2011	13 March 2018	LTIP
Peter Nolan	2009	854,000	1.0	25 March 2012	25 March 2019	LTIP
Peter Nolan	2010	890,000	1.0	15 June 2013	15 June 2020	LTIP
Richard Harrop	2004	51,146	20.5	12 October 2007	12 October 2011	1996 Share Scheme
Richard Harrop	2005	55,200	29.0	15 December 2008	15 December 2012	1996 Share Scheme
Richard Harrop	2007	72,040	45.25	3 April 2010	3 April 2017	2007 Share Scheme
Richard Harrop	2008	25,000	5.75	13 October 2011	13 October 2018	2007 Share Scheme
Richard Harrop	2009	87,317	10.5	8 October 2012	8 October 2019	2007 Share Scheme
Richard Harrop	2010	353,000	1.0	15 June 2013	15 June 2020	LTIP
Jill Martin	2001	503,160	43.0	25 June 2002	25 June 2011	Individual contract
Jill Martin	2008	25,000	5.75	13 October 2011	13 October 2018	2007 Share Scheme
Jill Martin	2009	111,675	10.5	8 October 2012	8 October 2019	2007 Share Scheme
Jill Martin	2010	119,669	9.5	13 September 2013	13 September 2020	2007 Share Scheme
James Miskin	2004	48,070	23.0	26 March 2007	26 March 2011	1996 Share Scheme
James Miskin	2005	40,537	20.25	1 April 2008	1 April 2012	1996 Share Scheme
James Miskin	2006	29,051	29.0	21 March 2009	21 March 2013	1996 Share Scheme
James Miskin	2007	43,578	49.25	8 March 2010	8 March 2017	2007 Share Scheme
James Miskin	2008	25,000	5.75	13 October	13 October	2007 Share

Director/ Senior Manager	*Date of Grant*	*No. of Ordinary Shares under option*	*Exercise price (p)*	*Date from which exercisable*	*Expiry date*	*Share Scheme*
				2011	2018	Scheme
James Miskin	2009	68,490	10.5	8 October 2012	8 October 2019	2007 Share Scheme
James Miskin	2010	296,000	1.0	15 June 2013	15 June 2020	LTIP
Kyriacos Mitrophanous[1]	2004	98,234	20.5	12 October 2007	12 October 2011	1996 Share Scheme
Kyriacos Mirtophanous	2005	77,797	29.0	15 December 2008	15 December 2012	1996 Share Scheme
Kyriacos Mirtophanous[2]	2005	25,357	20.25	1 April 2008	1 April 2012	1996 Share Scheme
Kyriacos Mirtophanous[2]	2007	39,111	49.25	8 March 2010	8 March 2017	2007 Share Scheme
Kyriacos Mirtophanous[2]	2008	25,000	5.75	13 October 2011	13 October 2018	2007 Share Scheme
Kyriacos Mitrophanous	2008	375,000	1.0	13 October 2011	13 October 2018	LTIP
Kyriacos Mitrophanous	2009	277,000	1.0	25 March 2012	25 March 2019	LTIP
Kyriacos Mirtophanous [2]	2009	61,470	10.5	8 October 2012	8 October 2019	2007 Share Scheme
Kyriacos Mitrophanous	2010	289,000	1.0	15 June 2013	15 June 2020	LTIP
Kyriacos Mirtophanous [2]	2010	33,194	9.5	13 September 2013	13 September 2020	2007 Share Scheme
Graham Price	2010	538,000	1.0	15 June 2013	15 June 2020	LTIP

(1) Including 24,150 Ordinary Shares under option held by a connected person.

(2) Ordinary Shares under option held by a connected person.

7.7 The interests of the Directors and the Senior Managers together represent 2.80 per cent. of the issued Existing Ordinary Shares in the capital of the Company as at 10 December 2010 (being the latest practicable date prior to publication of this document) and are expected to represent 1.9 per cent. of the issued Ordinary Shares of the Company immediately following Admission.

7.8 Save as disclosed in paragraph 7.6 of this Part 7 none of the Directors or Senior Managers, nor any person connected with them, has any interest in the share capital of Oxford BioMedica or of any of its subsidiaries or associated undertakings.

7.9 No Director or Senior Manager has any potential conflicts of interest between their duties to the Company and their private interests or their other duties.

8. Directors' Service Contracts

8.1 The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to each Director and Senior Manager by the Group for services in all capacities to the Group in respect of the financial year ended 31 December 2009, together with total amounts set aside or accrued by the Group to provide pension, retirement or similar benefits to each Director and Senior Manager, were as follows:

Name of Director/Senior Manager	*Remuneration and benefits in kind (£)*	*Pension Benefits (£)*
Dr. Alan Kingsman	186,073	6,250
John Dawson	783,977	33,000
AndrewWood	321,906	21,995
Dr. Stuart Naylor	257,754	17,083
Peter Nolan	256,228	17,357
NickWoolf[1]	254,320	17,743

Name of Director/Senior Manager	*Remuneration and benefits in kind (£)*	*Pension Benefits (£)*
Mark Berninger[2]	40,432	–
Nick Rodgers	48,968	–
Dr. Paul Blake[3]	–	–
Dr. Andrew Heath[3]	–	–
Dr. Alex Lewis	38,947	–
Richard Harrop	110,130	6,549
Jill Martin	118,656	–
Kyriacos Mitrophanous	136,053	11,261
James Miskin	75,639	5,137
Graham Price[4]	–	–

(1) Nick Woolf resigned from the board on 30 June 2010

(2) Mark Berninger resigned from the board on 1 January 2010

(3) Paul Blake and Andrew Heath were both appointed as directors on 1 January 2010

(4) Graham Price was appointed on 8 March 2010

8.2 The details of the Directors' service contracts or appointment letters, all of which are between each individual Director and Oxford BioMedica, are as follows None of the Directors' service contracts has been amended during the past six months:

(a) ***Non-executive Chairman***

Dr. Kingsman was Chief Executive Officer of the Company until 30 June 2008. From 1 July 2008 to 30 June 2009 he was Executive Chairman. With effect from 1 July 2009, under the terms of a letter of agreement dated 4 June 2009, he became Non-executive Chairman for a term of three years to 30 June 2012, with a provision for termination subject to 12 months' notice. The Non-executive Chairman's fee is currently £75,000 per annum.

The Non-executive Chairman's fee is not pensionable. During the term of his appointment as Non-executive Chairman, the Company provides Dr. Kingsman with life assurance cover which in the event of Dr. Kingsman's death shall pay to his chosen dependants a sum equal to four times his basic fee. Also during the term of his appointment as Non-executive Chairman the Company shall pay for private medical insurance for Dr. Kingsman, his spouse and dependant.

In addition, Dr. Kingsman has entered into a consultancy agreement with the Group to provide 30 days consultancy per annum at a fee of £75,000 per annum. The term of the agreement is 2 years from 1 July 2009. Consultancy days in excess of 30 in any 12 month period will be paid at £2,500 per day.

(b) ***Executive Directors***

Mr. Wood is Chief Financial Officer of Oxford BioMedica and entered into a service agreement with the Company on 1 December 1996. Mr. Wood is currently receiving a salary of £219,945 per annum. His salary is exclusive of any bonus award, pension contribution or share option grant which may be made by the Directors from time to time. The service agreement provides that his salary shall be variable upwards by a decision of the Directors and a salary review takes place at least annually. The service agreement has no fixed term and is terminable by mutual agreement between the parties at any time or by either party giving to the other not less than twelve calendar months' notice in writing. As Mr. Wood is not on a fixed term service agreement, if his employment terminates he is entitled to be given notice as set out above and he will be entitled to receive any salary or benefits for the duration of the notice period.

Mr. Wood is entitled to 28 days' paid holiday per year in addition to bank or public holidays. In the event that Mr. Wood is prevented by sickness, injury or other cause from performing his duties he is entitled to receive his full remuneration and benefits for a period of 26 weeks in

any period of 12 months. During the term of his service agreement the Company provides Mr. Wood with life assurance cover which in the event of Mr. Wood's death while employed shall pay to his chosen dependants a sum equal to four times his basic salary. Also during the term of his service agreement the Company shall pay for private medical insurance for Mr. Wood, his spouse and dependants and shall also effect permanent health insurance for the benefit of Mr. Wood to provide for the payment to him of an amount per annum equal to 75 per cent. of pensionable salary if Mr. Wood is prevented by sickness, injury or other cause from performing his duties for a period longer than 26 weeks. Mr. Wood is entitled to participate in any share scheme operated from time to time by the Company under the terms of which he is entitled to participate and to receive a total monthly contribution payable by Oxford BioMedica into a group personal pension scheme either nominated by him or established by the Company at a rate of ten per cent. of annual salary (not including bonuses or other allowances). The agreement contains confidentiality provisions which have effect during employment and after termination of employment as well as restrictions on the solicitation of customers, prospective customers or employees of the Company for a period of 12 months following termination of employment. The service agreement also provides that any invention made or intellectual property rights generated by Mr. Wood in the performance of his duties or as a result of any project agreed with the Company in advance which is outside of his normal duties shall belong to the Company.

Mr. Dawson is the Chief Executive Officer of Oxford BioMedica and entered into a service agreement with the Company on 10 October 2008. His service agreement is materially the same as that of Mr. Wood with the exceptions that: (i) Mr. Dawson receives a salary of £330,000 per annum and Oxford BioMedica may in the absolute discretion of the remuneration committee of the Directors award him a bonus of up to sixty per cent. of his base salary; and (ii) restrictions on the solicitation of customers, prospective customers or employees of the Company or of competing with the Company by Mr. Dawson will be in force for a period of 9 months following termination of employment.

Dr. Naylor is the Chief Scientific Officer of Oxford BioMedica and entered into a service agreement with the Company on 1 July 2008. His service agreement is materially the same as that of Mr. Dawson with the exception that Dr. Naylor receives a salary of £175,000 per annum.

Mr. Nolan is Senior Vice President, Commercial Development and entered into a service agreement with the Company on 1 May 2002. His service agreement is materially the same as that of Mr. Wood with the exception that Mr. Nolan receives a salary of £173,565 per annum.

(c) ***Non-executive Directors***

Dr. Lewis (under the terms of a letter dated 3 April 2008), Dr. Heath (under the terms of a letter dated 1 January 2010), Dr. Blake (under the terms of a letter dated 1 January 2010) and Mr. Rodgers (under the terms of a letter dated 2 March 2010) are appointed as Non-executive Directors of Oxford BioMedica. Their appointments are for a fixed term of three years from the date of appointment after which time, unless the appointment is renewed or extended by the Directors, the Non-executive Director will be expected to step down as a Director. The appointments of the Non-executive Directors may be terminated at any time in accordance with the Articles. If the relevant Non-executive Director's appointment terminates before their fixed term expires, their letter of appointment does not entitle them to any compensation. Each Non-executive Director will be paid their fees up to the termination date. The material exceptions to the terms of the letters of appointment are that Dr. Lewis receives total fees of £42,000 per annum which includes fees for serving as a member of the remuneration committee and of the audit committee. Dr. Heath receives total fees of £35,000 per annum which includes fees for serving as a member of the audit committee. Dr. Blake receives total fees of £35,000 per annum which includes fees for serving as a member of the remuneration committee. Mr. Rodgers receives total fees of £52,500 per annum which includes fees for serving as Senior Independent

Director, Deputy Chairman, chairman of the nomination committee, chairman of the audit committee and as a member of the remuneration committee.

(d) ***Indemnity Arrangements***

The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act.

9. Substantial Shareholdings

9.1 As at 10 December 2010 (being the latest practicable date prior to the publication of this document) in so far as is known to Oxford BioMedica, the following person(s) were, directly or indirectly, interested in three per cent. or more of the existing issued ordinary share capital of Oxford BioMedica.

Shareholder	*Number of Existing Ordinary Shares held*	*Per cent. of Existing Ordinary Shares held*	*Number of Shares held immediately following Admission*[1]	*Per cent. of issued Ordinary Shares immediately following Admission*[1]
M&G Investment Management Limited	67,754,839	12.43%	117,754,839	12.46%
Cubana Investments Limited	59,881,824	10.99%	119,388,896	12.64%
GAM London Limited	28,720,928	5.27%	49,999,356	5.29%
Legal & General Group plc	21,192,517	3.89%	35,192,517	3.72%
Sputnik Group	16,752,764	3.07%	29,042,244	3.07%
JP Morgan Asset Management	7,868,706	1.44%	72,617,307	7.69%
Total	202,171,578	37.10%	432,995,159	44.87%

(1) Assuming each Shareholder takes up its full Open Offer Entitlement.

9.2 Save as disclosed in paragraph 9.1 of this Part 7, the Directors are not aware of any person who as at 10 December 2010 (being the latest practicable date prior to the publication of this document), directly or indirectly, has an interest in Existing Ordinary Shares which represents three per cent. or more of Oxford BioMedica's issued ordinary share capital.

9.3 Oxford BioMedica is not aware, as at 10 December 2010 (being the latest practicable date prior to the publication of this document): (1) of any persons, directly or indirectly, jointly or severally, exercise, or could exercise, control over Oxford BioMedica, or (2) of any arrangements, the operation of which may at a subsequent time result in a change of control of Oxford BioMedica.

9.4 The voting rights of Oxford BioMedica's major Shareholders (as detailed at paragraph 9.1 of this Part 7) do not differ from the voting rights enjoyed by any other holder of Existing Ordinary Shares.

9.5 Apart from the Related Party Transactions described in Part 1 and the transactions set out below, the Company has not entered into any other related party transaction between 2007 and 10 December (being the latest practicable date prior to the publication of this document):

(a) Prior to 2007 Oxford BioMedica (UK) Limited entered into a consultancy agreement with Mark Berninger, a Non-executive Director at the time, in connection with the Group's licensing strategy for the LentiVector® technology. This agreement came to an end in 2007. In that year a total of £783 was incurred in consultancy fees.

(b) Between 2007 and 2009 a close family member of Andrew Wood was employed by the Group and was paid at market rate. Total compensation cost, comprising salary, bonus, national insurance and pension was £74,000 in 2007, £66,000 in 2008 and £73,000 in 2009. Also in 2009 a termination payment of £30,000 was paid.

(c) Dr Susan Kingsman (former Director and spouse of Dr. Alan Kingsman) entered into a consultancy agreement effective from 1 July 2008. Fees paid were £25,000 in 2008; £50,000 in 2009 and £25,000 in the six months ended 30 June 2010. With effect from 1 July 2010 the agreement was renewed at the rate of £25,000 per annum for a term ending on 30 June 2012.

(d) Dr. Alan Kingsman (Non-executive Chairman) entered into a consultancy agreement effective from 1 July 2009 and in addition to his fee as chairman, was paid a fee of £37,500 in 2009 and £37,500 in the six months ended 30 June 2010. The agreement continues at £75,000 per annum until 30 June 2011.

10. Placing Agreement

The Firm Placing and Placing and Open Offer is being fully underwritten by Singer Capital Markets subject to certain conditions set out in the Placing Agreement.

The Company and Singer Capital Markets have entered into the Placing Agreement pursuant to which Singer Capital Markets has conditionally agreed to make the Open Offer to Qualifying Shareholders as agent of the Company and has conditionally agreed, as agent of the Company, to use its reasonable endeavours to procure placees to subscribe for the Firm Placed Shares and the Placing Shares at the Offer Price subject in the case of the Placing Shares only to clawback to satisfy applications made by Qualifying Shareholders under the Open Offer. To the extent Singer Capital Markets is not able to procure placees to subscribe for all of the Firm Placed Shares and those Placing Shares which are not required to satisfy valid applications made by Qualifying Shareholders pursuant to the Open Offer, it has agreed, subject to the terms and conditions of the Placing Agreement, to subscribe itself at the Offer Price for such shares.

The Firm Placing and Placing and Open Offer is conditional, *inter alia*, upon Admission becoming effective and the Placing Agreement becoming unconditional in all other respects on 10 January 2011 or such later date (being no later than 31 January 2011) as the Company and Singer Capital Markets may agree.

The Company has agreed to pay Singer Capital Markets (a) a fee of £250,000 less amounts paid by the Company to Singer Capital Markets in respect of a monthly retainer, and (b) a commission equal to 4 per cent. of the aggregate value at the Offer Price of the New Ordinary Shares. The Placing Agreement also contains customary warranties, *inter alia*, as to the accuracy of information contained in this prospectus and an indemnity given by the Company in favour of Singer Capital Markets.

Singer Capital Markets may terminate the Placing Agreement in specified circumstances prior to Admission, including (i) in the event of a breach of the Placing Agreement the consequences of which are material in the context of the Firm Placing and Placing and Open Offer or of any of the warranties contained therein, or (ii) where, in the opinion of Singer Capital Markets acting in good faith there is a material adverse change in the financial or trading position or prospects of the Group, or (iii) where any material adverse change in the financial markets occurs or certain other *force majeure* events take place, the effect of which make it, in the opinion of Singer Capital Markets acting in good faith, impractical or inadvisable to proceed with the Firm Placing and Placing and Open Offer.

The Company will also bear all costs and expenses of the Firm Placing and Open Offer, including fees due to the Financial Services Authority, the London Stock Exchange, the Receiving Agent's fees, the costs of printing, advertising and circulating this document and related documents, accounting fees and expenses, the Company's legal fees and expenses, Singer Capital Markets' legal fees and expenses (up to a maximum of £50,000 plus VAT), stamp duty and stamp duty reserve tax (if any).

If, for any reason, the underwriting falls away, the offer will not proceed and monies will be returned to shareholders.

11. Material Contracts

The following contracts are all: (i) the material contracts (not being contracts entered into in the ordinary course of business) which have been entered into within the two years prior to the date of this document by members of the Group; and (ii) the contracts (not being contracts entered into in the ordinary course of business) entered into at any time by members of the Group which contain provisions under which any member of the Group has an obligation or entitlement which is or may be material to the Group as at the date of this document:

11.1 the Placing Agreement referred to in paragraph 10 above;

11.2 a deed of amendment dated 4 February 2009 between the Company and Paul Manning which amended the terms of a subscription agreement between the Company and Paul Manning dated 29 September 2006. Pursuant to the deed of amendment Paul Manning subscribed for 2,209,042 Ordinary Shares at 7.95 pence per new Ordinary Share, a 10 per cent. premium to the market price at the time of the subscription (US $250,000 in aggregate). The subscription agreement was entered into in conjunction with a research, development, and commercialisation agreement dated 29 September 2006 between Oxford BioMedica (UK) Limited, Paul Manning and National Neurovision Research Institute relating to StarGen™; and

11.3 a subscription agreement dated 21 January 2010 between the Company and RDF, in conjunction with a licence agreement between RDF and Oxford BioMedica (UK) Limited, pursuant to which RDF subscribed for 1,699,876 Ordinary Shares in the capital of the Company at a subscription price of 11.575 pence per Ordinary Share (£196,760.68 in aggregate). The subscription agreement contained certain warranties under which the Company's liability for warranty claims is equal to the aggregate subscription price paid for the Ordinary Shares by RDF (that is, £196,760.68) and the period for RDF being permitted to bring such claims expires on 21 January 2011.

12. Share schemes and individual option contracts

12.1 The Company currently operates three employee share plans under which options and awards in respect of Existing Ordinary Shares may be granted: the 1996 Share Scheme which closed in October 2006 but has remaining options granted which are yet to be exercised; the 2007 Share Scheme which was approved in February 2007; and the long term incentive plan ("LTIP") for executive Directors and senior executives which was also approved in February 2007. A share incentive plan ("SIP") was also approved in February 2007, however the SIP has not been operated by the Company to date.

Summary details of the share schemes are as follows:

(a) ***The Oxford BioMedica 1996 (No. 1) Share Option Scheme***

The 1996 Share Scheme does not qualify for approval by HM Revenue & Customs under Schedule 4 of the Income Tax (Earnings and Pensions) Act 2003. It is administered by the remuneration committee of the Directors. It provides for non-transferable options to be granted to eligible employees of the Company and any subsidiary.

Eligibility

Options may only be granted to Directors and certain employees of the Oxford BioMedica Group (the "Executive"). The Directors have discretion as to the selection of Executives to whom options may be granted, however, the grant of options to an Executive Director will be subject to the prior approval of the Remuneration Committee.

Grant of options

Options may only be granted within the period of 42 days following the announcement of the Company's annual or half-yearly results, or within the period of 42 days after a new employee first joins the Oxford BioMedica Group. The 1996 Share Scheme closed on 29 October 2006 and no option is able to have been granted after this date. Options were not granted to any

Executive who was within two years of the date on which he or she was due to retire under the terms of his or her contract of employment.

The exercise price

The price per share at which Ordinary Shares may be acquired upon the exercise of an option was determined by the Directors at the time of the grant but was not less than:

(1) the market value of an Ordinary Share being equal to the average of the middle market prices of the Ordinary Shares over the three dealing days preceding the date of grant; and

(2) in the case of options to subscribe for shares, the nominal value of an Ordinary Share.

Exercise of options

Generally an option is exercisable after the third anniversary of the date of grant (or such later time as the Directors may determine at the time of grant) and cannot in any event be exercised later than the-seventh anniversary of the date of grant.

If the optionholder leaves the Oxford BioMedica Group by reason of injury, disability, redundancy, retirement on reaching age 65 (or his or her contractual retirement age) or the company or business in which he or she works leaves the Oxford BioMedica Group, then the option may be exercised within the period of six months thereafter and if not then exercised will lapse. Likewise, if an optionholder dies, his or her option may be exercised by his or her personal representatives within 12 months thereafter. In either case options may be exercised notwithstanding that performance-related conditions of exercise (if any) have not been satisfied. If an optionholder leaves the Oxford BioMedica Group for any other reason then the option may only be exercised with the approval of the Directors (which may be given only if any performance-related target to which the option is subject has been met) and within the period of six months thereafter or such shorter period as the Directors may allow.

Demerger, reconstruction, winding-up or takeover of the Company

Early exercise of options within specified periods is permitted in the event of a demerger (with the consent of the Directors and confirmation from the auditors that the interests of the optionholder might be substantially prejudiced if exercise were not so permitted), reconstruction or change of control of the Company in consequence of a general offer to Shareholders. In the event of notice being given to Shareholders of a resolution for the voluntary winding-up of the Company, options may be exercised at any time before the commencement of a winding-up of the Company, otherwise all unexercised options will lapse upon the commencement of a winding-up. Options may be exercised notwithstanding that performance-related conditions (if any) have not then been satisfied.

Rights attaching to Ordinary Shares

Shares issued upon the exercise of options will rank equally in all respects with all other Ordinary Shares for the time being in issue (save as regards any rights attaching to Ordinary Shares by reference to a record date prior to the allotment or transfer of such Ordinary Shares) and permission will be sought for such Ordinary Shares to be admitted to trading on the Daily Official List of the London Stock Exchange.

Performance-related conditions of exercise

The exercise of options granted may be conditional upon the attainment of a performance-related condition. Any performance-related condition of exercise imposed will have been determined by the Directors (or the remuneration committee in the case of options granted to Directors) at the time of grant. The remuneration committee may from time to time vary any such performance-related conditions as they apply to outstanding options if, in its opinion, to

do so would more effectively achieve the objective of affording realistic incentives to optionholders.

Limit on the issue of Ordinary Shares under the Share Schemes

The number of Ordinary Shares over which rights to subscribe may be granted on any day under the 1996 Share Scheme, when added to Ordinary Shares over which such rights have been granted under the 1996 Share Scheme, any other Company employee share option scheme and share incentive plan (and which, if not exercised, have not lapsed) in any period of ten years ending on that day, may not exceed 10 per cent. of the ordinary share capital of the Company in issue on that day.

The aggregate market value (as at the date(s) of grant) of Ordinary Shares over which unexercised options may be held by any individual on any day under the 1996 Share Scheme and any other Company executive share option scheme may not exceed four times his or her annual emoluments (excluding benefits-in-kind) from companies within the Oxford BioMedica Group.

Variation of share capital

In the event of any alteration of the issued ordinary share capital of the Company by way of a capitalisation or rights issue, sub-division, consolidation or reduction or any other variation in the ordinary share capital of the Company, the Directors may (with the consent of the grantor) make such adjustment as they consider appropriate to the total number of Ordinary Shares subject to any option and/or the exercise price payable upon the exercise of any option.

However:

(1) except in the case of a capitalisation issue, any such adjustment must be confirmed in writing by the auditors of the Company to be in their opinion fair and reasonable; and

(2) the exercise price per Ordinary Share payable upon the exercise of any option to subscribe for Ordinary Shares may not be reduced below the nominal value of an Ordinary Share.

Alteration of the 1996 Share Scheme

The Directors may alter or add to the 1996 Share Scheme but may not make any alteration or addition to the rules regarding the exercise price, performance-related conditions, limits on shares under option or alteration to the 1996 Share Scheme to the advantage of optionholders without the prior approval of shareholders in general meeting except for minor amendments for the purposes of administration of the 1996 Share Scheme or to take account of any change in legislation or which are necessary or appropriate to obtain or maintain favourable tax or regulatory treatment for participants in the 1996 Share Scheme, the Company or any company within the Oxford BioMedica Group.

(b) ***The Oxford BioMedica 2007 Share Option Scheme***

Operation

The remuneration committee, the members of which are independent Non-executive Directors, supervises the operation of the 2007 Share Scheme.

Eligible employees

Any employee of the Company or the Group selected by the Committee. Non-executive Directors are not eligible to participate in the 2007 Share Scheme. Participants in the LTIP are not eligible to participate in the 2007 Share Scheme.

Grant of options

Options will normally be granted within a 42 day period following the date of publication of the interim or annual results of the Company. No options will be granted during a close period.

Vesting and conditions attaching to options

Options are normally subject to a holding period of no less than three years. The remuneration committee may attach such objective performance conditions to the vesting of options that it feels appropriate at the time of grant.

The exercise of options is conditional upon the participant paying any taxes due as a result of such an exercise.

Any option not exercised within ten years of the date of grant will lapse.

Limits

The maximum market value of Ordinary Shares subject to an option at the relevant date of grant will not exceed in aggregate 100 per cent. of the eligible employee's salary in any calendar year or £125,000 if this is higher.

The Company may issue or re-issue 10 per cent. of its Ordinary Shares within a ten year period to satisfy options made to participants under the 2007 Share Scheme and any other share plan operated by the Company under which Ordinary Shares are issued or re-issued. The remuneration committee will be monitoring the issue or re-issue of Ordinary Shares during the ten year period.

The Company intends to comply with institutional investor guidelines as amended from time to time regarding the inclusion of treasury shares when calculating these limits.

Allotment and transfer of shares

Ordinary Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the Ordinary Shares are acquired but will otherwise rank *pari passu* with existing Ordinary Shares.

Application will be made to the relevant exchange on which the Ordinary Shares are listed for admission to trading on the relevant exchange for new Ordinary Shares that are to be issued following the exercise of an option.

Cessation of employment

If a participant leaves employment prior to the expiry of the holding period then the option will normally lapse.

If a participant's cessation of employment is the result of specified events, for example injury, disability, retirement, redundancy or death, the Committee may determine that part or all of that participant's options may vest.

In applying this discretion the remuneration committee shall pro-rate the number of Ordinary Shares subject to the option which will vest dependent upon the amount of the relevant holding period completed on the date of cessation. Further, options will only vest if any attached performance requirements are proportionately satisfied on the date of cessation.

The remuneration committee will determine the period of time following the date of cessation within which participants shall exercise any vested options and such vested options will lapse if not exercised within this period.

Change of control

In the event of a takeover, reconstruction, amalgamation or winding up of the Company then all subsisting options will vest provided that any attached performance requirements are proportionately satisfied on the date of the occurrence of the event. The remuneration committee will determine the period of time following the change of control within which participants shall exercise all vested options and such options will lapse if not exercised within this period.

In certain circumstances options may be exchanged for options over shares in the acquiring company. It should be noted that options will only vest on a reconstruction or amalgamation of the Company in circumstances where the reconstruction or amalgamation amounts to a proper change in control of the Company *i.e.* new ownership of the Company.

In the event of a merger or demerger of the Company, the remuneration committee may determine that all options may vest provided that the above change of control provisions are applied. Further, for these provisions to apply the transaction must amount to a proper change in control of the Company.

Alternatively, the number of Ordinary Shares comprised in an option or the exercise price of the Ordinary Shares subject to the option may be adjusted, as the remuneration committee in its discretion shall determine and the auditors of the Company confirm to be fair and reasonable.

Adjustment of options

On a variation of the capital of the Company, the number of Ordinary Shares subject to an option and the exercise price of these Ordinary Shares may be adjusted in such manner as the remuneration committee determines and the auditors of the Company confirm to be fair and reasonable.

Duration

The remuneration committee may not grant options under the 2007 Share Scheme more than five years after its adoption unless the 2007 Share Scheme is extended pursuant to shareholder authority for a further period of up to five years.

Amendments

Amendments to the rules may be made at the discretion of the remuneration committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital and the limitations on the number of Ordinary Shares that may be issued cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the 2007 Share Scheme, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group.

The remuneration committee may add to, vary or amend the Rules of the 2007 Share Scheme by way of a separate schedule in order that the 2007 Share Scheme may operate to take account of local legislative and regulatory treatment for participants or the relevant Group Company, provided that the parameters of these arrangements will provide no greater benefits than the rules of the 2007 Share Scheme as summarised above.

General

Ordinary Shares acquired, options and any other rights granted pursuant to the 2007 Share Scheme are non-pensionable.

Non-transferability of options

Options are not transferable except in the case of a participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the participant.

(c) ***The Long Term Investment Plan***

Operation

The remuneration committee, the members of which are Non-executive Directors, supervise the operation of the LTIP.

Eligible employees

Any employee of the Company or the Group selected by the remuneration committee, typically the Executive Directors, members of the senior management group and senior executives within the business. Non-executive Directors are not eligible to participate in the LTIP.

Grant of Awards

LTIP awards will normally be granted to each participant within a 42 day period following the date of publication of the interim or annual results of the Company. No awards will be granted during a close period. LTIP awards will either be conditional grants of shares or nil cost options.

Conditions attaching to LTIP awards

LTIP awards are subject to a holding period of no less than three years from the date of grant. For the initial LTIP awards the holding period has been set at three years. The release of awards will be subject to the satisfaction of performance conditions. It is the intention of the remuneration committee to have one main performance condition attached to share awards granted under the LTIP which is comparative Total Shareholder Return ("TSR") measured against a comparator group of companies that operate in a similar industry to the Company. In addition, the remuneration committee will ensure that the underlying financial performance of the Company is consistent with its total shareholder return. LTIP awards made up to 25 March 2009 will vest as described in the following table:

Company TSR Performance Compared to the Comparator Group	*Percentage of the Award Released*
Less than Median	0%
Median (50th Percentile)*	25%
Upper Quartile (75th Percentile)*	100%

* Straight line release between points.

For the LTIP award on 15 June 2010, in addition to the TSR based performance condition, a second performance test was added, as follows:

For TSR above median but below the upper quartile, a second performance test, based on events that are expected to be significant drivers of value for the Company, will be applied. In these circumstances, up to a further 50 per cent. of the LTIP award will be released on the achievement of the following milestone events:

Event	*% of award released*
Commercial collaboration for TroVax® executed	5%
Commercial collaboration for ProSavin® executed	20%
RetinoStat® first patient enrolled in Phase I/II trial	5%
Exercise of the development option by Sanofi-aventis for one of the collaborative ocular products	20%

Limits

The maximum market value of Ordinary Shares subject to an LTIP award at the relevant date of grant shall not exceed in aggregate 150 per cent. of the participant's salary in any calendar year.

The Company may issue up to 10 per cent. of its shares within a ten year period to satisfy awards to participants in the LTIP and any other share plan operated by the Company under which shares are issued. The remuneration committee will be monitoring the issue of shares during the ten year period. It should be noted that where the Company uses treasury shares to satisfy its obligations under share arrangements they shall be added to the number of shares issued for the purposes of these limits.

Release of LTIP awards

LTIP awards will normally be released at the end of the applicable holding period, subject to the satisfaction of the performance conditions, and any other conditions, determined at the date of grant of the relevant LTIP award. The release of LTIP awards is conditional upon the participant paying any taxes due as a result of such a release. It is the current intention that the Company will pay employers' National Insurance contributions.

If the performance conditions are not satisfied or partially satisfied at the end of the holding period, the LTIP award or the balance of the award (as appropriate) not released shall lapse. There will be no re-testing of the performance conditions.

Allotment and transfer of Ordinary Shares

Ordinary Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the shares are acquired but will otherwise rank *pari passu* with Existing Ordinary Shares. Application will be made for the admission of the new shares to be issued to the Official List of, and to trading on, the London Stock Exchange plc's markets for listed securities following the release of an LTIP award.

Cessation of employment

If a participant leaves employment prior to the expiry of the holding period then the LTIP award will normally lapse. If a participant's cessation of employment is the result of specified events, for example injury, disability, ill health, retirement redundancy or death, the remuneration committee may determine that part or all of that participant's LTIP awards may be released to or can be exercised by the participant.

In applying this discretion the remuneration committee shall pro-rate the number of shares subject to the LTIP award which shall be released dependent upon the proportion of the relevant holding period completed on the date of cessation. Further, LTIP awards shall only be released if the attached performance conditions are proportionately satisfied on the date of cessation. In the case of nil cost options the remuneration committee will determine the period of time following the date of cessation within which participants shall exercise any nil cost options released and such nil cost options will lapse if not exercised within this period.

Change of control

In the event of a takeover, reconstruction, amalgamation or winding up of the Company then the number of shares subject to the LTIP awards, which will be released, shall be dependent upon the extent to which the attached performance conditions have been satisfied on the date of the occurrence of the event. In addition, the remuneration committee may in its discretion take into account the amount of the relevant holding periods of LTIP awards completed on the change of control in determining the number of shares released.

In the case of nil cost options, the remuneration committee will determine the period of time following the change of control within which participants shall exercise any the nil cost options released and such nil cost options will lapse if not exercised within this period.

In certain circumstances, awards may be exchanged for awards over shares in the acquiring company.

It should be noted that LTIP awards will only be released on a reconstruction or amalgamation of the Company in circumstances where the reconstruction or amalgamation amounts to a proper change in control of the Company *i.e.* new ownership of the Company.

In the event of a merger or demerger of the Company, the remuneration committee may determine that all LTIP awards may be released provided that the above change of control provisions are applied. Further, for these provisions to apply, the merger or demerger must amount to a proper change in control of the Company.

Alternatively, the number of Ordinary Shares comprised in an LTIP award may be adjusted, as the remuneration committee in its discretion shall determine and the advisors of the Company confirm to be fair and reasonable.

Adjustment of awards

On a variation of the capital of the Company, the number of shares subject to an LTIP award may be adjusted in such manner as the remuneration committee determines and the advisors of the Company confirm to be fair and reasonable.

Duration

The remuneration committee may not grant awards under the LTIP more than five years after its approval unless the LTIP is extended pursuant to shareholder authority for a further period of up to five years.

Amendments

Amendments to the rules of the LTIP may be made at the discretion of the remuneration committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital together with the limitations on the number of shares that may be issued cannot be altered to the advantage of participants without prior shareholder approval, except for minor amendments to benefit the administration of the LTIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for the Group.

The remuneration committee may add to, vary or amend the rules of the LTIP by way of a separate schedule in order that the LTIP may operate to take account of local legislative and regulatory treatment for participants or the relevant group company, provided that the parameters of these arrangements will provide no greater benefits than the rules of the LTIP as summarised above.

General

Ordinary Shares acquired, awards and any other rights granted pursuant to the LTIP are non-pensionable.

Non-transferability of LTIP awards

LTIP awards are not transferable except in the case of a participant for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the participant.

The initial award under the LTIP

It is the policy of the remuneration committee that annual awards will not normally be in excess of 100 per cent. of salary. However, for a number of reasons, including the Company's decision not to award share options in 2006 to all but one putative LTIP participant under the previous executive option scheme, the initial award was set at 150 per cent. of salary.

(d) ***The Share Incentive Plan***

Background

The SIP is not currently, and has not been, operated by the Company since its approval in February 2007.

If the SIP is operated by the Company the operation of the SIP will be supervised by the remuneration committee.

Qualifying employees

All employees of the Company or of the Group in the United Kingdom who shall be determined by the remuneration committee as being qualifying employees, including trustees acting on behalf of such employees. Non-executive directors are not eligible to participate in the SIP.

Types of award

From time to time, the Company may invite applications from qualifying employees to participate in the SIP in accordance with the rules of the SIP. Participating employees may enter into a contract to acquire Ordinary Shares in accordance with such terms as the Committee may determine from time to time ("Partnership Shares"). Partnership Shares may be acquired annually by way of an annual lump sum deduction or monthly deductions from the salary of the participating employees or deductions may be accumulated for a period, as determined by the remuneration committee, which may be no more than one year. If deductions are accumulated, the price of the Ordinary Shares purchased by each participating employee may be determined as the lower of the market value of the Ordinary Shares at the beginning of the accumulation period and the market value of the Ordinary Shares on the date the Ordinary Shares are acquired. Alternatively, or, in addition to the above, the remuneration committee may, at its discretion, and in accordance with the rules of the SIP, award a number of Ordinary Shares to each participating employee being:

- an outright award of Ordinary Shares ("Free Shares"), on such basis as determined by the remuneration committee; and/or
- if a participating employee agrees to buy a certain number of Partnership Shares, an award of Ordinary Shares ("Matching Shares"), on such basis as determined by the remuneration committee.

All Ordinary Shares acquired in accordance with the SIP shall be held in a trust and may be subject to a retention period to be determined by the Board. Directors of the Company may be appointed as trustees of such trust.

Individual limits

The number of Free Shares over which awards may be granted to a qualifying employee under the SIP in any year shall be determined from time to time by the remuneration committee and may be dependent upon performance. The performance may be based on either Group, subsidiary, divisional or personal targets.

The aggregate market value per employee of those Free Shares subject to such awards shall not exceed the statutory maximum for HMRC approved share incentive plans.

The number of Partnership Shares that a participating employee may acquire from his or her pre-tax salary under the SIP in any year shall be determined from time to time by the remuneration committee. The aggregate market value of those Partnership Shares shall not exceed the statutory maximum for HMRC approved share incentive plans.

The number of Matching Shares that the remuneration committee may award, if a participating employee has acquired Partnership Shares under the SIP, in any year shall be determined from time to time by the remuneration committee but shall not exceed the statutory maximum for HMRC approved share incentive plans.

Corporate limits

The aggregate number of unissued Ordinary Shares, in respect of which awards may be made under the SIP and any other share scheme adopted by the Company in any rolling ten year period, shall not exceed 10 per cent. of the ordinary share capital of the Company.

Timing of awards

Awards may be made at any time other than when the Company is in a close period (as such term is defined in the Model Code contained in the annex to Chapter 9 of the Listing Rules).

Non-transferability of awards

Awards are not transferable except in the case of a participating employee for whom a trustee is acting, in which case the trustee will be able to transfer the benefit to the participating employee.

Restrictions on Ordinary Shares and release of Ordinary Shares

Partnership Shares may be withdrawn from the SIP at any time. Awards of Free Shares and Matching Shares shall be subject to a period of retention. This period shall be such period as determined by the remuneration committee from time to time, which shall not be less than three years or greater than five years. If an employee leaves the Group prior to the release of Free Shares or Matching Shares then those Ordinary Shares shall normally be subject to forfeiture unless the remuneration committee determines otherwise. The maximum forfeiture period is three years. Ordinary Shares held under the SIP may be subject to other restrictions as determined by the remuneration committee. Dividends received by the trust holding the Ordinary Shares acquired in accordance with the SIP may be reinvested. In the event of a change of control of the Company, in certain circumstances, Ordinary Shares must be either withdrawn from the SIP or exchanged for shares in the new holding company. These new shares will have the same rights and be subject to the same restrictions as the original Ordinary Shares.

Allotment and transfer of Ordinary Shares

Shares subscribed will not rank for dividends payable by reference to a record date falling before the date on which the Ordinary Shares are acquired but will otherwise rank *pari passu* with existing Ordinary Shares. Application will be made to the relevant exchange on which the Ordinary Shares are listed for admission to trading on the relevant exchange for new Ordinary Shares that are to be issued pursuant to the SIP.

Adjustment of Awards

On a variation of the capital of the Company, the number of Ordinary Shares subject to an award may be adjusted in such manner as the remuneration committee determines and the external advisors of the Company confirm to be fair and reasonable.

Duration

The remuneration committee may not grant awards under the SIP more than ten years after its adoption.

Amendments

Amendments to the rules of the SIP may be made at the discretion of the remuneration committee. However, the provisions governing eligibility requirements, equity dilution, share utilisation and individual participation limits and the adjustments that may be made following a rights issue or any other variation of capital and the limitations on the number of Ordinary Shares that may be issued cannot be altered to the advantage of participating employees without prior shareholder approval, except for minor amendments to benefit the administration of the SIP, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participating employees or for the Group.

The remuneration committee may add to, vary or amend the rules of the SIP by way of a separate schedule in order that the SIP may operate to take account of local legislative and regulatory treatment for participating employees or the relevant Group Company, provided that the parameters of these arrangements will provide no greater benefits than the rules of the SIP as summarised above. Any amendments to key features of the SIP are subject to the approval of HMRC.

General

Any benefits granted or Ordinary Shares awarded under the SIP will not be pensionable.

12.2 The Company has also granted options to certain persons under individual contracts as follows:

(a) ***Options granted to a former Director***

Doug Jolly, a former Director of Oxford BioMedica and chief executive officer of BioMedica, Inc. was granted options to subscribe for up to a total of 3,362,034 Ordinary Shares at an exercise price of 51 pence per Ordinary Share pursuant to an option agreement dated 25 May 2001, the terms of which were subsequently amended following a rights issue in 2003 (the "DJ Option Agreement"). The options granted pursuant to the DJ Option Agreement became fully exercisable on 3 March 2004 and expire at the latest on 25 May 2011. These options are not transferable. The principal terms of the DJ Option Agreement are summarised below as follows:

Exercise of options

Under the terms of the DJ Option Agreement, the optionholder may exercise the whole or part of his vested options at any time up to the tenth anniversary of the date of grant, after which any unexercised options shall lapse. Provision has been made for the exercise of the options if the optionholder dies before the options have been exercised in full. However, any unexercised options would lapse 12 months after his death.

Demerger, reconstruction, winding-up or takeover of the Company

Early exercise of the options within specified periods is permitted in the event of a demerger (such early exercise requires-the consent of the Directors and confirmation from the auditors that the interests of the optionholder might be substantially prejudiced if exercise were not so permitted), reconstruction or change of control of the Company in consequence of a general offer to Shareholders. In the event of notice being given to Shareholders of a resolution for the voluntary winding-up of the Company, the options may be exercised at any time before the commencement of the winding-up. Otherwise, all unexercised options will lapse upon the commencement of a winding-up. The options can be exercised notwithstanding that the performance-related conditions (if any) have not been satisfied.

Rights attaching to Ordinary Shares

Ordinary Shares issued upon the exercise of the options will rank equally in all respects with all other Ordinary Shares for the time being in issue (save as regards any rights attaching to Ordinary Shares by reference to a record date prior to the allotment or transfer of such Ordinary Shares) and permission will be sought for such Ordinary Shares to be admitted to the Official List.

Variation of share capital

In the event of any alteration of the issued ordinary share capital of the Company by way of capitalisation or rights issue, sub-division, consolidation or reduction or any other variation in the ordinary share capital of the Company, the Directors may (with the consent of the optionholder) make such adjustments as they consider appropriate to the total number of Ordinary Shares subject to the options and/or the exercise price payable upon the exercise of the options. However:

(1) except in the case of a capitalisation issue, any such adjustment must be confirmed in writing by the auditors of the Company to be in their opinion fair and reasonable; and

(2) the exercise price per Ordinary Share payable upon the exercise of any option to subscribe for Ordinary Shares may not be reduced below the nominal value of an Ordinary Share.

(b) ***Options granted to Jill Martin (US employee)***

The following options granted to Jill Martin, an employee of BioMedica, Inc were outstanding on 10 December 2010 (being the last practicable date prior to the publication of this Prospectus):

Total Number	*Exercise Price*	*Date from which exercisable*	*Expiry date*
503,160	43p	25 June 2002	25 June 2011

These options have not been granted pursuant to an option plan or scheme. Under the terms of the option agreements under which these options have been granted 25 per cent. of the options vest and become exercisable on the first anniversary of the date of grant, and then 2.0834 per cent. of the options vest on a monthly basis thereafter until all the options have vested. The optionholder may exercise the whole or part of his/her vested options at any time up to the tenth anniversary of the date of grant, after which any unexercised options shall lapse. Provision has been made for the exercise of the options if the optionholder dies before the options have been exercised in full. However, any unexercised options would lapse 12 months after his/her death. If the optionholder ceases to be an employee of the Oxford BioMedica Group for any reason, except where his/her employment is terminated for cause, the options may be exercised within a period of three months from such cessation. If the optionholder ceases to be an employee of the Oxford BioMedica Group, the options may be exercised within a period of six months from such cessation (or such shorter period as the Directors determine) but only if the Directors approve such an exercise.

13. Capitalisation and Indebtedness

The following table sets out the consolidated indebtedness of the Group, based on the Group's unaudited internal management accounts, as at 30 September 2010:

Indebtedness	*£'000*
Total current debt secured	–
Total non-current debt secured	–
Total indebtedness as at 30 September 2010	–

The following table sets out the consolidated capitalisation of the Group, based on the Group's unaudited interim results, as at 30 June 2010:

Capital and reserves	*£'000*
Called up share capital	5,449
Share premium account	110,382
Other reserves (excluding profit and loss reserves and translation reserve)	14,310
Total capitalisation as at 30 June 2010	130,141

There has been no material change in the capitalisation of the Group since 30 June 2010.

The following table sets out the net consolidated financial funds of the Group, based on the Group's unaudited internal management accounts, as at 30 September 2010:

Net funds	*£'000*
Cash and cash equivalents	5,558
Total liquidity	5,558
Current financial receivables[1]	8,103
Current financial debt	–
Net current financial funds	13,661
Other non-current financial debt	–
Non-current financial indebtedness	–
Net funds	13,661

1 In addition to the cash and cash equivalents above the Group held bank deposits of £8,103,000 at 30 September 2010 with an initial term to maturity between three and twelve months, classified as current financial assets: available for sale investments.

There was no indirect or contingent indebtedness as at 30 September 2010.

14. Working Capital

The Company is of the opinion that, taking into account existing cash balances and the net proceeds of the Firm Placing and Placing and Open Offer receivable by the Company, the Group has sufficient working capital for its present requirements, that is at least 12 months following the publication of this document.

15. Importance of the Vote

If the Resolutions are not approved and the Firm Placing and Placing and Open Offer fails to proceed then the Group will only have sufficient financial resources to fund its business into early 2012 based on current business plans. In the event that the Firm Placing and Placing and Open Offer fails to proceed, the Directors will curtail all appropriate discretionary spend and will immediately endeavour to raise further funds by:

- **seeking to partner programmes that are not already partnered;**
- **monetising existing partnerships; and**
- **taking up alternative financing vehicles that may be on terms less attractive to Shareholders than the Firm Placing and Placing and Open Offer.**

Although these actions are realistically available to the Company, the outcome of each lies outside of the control of the Company and, as a result, the Directors cannot be confident that any will be successful.

Accordingly, it is very important that Shareholders vote in favour of the Resolutions in order that the Firm Placing and Placing and Open Offer can proceed.

16. UK Taxation

The following paragraphs are intended as a general guide only to current United Kingdom tax law and HMRC practice as at the date of this document. They relate only to certain limited aspects of the United Kingdom taxation treatment of the holders of Existing Ordinary Shares and apply only to Shareholders who own their Existing Ordinary Shares beneficially as an investment and who are resident or ordinarily resident in the United Kingdom for tax purposes (except where the position of an overseas resident Shareholder is expressly referred to). Certain categories of Shareholders, such as traders, broker-dealers, insurance companies and collective investment schemes, and Shareholders who have (or are deemed to have) acquired their Existing Ordinary Shares by virtue of an office or employment, may be subject to special rules and this summary does not apply to such Shareholders. Any person who is in any doubt about his own tax position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate independent professional adviser.

(a) ***Capital gains tax***

For the purpose of United Kingdom Taxation of chargeable gains, the Firm Placing and Placing and Open Offer will not be a taxable event for holders of Existing Ordinary Shares. This means that there will not be a disposal or deemed disposal of existing holdings as a result of the Firm Placing and Placing and Open Offer and there will be no resultant liability to United Kingdom capital gains tax.

For the purpose of United Kingdom taxation of chargeable gains, the issue of Ordinary Shares under the Open Offer up to a Shareholder's maximum *pro rata* entitlement should be regarded as reorganisation of the Oxford BioMedica's share capital. Accordingly, to the extent that Oxford BioMedica issue such Ordinary Shares to a UK tax resident Shareholder up to and including such Shareholder's *pro rata* entitlement under the Open Offer, each of his holdings of Existing Ordinary Shares and the Ordinary Shares issued to him under the Open Offer should be treated as a single asset (the "New Holding") acquired at the time he acquired the Existing Ordinary Shares. For the purpose of computing any gain or loss on a subsequent disposal by a UK tax resident Shareholder of a share comprised in his New Holding, the issue price paid for such Ordinary Shares will be added to the base cost of his Existing Ordinary Shares, and in the case of Shareholders that are within the charge to UK corporation tax, would qualify for indexation allowance from the date on which payment for the Ordinary Shares is made or is liable to be made. In the case of individuals, trustees and personal representatives, indexation allowance is not available.

The issue of Ordinary Shares in excess of a Shareholder's maximum *pro rata* entitlement will not constitute a reorganisation of share capital for the purpose of taxation of chargeable gains. In this case Ordinary Shares issued under the Open Offer, would be treated as acquired as part of a separate acquisition and share identification provisions would need to be taken into consideration when computing any gain or loss on a subsequent disposal of such Ordinary Shares.

A Shareholder who is an individual resident in the UK for tax purposes who holds Existing Ordinary Shares will be subject to the capital gains tax ("CGT") treatment prevailing at the date of disposal of his or her shares.

Gains on disposal of Ordinary Shares will be taxed (currently) at a rate of 18 per cent. for basic rate taxpayers and 28 per cent. for higher rate taxpayers.

The chargeable gain on the disposal of Ordinary Shares will be calculated by reference to the sales proceeds (less allowable costs of sale) and the cost of the acquisition of the Ordinary Shares (this is usually the price paid, but may differ for Ordinary Shares acquired by reason of employment or under a share incentive scheme).

The main CGT reliefs (although there may be others) which are likely to assist in reducing a potential CGT liability are:

(i) Annual Exempt Amount: CGT will only be payable if your capital gains from all sources in the tax year concerned exceed the annual exempt amount (£10,100 for 2010/2011). The annual

exempt amount applies each year but unused amounts cannot be carried forward and applied to gains made in subsequent years.

(ii) Capital Losses: A gain made on the disposal of shares may be offset by capital losses made on other disposals in the same tax year or brought forward from earlier years.

(iii) Entrepreneurs' relief: An individual may in certain circumstances be subject to capital gains tax at a rate of 10 per cent. on qualifying capital gains, up to a lifetime allowance of £5 million of gains.

A Shareholder who is not resident in the UK (for tax purposes) should consult his own tax adviser concerning his tax liability on the disposal of shares.

(b) ***Taxation of dividends***

Under current UK tax legislation, Oxford BioMedica is not required to withhold tax at source when paying a dividend.

A Shareholder who is an individual resident in the UK for tax purposes and who receives a dividend from Oxford BioMedica will be entitled to a tax credit which such Shareholder may set off against his total income tax liability on the dividend. The tax credit will be equal to 10 per cent. of the aggregate of the dividend and the tax credit (the gross dividend), which is also equal to one-ninth of the cash dividend received. A UK resident individual Shareholder who is liable to income tax at the basic rate will be subject to tax on the dividend at the rate of 10 per cent. of the gross dividend, so that the tax credit will satisfy in full such Shareholder's liability to income tax in respect of the gross dividend. A UK resident individual Shareholder who is liable to income tax at the higher rate will be subject to income tax at the rate applicable to dividends for such Shareholders (currently 32.5 per cent.) on the gross dividend. After taking into account the 10 per cent. tax credit such Shareholders will have to account for additional tax equal to 22.5 per cent. of the gross dividend (an effective tax rate of 25 per cent. of the cash dividend received). Generally, a UK resident individual Shareholder who is not liable to income tax in respect of the gross dividend will not be entitled to repayment of the tax credit.

Dividend income received by an individual resident in the UK for tax purposes whose taxable income is over £150,000, will be taxed at the rate of 42.5 per cent. on the dividend plus the tax credit (an effective rate of 36.1 per cent. of the cash dividend received).

United Kingdom resident taxpayers who are not liable to United Kingdom tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by Oxford BioMedica.

United Kingdom resident corporate Shareholders will generally not be subject to tax on dividends paid by Oxford BioMedica. Those Shareholders will not be able to claim repayment of tax credits attaching to dividends.

A Shareholder who is not resident in the UK for tax purposes will not generally be entitled to claim any part of the tax credit attaching to a dividend, although such Shareholders may be entitled to offset the tax credit against their liability to tax in their country of residence. This will depend in each case on their personal circumstances and the terms of any double taxation agreement which exists between their country of residence and the UK. A Shareholder who is not resident in the UK (for tax purposes) should consult his own tax adviser concerning his tax liability on dividends received, his entitlement to reclaim any part of any tax credit or tax withheld and, if he is so entitled, the procedure for doing so. A Shareholder resident outside the UK may also be subject to foreign taxation on any dividends received under local law.

(c) ***Stamp duty and stamp duty reserve tax (SDRT)***

No stamp duty or stamp duty reserve tax will be payable on the allotment, issue or registration of New Ordinary Shares (except in relation to a depositary receipt arrangements and clearance services where

special rules apply). The Company will not be responsible for payment of stamp duty or stamp duty reserve tax in any such case.

THE ABOVE DESCRIPTION OF TAXATION IS GENERAL IN CHARACTER. IF YOU ARE IN ANY DOUBT AS TO YOUR TAX POSITION OR YOU ARE SUBJECT TO TAX IN A JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATE INDEPENDENT PROFESSIONAL ADVISER WITHOUT DELAY.

17. US Taxation

TO ENSURE COMPLIANCE WITH US TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE INVESTORS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED TO BE RELIED UPON, AND CANNOT BE RELIED UPON BY PROSPECTIVE INVESTORS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON PROSPECTIVE INVESTORS UNDER THE US INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED BY THE COMPANY IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE COMPANY OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE INVESTORS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR. NOTHING HEREIN SHOULD BE CONSIDERED TO IMPOSE ON THE RECIPIENT OF THIS WRITTEN ADVICE ANY LIMITATION ON DISCLOSURE OF THE TAX TREATMENT OR TAX STRUCTURE OF THE TRANSACTION OR MATTERS DESCRIBED HEREIN.

The following is a summary of the material US federal income tax consequences of the ownership and disposition of Ordinary Shares. The following discussion is not exhaustive of all possible tax considerations. This summary is based upon the US Internal Revenue Code of 1986, as amended (the "Code"), regulations promulgated under the Code by the US Treasury Department (including proposed and temporary regulations), rulings, current administrative interpretations and official pronouncements of the US Internal Revenue Service (the "IRS"), and judicial decisions, all as currently in effect and all of which are subject to differing interpretations or to change, possibly with retroactive effect. Such change could materially and adversely affect the tax consequences described below. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of the tax consequences described below.

This discussion does not address state, local, or foreign tax consequences of the ownership and disposition of Ordinary Shares. Please refer to paragraph 16 above for a discussion of UK taxation.

This summary is for general information only and does not address all aspects of the US federal income taxation that may be important to a particular Shareholder or prospective investor in light of its investment or tax circumstances or to Shareholders or prospective investors subject to special tax rules, such as: banks; financial institutions; insurance companies; dealers in stocks, securities, or currencies; traders in securities that elect to use a mark-to-market method of accounting for their securities holdings; tax-exempt organisations; real estate investment trusts; regulated investment companies; qualified retirement plans, individual retirement accounts, and other tax-deferred accounts; expatriates of the US; persons subject to the alternative minimum tax; persons holding Ordinary Shares as part of a straddle, hedge, conversion transaction, or other integrated transaction; persons who acquired Ordinary Shares pursuant to the exercise of any employee stock option or otherwise as compensation for services; persons actually or constructively holding 10 per cent. or more of the Company's voting stock; and US Holders (as defined below) whose functional currency is other than the US dollar.

This discussion is not a comprehensive description of all of the US federal tax consequences that may be relevant with respect to the ownership and disposition of Ordinary Shares. Shareholders and potential investors are urged to consult their own tax advisor regarding their particular circumstances and the US federal income and estate tax consequences to the Shareholder or potential investor of owning and disposing of Ordinary Shares, as well as any tax consequences arising under the laws of any state, local, or foreign or other tax jurisdiction and the possible effects of changes in US federal or other tax laws.

This summary is directed solely to Shareholders that hold their Ordinary Shares as capital assets within the meaning of Section 1221 of the Code, which generally means as property held for investment. For purposes of this discussion, the term "US Holder" means a beneficial owner of Ordinary Shares that is any of the following:

- a citizen or resident of the US or someone treated as a US citizen or resident for US federal income tax purposes;
- a corporation (or other entity taxable as a corporation for US federal income tax purposes) created or organised in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to US federal income taxation regardless of its source;
- a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust; or
- a trust in existence on 20 August 1996 that has a valid election in effect under applicable Treasury Regulations to be treated as a US person.

The term "Non-US Holder" means a beneficial owner of Ordinary Shares that is not a US Holder. As described in "Taxation of Non-US Holders" below, the tax consequences to a Non-US Holder may differ substantially from the tax consequences to a US Holder.

If a partnership (including for this purpose any entity treated as a partnership for US federal income tax purposes) is a beneficial owner of Ordinary Shares, the US federal income tax consequences to a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. A holder of Ordinary Shares that is a partnership and the partners in such partnership should consult their own tax advisors regarding the US federal income tax consequences of the ownership and disposition of Ordinary Shares.

(a) ***Taxation of US Holders***

The discussions in "Distributions on Ordinary Shares" and "Dispositions of Ordinary Shares" below assume that the Company will not be treated as a passive foreign investment company ("PFIC") for US federal income tax purposes. However, the Company believes that it is likely to be a PFIC for the current taxable year of 2010 and that it may have been a PFIC for prior taxable years. For a discussion of the rules that apply if the Company is treated as a PFIC, please refer to the discussion in "Passive Foreign Investment Company" below.

(b) ***Distributions on Ordinary Shares***

General

The Company currently does not intend to pay dividends in the foreseeable future. Subject to the discussion in "Passive Foreign Investment Company" below, if a US Holder actually or constructively receives a distribution on Ordinary Shares, the US Holder must include the distribution in gross income as a taxable dividend on the date of receipt of the distribution, but only to the extent of the Company's current or accumulated earnings and profits, as calculated under US federal income tax principles. Such amount must be included without reduction for any UK tax withheld. Dividends paid by the Company will not be eligible for the dividends-received deduction allowed to corporations with respect to dividends received from certain domestic corporations. Dividends paid by the Company may or may not be eligible for preferential rates applicable to qualified dividend income, as described below.

To the extent a distribution exceeds the Company's current and accumulated earnings and profits, it will be treated first as a non-taxable return of capital to the extent of US Holders' adjusted tax basis in the Ordinary Shares, and thereafter as capital gain. Preferential tax rates for long-term capital gain may be applicable to non-corporate US Holders.

The Company does not intend to calculate its earnings and profits under US federal income tax principles. Therefore, US Holders should expect that a distribution will generally be reported as a dividend even if that distribution would otherwise be treated as a non-taxable return of capital or as capital gain under the rules described above.

Qualified Dividend Income

With respect to non-corporate US Holders (i.e., individuals, trusts, and estates), for taxable years before 1 January 2011, dividends that are treated as qualified dividend income ("QDI") are taxable at a maximum tax rate of 15 per cent. (and such rate is scheduled to increase to 20 per cent. beginning in 2011 unless changed by legislation). Among other requirements, dividends generally will be treated as QDI if either (i) the Company's Ordinary Shares are readily tradable on an established securities market in the US, or (ii) the Company is eligible for the benefits of a comprehensive income tax treaty with the US which includes an information exchange program and which is determined to be satisfactory by the US Treasury. The IRS has determined that the US-UK income tax treaty is satisfactory for this purpose.

In addition, for dividends to be treated as QDI, the Company must not be a PFIC (as discussed below) for either the taxable year in which the dividend was paid or the preceding taxable year. However, please refer to the discussion under "Passive Foreign Investment Company" below. Additionally, in order to qualify for QDI treatment, US Holders generally must have held the Ordinary Shares for more than 60 days during the 121-day period beginning 60 days prior to the ex-dividend date. However, US Holders' holding period will be reduced for any period during which the risk of loss is diminished.

Moreover, a dividend will not be treated as QDI to the extent US Holders are under an obligation (whether pursuant to a short sale or otherwise) to make related payments with respect to positions in substantially similar or related property. Since the QDI rules are complex, US Holders should consult their own tax advisor regarding the availability of the preferential tax rates for dividends paid on Ordinary Shares.

Foreign currency distributions

A dividend paid in pounds sterling must be included in US Holders' income as a US dollar amount based on the exchange rate in effect on the date such dividend is received, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted to US dollars on the date of receipt, US Holders generally will not recognise a foreign currency gain or loss. However, if US Holders convert the foreign currency into US dollars on a later date, US Holders must include in income any gain or loss resulting from any exchange rate fluctuations. The gain or loss will be equal to the difference between (i) the US dollar value of the amount US Holders included in income when the dividend was received and (ii) the amount that US Holders receive on the conversion of the foreign currency into US dollars. Such gain or loss will generally be ordinary income or loss and US source for US foreign tax credit purposes.

In-kind distributions

Distributions to US Holders of shares that are received as part of a pro rata distribution to all of the Company's Shareholders should not be subject to US federal income tax. The adjusted tax basis of the shares will be determined by allocating US Holders' adjusted tax basis in the shares between US Holders' Existing Ordinary Shares and the new shares, based on their relative fair market values on the date of distribution. US Holders' holding period for the new shares will generally include the holding period for the Existing Ordinary Shares on which the distribution was made.

Foreign tax credits.

Subject to certain conditions and limitations, including potential limitations under the US-UK treaty, UK taxes paid on or withheld from distributions from the Company and not refundable to US Holders may be credited against US Holders' US federal income tax liability or, alternatively, may be deducted

from US Holders' taxable income. This election is made on a year-by-year basis and applies to all foreign taxes paid by US Holders or withheld from US Holders that year.

Distributions will constitute foreign source income for foreign tax credit limitation purposes, assuming US Shareholders, in the aggregate, do not own 50 per cent. or more of the vote or value of the Company. The foreign tax credit limitation is calculated separately with respect to specific classes of income. For this purpose, dividends distributed by the Company will generally constitute "passive category income" or, in the case of certain US Holders, "general category income." Special limitations may apply if a dividend is treated as QDI.

Special rules may apply to individuals whose foreign source income during the taxable year consists entirely of "qualified passive income" and whose creditable foreign taxes paid or accrued during the taxable year do not exceed US$300 (US$600 in the case of a joint return).

Since the rules governing foreign tax credits are complex, US Holders should consult their own tax advisor regarding the availability of foreign tax credits in their particular circumstances.

(c) ***Dispositions of Ordinary Shares***

Subject to the discussion in "Passive Foreign Investment Company" below, US Holders generally will recognise taxable gain or loss realised on the sale or other taxable disposition of Ordinary Shares equal to the difference between the US dollar value of (i) the amount realised on the disposition (i.e., the amount of cash plus the fair market value of any property received), and (ii) US Holders' adjusted tax basis in the Ordinary Shares. Such gain or loss will be capital gain or loss.

If US Holders have held the Ordinary Shares for more than one year at the time of disposition, such capital gain or loss will be long-term capital gain or loss. Preferential tax rates for long-term capital gain will apply to non-corporate US Holders. If US Holders have held the Ordinary Shares for one year or less, such capital gain or loss generally will be short-term capital gain or loss taxable as ordinary income at US Holders' marginal income tax rate. The deductibility of capital losses is subject to limitations.

The amount realised on a sale, exchange or other disposition of Ordinary Shares for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, the US Shareholder will recognise US-source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. In the case of cash basis and electing accrual basis US Holders, the amount realised on a sale, exchange or other disposition of Ordinary Shares for an amount in foreign currency will be the US dollar value of this amount on the settlement date.

Generally, any gain or loss recognised will not give rise to foreign source income for US foreign tax credit purposes, unless a different result is achieved under the US-UK income tax treaty. US Holders should consult their own tax advisor regarding the effect of such treaty on the source of income. US Holders should consult their own tax advisor regarding the US federal income tax consequences if they receive currency other than US dollars upon the disposition of Ordinary Shares.

(d) ***Passive Foreign Investment Company***

The Company generally will be a PFIC under Section 1297 of the Code if, for a taxable year, either (a) 75 per cent. or more of the Company's gross income for such taxable year is passive income (the "income test") or (b) 50 per cent. or more of the average percentage, generally determined by fair market value, of the Company's assets either produce passive income or are held for the production of passive income (the "asset test"). "Passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

Certain "look through" rules apply for purposes of the income and asset tests described above. If the Company owns, directly or indirectly, 25 per cent. or more of the total value of the outstanding shares of another foreign corporation, the Company will be treated as if it (a) held directly a proportionate share of the other corporation's assets, and (b) received directly a proportionate share of the other corporation's income. In addition, passive income does not include any interest, dividends, rents, or royalties that are received or accrued by the Company from a "related person" (as defined in Section 954(d)(3) of the Code), to the extent such items are properly allocable to income of such related person that is not passive income.

The Company believes that it will likely be classified as a PFIC for the current taxable year of 2010. Because the PFIC determination is highly fact intensive and made at the end of each taxable year, there can be no assurance that the Company will or will not be a PFIC for the current or any future taxable year.

Default PFIC rules under Section 1291 of the Code

If the Company is treated as a PFIC with respect to a US Holder, the US federal income tax consequences to a US Holder of the ownership and disposition of Ordinary Shares will depend on whether such US Holder makes an election to treat the Company as a qualified electing fund ("QEF") under Section 1295 of the Code (a "QEF Election") or a mark-to-market election under Section 1296 of the Code (a "Mark-to-Market Election"). A US Holder owning Ordinary Shares while the Company was or is a PFIC that has not made either a QEF Election or a Mark-to-Market Election will be referred to in this summary as a "Non-Electing US Holder."

If a US Holder is a Non-Electing US Holder, such US Holder will be subject to the default tax rules of Section 1291 of the Code with respect to:

- any "excess distribution" paid on Ordinary Shares, which means any distribution received by the US Holder which, together with all other distributions received in the current taxable year, exceeds 125 per cent. of the average distributions received by the US Holder during the three preceding taxable years (or during such US Holders' holding period for the Ordinary Shares, if shorter); and
- any gain recognised on the sale or other taxable disposition (including a pledge) of Ordinary Shares.

Under these default tax rules:

- any excess distribution or gain will be allocated ratably over such US Holders' holding period for the Ordinary Shares;
- the amount allocated to the current taxable year and any period prior to the first day of the first taxable year in which the Company was a PFIC will be treated as ordinary income in the current year;
- the amount allocated to each of the other years will be treated as ordinary income and taxed at the highest applicable tax rate in effect for that year; and
- the resulting tax liability from any such prior years will be subject to the interest charge applicable to underpayments of tax.

In addition, notwithstanding any election the US Holder may make, dividends that are received from the Company will not be eligible for the preferential tax rates applicable to QDI (as discussed above in "Distributions on Ordinary Shares") if the Company is a PFIC either in the taxable year of the distribution or the preceding taxable year, but will instead be taxable at rates applicable to ordinary income.

Special rules for Non-Electing US Holders will apply to determine US foreign tax credits with respect to withholding taxes imposed on distributions on Ordinary Shares.

If the Company is a PFIC for any taxable year during which US Holders hold Ordinary Shares, the Company will continue to be treated as a PFIC with respect to US Holders for all succeeding years during which US Holders hold Ordinary Shares, regardless of whether the Company actually continues to be a PFIC. Since the Company believes that will likely be classified a PFIC for 2010, if a US Holder held Ordinary Shares in 2010, the Company will continue to be treated as a PFIC with respect to such US Holder for all succeeding years during which such US Holder holds Ordinary Shares. US Holders may terminate this deemed PFIC status by electing to recognise gain (which will be taxed under the default tax rules of Section 1291 of the Code discussed above) as if the US Holders' Ordinary Shares had been sold on the last day of the last taxable year for which the Company was a PFIC.

If the Company is a PFIC in any year with respect to US Holders, such US Holders will be required to file an annual return on IRS Form 8621 regarding distributions received on Ordinary Shares and any gain realised on the disposition of Ordinary Shares. Since the Company believes that it is likely to be classified as a PFIC for 2010, a US Holder should file IRS Form 8621 for 2010 and for all succeeding years during which the Company continues to be treated as a PFIC with respect to such US Holder.

QEF Election

If US Holders make a QEF Election, US Holders generally will not be subject to the default rules of Section 1291 of the Code discussed above. Instead, US Holders will be subject to current US federal income tax on their pro rata share of the Company's ordinary earnings and net capital gain, regardless of whether such amounts are actually distributed to US Holders by the Company.

However, US Holders can make a QEF Election only if the Company agrees to furnish US Holders annually with certain tax information, and the Company currently does not intend to prepare or provide such information.

Mark-to-Market Election

US Holders may make a Mark-to-Market Election, but only if the Ordinary Shares are marketable stock. The Ordinary Shares will be "marketable stock" as long as they are regularly traded on a qualified exchange. Stock is considered "regularly traded" for any calendar year during which it is traded (other than in de minimis quantities) on at least 15 days during each calendar quarter. Qualified exchanges include (a) a national securities exchange that is registered with the Securities and Exchange Commission, (b) the national market system established pursuant to section 11A of the Securities and Exchange Act of 1934, and (c) a foreign securities exchange that is regulated or supervised by a governmental authority of the country in which the market is located, provided that (i) such foreign exchange has trading volume, listing, financial disclosure, and other requirements and the laws of the country in which such foreign exchange is located, together with the rules of such foreign exchange, ensure that such requirements are actually enforced and (ii) the rules of such foreign exchange ensure active trading of listed stocks. Since the Ordinary Shares are listed on a foreign exchange (i.e., the London Stock Exchange) and the IRS has yet to identify specific foreign exchanges that are qualified for this purpose, there can be no assurances that the Ordinary Shares will be marketable stock and will be regularly traded.

If US Holders make a Mark-to-Market Election, US Holders generally will not be subject to the default rules of Section 1291 of the Code discussed above. Rather, US Holders generally will be required to recognise ordinary income for any increase in the fair market value of the Ordinary Shares for each taxable year that the Company is a PFIC. US Holders will also be allowed to deduct as an ordinary loss any decrease in the fair market value to the extent of net mark-to-market gain previously included in prior years. US Holders' adjusted tax basis in the Ordinary Shares will be adjusted to reflect the amount included or deducted.

The Mark-to-Market Election will be effective for the taxable year for which the election is made and all subsequent taxable years, unless the Ordinary Shares cease to be marketable stock or the IRS

consents to the revocation of the election. US Holders should consult their own tax advisor regarding the availability of, and procedure for making, a Mark-to-Market Election.

One or more of the Company's subsidiaries may also be classified as PFICs now or in the future, and furthermore, the Company or one or more of its subsidiaries may invest in the equity of other foreign corporations that are PFICs. In such cases, US Holders will be subject to the PFIC rules with respect to their indirect ownership interests in such PFICs. US Holders will not be able to make a Mark-to-Market Election with respect to any of the Company's subsidiaries that are PFICs, and there can be no assurance that US Holders will be able to make such elections with respect to any other PFICs in which the Company or any of its subsidiaries invests.

Since the PFIC rules are complex, US Holders should consult their own tax advisor regarding them and how they may affect the US federal income tax consequences of the ownership and disposition of Ordinary Shares.

(e) ***Information reporting and backup withholding (US Holders)***

Generally, information reporting requirements will apply to distributions on Ordinary Shares or proceeds on the disposition of Ordinary Shares paid within the US (and, in certain cases, outside the US) to US Holders other than certain exempt recipients, such as corporations. Furthermore, backup withholding (currently at 28 per cent.) may apply to such amounts if the US Holder fails to (i) provide a correct taxpayer identification number, (ii) report interest and dividends required to be shown on its US federal income tax return, or (iii) make other appropriate certifications in the required manner. US Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. Amounts withheld as backup withholding from a payment to US Holders may be credited against US Holders' US federal income tax liability and US Holders may obtain a refund of any excess amounts withheld by filing the appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

(f) ***New legislative developments***

Recently enacted legislation imposes new reporting requirements for the holder of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds US$50,000. The Ordinary Shares are expected to be subject to these new reporting requirements unless the Ordinary Shares are held in an account at a domestic financial institution. The requirement to file a report is effective for taxable years beginning after 18 March 2010. Penalties apply to any failure to file a required report. US Holders should consult their tax advisers regarding the application of this legislation.

In addition, with respect to taxable years beginning after 31 December 2012, certain US persons, including individuals, estates and trusts, will be subject to an additional 3.8 per cent. Medicare tax on unearned income. For individuals, the additional Medicare tax applies to the lesser of (i) "net investment income" or (ii) the excess of "modified adjusted gross income" over US$200,000 (US$250,000 if married and filing jointly or US$125,000 if married and filing separately). "Net investment income" generally equals the taxpayer's gross investment income reduced by the deductions that are allocable to such income. Investment income generally includes passive income such as interest, dividends, annuities, royalties, rents, and capital gains. US Holders are urged to consult their tax advisers regarding the implications of the additional Medicare tax resulting from their ownership and disposition of Ordinary Shares.

On 18 March 2010, President Obama signed into law the Hiring Incentives to Restore Employment Act of 2010. Such legislation will, effective for payments made after 31 December 2012, impose a 30 per cent. US withholding tax on dividends, interest and certain other items of income, and on the gross proceeds from a disposition of property that produces such income, paid to a foreign financial institution, unless such institution enters into an agreement with the US Treasury Department to collect and provide to the Treasury Department certain information regarding US account holders,

including certain account holders that are foreign entities with US owners, with such institution. The legislation also generally imposes a withholding tax of 30 per cent. on such amounts when paid to a non-financial foreign entity unless such entity provides the withholding agent with a certification that it does not have any substantial US owners or a certification identifying the direct and indirect substantial US owners of the entity. Under certain circumstances, a taxpayer may be eligible for refunds or credits of such taxes. These withholding and reporting requirements generally will apply to payments made after 31 December 2012. Shareholders are urged to consult with their tax advisors regarding the possible implications of this recently enacted legislation on their ownership and disposition of our Ordinary Shares.

(g) ***Taxation of Non-US Holders***

Distributions on Ordinary Shares

Subject to the discussion in "Information Reporting and Backup Withholding" (Non-US Holders) below, Non-US Holders generally will not be subject to US federal income tax, including withholding tax, on distributions received on Ordinary Shares, unless the distributions are effectively connected with a trade or business that Non-US Holders conduct in the US (or, if an applicable income tax treaty so requires, attributable to a permanent establishment that Non-US Holders maintain in the US).

If distributions are effectively connected with a US trade or business (or, if applicable, attributable to a US permanent establishment), Non-US Holders generally will be subject to tax on such distributions in the same manner as a US Holder, as described in "Taxation of US Holders – Distributions on Ordinary Shares" above. In addition, any such distributions received by a corporate Non-US Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 per cent. rate or such lower rate as may be specified by an applicable income tax treaty.

Dispositions of Ordinary Shares

Subject to the discussion in "Information Reporting and Backup Withholding" (Non-US Holders) below, Non-US Holders generally will not be subject to US federal income tax, including withholding tax, on any gain recognised on a sale or other taxable disposition of Ordinary Shares, unless (i) the gain is effectively connected with a trade or business that Non-US Holders conduct in the US (or, if an applicable income tax treaty so requires, attributable to a permanent establishment that Non-US Holders maintain in the US), or (ii) Non-US Holders are an individual and are present in the US for at least 183 days in the taxable year of the disposition, and certain other conditions are present.

If a Non-US Holder meets the test in clause (i) above, such Non-US Holder generally will be subject to tax on any gain that is effectively connected with such Non-US Holder's conduct of a trade or business in the US in the same manner as a US Holder, as described in "Taxation of US Holders – Dispositions of Ordinary Shares" above. Effectively connected gain realised by a corporate Non-US Holder may also, under certain circumstances, be subject to an additional "branch profits tax" at a 30 per cent. rate or such lower rate as may be specified by an applicable income tax treaty.

If Non-US Holders meet the test in clause (ii) above, Non-US Holders generally will be subject to tax at a 30 per cent. rate on the amount by which Non-US Holders' US source capital gain exceeds such Non-US Holders' US source capital loss.

(h) ***Information reporting and backup withholding (Non-US holder)***

Payments to Non-US Holders of distributions on, or proceeds from the disposition of, Ordinary Shares are generally exempt from information reporting and backup withholding. However, a Non-US Holder may be required to establish that exemption by providing certification of non-US status on an appropriate IRS Form W-8.

Backup withholding is not an additional tax. Amounts withheld as backup withholding from a payment to Non-US Holders may be credited against Non-US Holders' US federal income tax liability and Non-US Holders may obtain a refund of any excess amounts withheld by filing the appropriate claim for refund with the IRS and furnishing any required information in a timely manner.

18. Litigation

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Oxford BioMedica is aware) which may have or have had during the 12 months preceding the date of this document, a significant effect on the Group's financial position or profitability.

19. General

19.1 Singer Capital Markets Ltd. is registered in England and Wales (with number 04153386) and has its registered office at One Hanover Street, London W1S 1YZ. Singer Capital Markets Ltd has given and has not withdrawn its written consent to the issue of this document with the inclusion of its recommendation herein and the references to its name in the form and context in which they are included.

19.2 PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion of its report on the unaudited pro forma financial information in Section B of Part 6 of this document in the form and context in which it appears and has authorised the contents of that report for the purposes of item 5.5.3R(2)(f) of the Prospectus Rules.

19.3 Oxford BioMedica's registrars are Capita Registrars of The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

19.4 Oxford BioMedica's accounts for the three financial periods ended 31 December 2007, 31 December 2008 and 31 December 2009, upon which unqualified reports have been given, were audited by PricewaterhouseCoopers LLP, chartered accountants. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

19.5 There has been no significant change in the financial or trading position of the Group since 30 June 2010, being the date of the Group's latest unaudited interim financial statements, incorporated by reference in Part 4 of this document.

19.6 The total expenses payable by Oxford BioMedica in connection with the Firm Placing and Placing and Open Offer (including the listing fees of the FSA, professional fees and expenses and the costs of printing and distribution of documents) are expected to amount to approximately £1,615,365, excluding VAT.

19.7 The Existing Ordinary Shares are listed on the Official List and traded on the market for listed securities of the London Stock Exchange. Application has been made for the New Ordinary Shares to be so listed and traded.

19.8 The Offer Price represents a discount of 3 pence to the Closing Price of an Existing Ordinary Share at 10 December 2010.

20. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekdays (Saturdays, Sundays and public holidays excepted) at the Company's registered office, Medawar Centre, Robert Robinson Avenue, Oxford OX4 4GA and the offices of Morrison & Foerster (UK) LLP, CityPoint, One Ropemaker Street, London EC2Y 9AW, until Admission:

(a) the Articles of Association;

(b) the consent letter provided by PricewaterhouseCoopers LLP referred to in paragraph 19.2 above;

(c) the report from PricewaterhouseCoopers LLP on the unaudited pro forma financial information of the Group in Section B of Part 6 of this document; and

(d) the audited consolidated accounts of the Group for the three financial years ended 31 December 2007, 31 December 2008 and 31 December 2009 and the unaudited interim financial statements for the six month periods ended 30 June 2009 and 30 June 2010.

Dated 13 December 2010

As required by the Prospectus Rules
Checklist of Documentation
Incorporated by Reference

Information incorporated by reference	*Page number in the Annual Report or Interim Financial Statements*	*Page number in this document*
Annual Report and Accounts of Oxford BioMedica for the year ended 31 December 2007, including:		
balance sheet	70	81
income statement	69	81
changes in equity statements	72–73	81
cash flow statements	71	81
accounting policies and notes	74–97	81
auditors report	67–68	81
Annual Report and Accounts of Oxford BioMedica for the year ended 31 December 2008, including:		
balance sheet	60	81
income statement	59	81
changes in equity statements	62	81
cash flow statements	61	81
accounting policies and notes	63–88	81
auditors report	58	81
Interim financial statements for Oxford BioMedica for the six month period ended 30 June 2009, including:		
balance sheet	6	81
income statement	5	81
changes in equity statements	5	81
cash flow statements	7	81
accounting policies and notes	9-19	81
Annual Report and Accounts of Oxford BioMedica for the year ended 31 December 2009, including:		
balance sheet	52	81
income statement	51	81
changes in equity statements	54	81
cash flow statements	53	81
accounting policies and notes	55–81	81
auditors report	50	81
Interim Financial Statements for Oxford BioMedica for the six month period ended 30 June 2010, including:		
balance sheet	8	81
income statement	7	81
changes in equity statements	10	81
cash flow statements	9	81
accounting policies and notes	11–21	81

Definitions

In this document and the Notice of General Meeting and accompanying Form of Proxy, the following expressions have the following meanings, unless the context otherwise requires

"1996 Share Scheme"	The Oxford BioMedica 1996 (No. 1) Share Option Scheme described in paragraph 12.1(a) of Part 7
"2007 Share Scheme"	The Oxford BioMedica 2007 Share Option Scheme described in paragraph 12.1(b) of Part 7
"Accredited Investor"	an "accredited investor" as defined in Rule 501 of Regulation D
"Admission"	the admission of the New Ordinary Shares (i) to the Official List and (ii) to trading on the London Stock Exchange's main market for listed securities becoming effective in accordance with, respectively, LR 3.2.7G of the Listing Rules and paragraph 2.1 of the Admission and Disclosure Standards
"Admission and Disclosure Standards"	the requirements contained in the publication "Admission and Disclosure Standards" dated 1 November 2007 containing, among other things, the admission requirements to be observed by companies seeking admission to trading on the London Stock Exchange's main market for listed securities
"AIM"	the AIM market operated by the London Stock Exchange
"Application Form"	the personalised application form which accompanies this document for Qualifying non-CREST Shareholders for use in connection with the Open Offer
"Articles" or **"Articles of Association"**	the articles of association of Oxford BioMedica in force as at the date of this document
"Bavarian Nordic"	Bavarian Nordic A/S, Bavarian Nordic GmbH and BN Immunotherapeutics, Inc.
"business day"	a day (excluding Saturdays and Sundays or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal banking business
"Capita Registrars"	a trading name of Capita Registrars Limited
"certificated" or **"in certificated form"**	where a share or other security is not in uncertificated form
"Closing Price"	the closing middle market quotation of an Existing Ordinary Share as derived from the daily official list published by the London Stock Exchange
"Combined Code"	the Combined Code on Corporate Governance dated 2006 issued by the financial reporting Council or the UK Corporate Governance Code dated June 2010 issued by the Financial Reporting Council
"Companies Act"	the Companies Act 2006 (as amended) including any statutory modification or re-enactment thereof for the time being in force
"Company" or **"Oxford BioMedica"**	Oxford BioMedica plc, registered in England and Wales under number 3252665

"CREST"	the relevant system, as defined in the CREST Regulations (in respect of which Euroclear is operator as defined in the CREST Regulations)
"CREST Applications Host"	the CREST core processor
"CREST member"	a person who has been admitted by Euroclear as a system member (as defined in the CREST Regulations)
"CREST Participant"	a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations)
"CREST personal member"	a CREST member who holds their securities in dematerialised electronic form in CREST in their own name
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CREST Shareholders"	Shareholders holding Existing Ordinary Shares in uncertificated form
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member (which includes all CREST personal members)
"Directors" or **"Board"**	the Directors of Oxford BioMedica whose names appear on page 24 of this document
"Disclosure and Transparency Rules"	the disclosure and transparency rules made by the Financial Services Authority in exercise of its functions as competent authority pursuant to Part VI of FSMA
"Enlarged Share Capital"	the issued ordinary share capital of the Company following the Firm Placing and Placing and Open Offer
"Euroclear"	Euroclear UK & Ireland Limited (formerly CrestCo Limited), the operator of CREST
"European Economic Area"	the member states of the European Union, Iceland, Norway and Liechtenstein
"Executive Directors"	John Dawson, Andrew Wood, Dr. Stuart Naylor and Peter Nolan
"Exchange Act"	the United States Securities Exchange Act of 1934, as amended
"Excess Application Facility"	the facility for Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements
"Excess Open Offer Entitlements"	in respect of each Qualifying CREST Shareholder who has taken up his Open Offer Entitlement in full, the entitlement (in addition to the Open Offer Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to his stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling down according to the Directors' discretion
"Excess Shares"	Open Offer Shares which may be applied for in addition to Open Offer Entitlements

"Excluded Territories"	Canada, Japan, Australia and any other jurisdiction where the availability of the Firm Placing and Placing and Open Offer would breach any applicable law
"Existing Ordinary Shares"	the 544,875,557 existing ordinary shares of 1 pence each in nominal value in the capital of the Company as at the date of this document
"FDA"	the US Food and Drug Administration
"Financial Services Authority" or **"FSA"**	The UK Financial Services Authority
"Firm Placees"	any person who have agreed or shall agree to subscribe for Firm Placed Shares pursuant to the Firm Placing
"Firm Placed Shares"	the 278,916,543 New Ordinary Shares which the Company is proposing to issue pursuant to the Firm Placing
"Firm Placing"	the subscription by Firm Placees for the Firm Placed Shares
"Form of Proxy"	the form of proxy accompanying this document for use in connection with the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended) and all regulations promulgated thereunder from time to time
"FTE"	full time equivalent
"General Meeting"	the General Meeting of the Company convened for the purpose of passing the Resolutions, to be held on 7 January 2011, including any adjournment thereof
"Group" or **"Oxford BioMedica Group"**	Oxford BioMedica and its subsidiaries at the date of this document
"HMRC"	H.M. Revenue & Customs
"IFRS"	International Financial Reporting Standards as adopted by the European Union
"IP"	intellectual property
"Listing Rules"	the listing rules made by the FSA in exercise of its functions as competent authority pursuant to Part VI of FSMA
"London Stock Exchange"	London Stock Exchange plc
"LTIP"	the Long Term Incentive Plan described in paragraph 12.1(c) of Part 7
"New Ordinary Shares"	the 400,000,000 new Ordinary Shares of 1 pence each in nominal value in the capital of the Company issued in connection with the Firm Placing and Placing and Open Offer
"NIH"	the US National Institutes of Health
"Non-CREST Shareholders"	Shareholders holding Ordinary Shares in certificated form
"Non-executive Directors"	Dr. Alan Kingsman, Nick Rodgers, Paul Blake, Andrew Heath and Dr. Alex Lewis
"Notice of General Meeting"	the notice of General Meeting set out at the end of this document

"Offer Price"	5 pence per New Ordinary Share
"Official List"	the Official List of the FSA
"Open Offer"	the conditional invitation to Qualifying Shareholders to apply for up to 121,083,457 New Ordinary Shares at the Offer Price on a pre-emptive basis
"Open Offer Entitlement"	the *pro rata* entitlement to subscribe for Open Offer Shares allocated to a Qualifying Shareholder pursuant to the Open Offer
"Open Offer Shares"	the 121,083,457 New Ordinary Shares for which Qualifying Shareholders are being invited to apply at the Offer Price to be issued pursuant to the terms of the Open Offer
"Ordinary Share"	ordinary shares of 1 pence each in the capital of the Company from time to time
"Overseas Shareholders"	Qualifying Shareholders who have registered addresses outside the United Kingdom
"Panel"	the Panel on Takeovers and Mergers
"PD Regulation"	European Union Prospectus Directive (2003/71/EC)
"Placing"	the conditional placing by Singer Capital Markets of the New Ordinary Shares (subject to clawback to satisfy applications from Qualifying Shareholders pursuant to the Open Offer) on behalf of the Company on the terms and subject to the conditions contained in the Placing Agreement
"Placing Agreement"	the sponsor and placing and open offer agreement dated 13 December 2010 between Singer Capital Markets and the Company relating to the Firm Placing and Placing and Open Offer, the principal terms of which are summarised in paragraph 10 of Part 7 of this document
"Placing Shares"	the 121,083,457 New Ordinary Shares for which placees are being invited to subscribe at the Offer Price pursuant to the Placing (subject to clawback to satisfy applications from Qualifying Shareholders pursuant to the Open Offer)
"Prospectus Rules"	the prospectus rules made by the FSA in exercise of its functions as competent authority pursuant to Part VI of FSMA
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on or deemed to be on the register of members of the Company at the close of business on the Record Date are in uncertificated form
"Qualifying non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on or deemed to be on the register of members of the Company at the close of business on the Record Date are in certificated form
"Qualifying Shareholders"	holders of Existing Ordinary Shares on the register of members of the Company on the Record Date (other than certain Overseas Shareholders as described in Part 2 of this document)
"RDF"	Research Development Foundation, the technology transfer entity for the Clayton Foundation for Research of Houston, Texas
"Record Date"	10 December 2010

"Registrar"	Capita Registrars
"Regulation D"	Regulation D under the Securities Act
"Regulatory Information Service"	a Regulatory Information Service that is approved by the FSA as meeting the Primary Information Provider criteria and that is on the list of Regulatory information Services maintained by the FSA
"Regulation S"	Regulation S under the Securities Act
"Related Party"	a "related party" as defined in Chapter 11 of the Listing Rules, where there is more than one Related Party, the "Related Parties"
"Related Party Resolutions"	resolution number 4 and resolution number 5 in the Notice of General Meeting
"Related Party Transactions"	M&G Investment Management's and Cubana Investments' proposed participation in the Firm Placing and Placing, more particularly described in paragraph 10 of Part 1 of this document, each a "Related Party Transaction"
"Resolutions"	the resolutions to be proposed at the General Meeting, as set out in the Notice of General Meeting
"Securities Act"	the United States Securities Act of 1933, as amended
"Senior Managers"	Dr. Richard Harrop, Jill Martin, Dr. James Miskin, Dr. Kyriacos Mitrophanous and Dr. Graham Price
"Shareholder"	a holder of Existing Ordinary Shares
"Share Schemes"	the 1996 Share Scheme, the 2007 Share Scheme and the LTIP
"Singer Capital Markets" or **"Sponsor"**	Singer Capital Markets Limited
"Takeover Code"	the City Code on Takeovers and Mergers issued by the Panel
"UK Listing Authority"	the Financial Services Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
"uncertificated" or **"in uncertificated form"**	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
"United Kingdom" or **"UK"**	the United Kingdom of Great Britain and Northern Ireland
"US", "USA" or **"United States"**	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

For the purposes of this document "subsidiary", "subsidiary undertaking" and "parent undertaking" shall, unless the context otherwise requires, have the respective meanings given to them by the Companies Act.

All references to "pounds", "pound sterling", "sterling", "£", "pence", "penny" and "p" are to the lawful currency of the United Kingdom.

All references to "Euros", "EUR" and "€" are to the lawful currency of the member states of the European Union that adopt a single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

All references to "USD", "US$", "US dollars" and "United States dollars" are to the lawful currency of the United States.

Glossary of Scientific Terms

“ABCR”	ATP binding cassette transporter, retina-specific
“AFSSAPS”	Agence Francaise de Securite Sanitaire des Produits de Sante
“AMD”	age-related macular degeneration
“angiostatin”	protein that prevents the growth of blood vessels
“anti-angiogenesis”	targeted therapy that uses drugs or other substances to stop the development of new blood vessels, usually targeted to pathological or aberrant blood vessel growth
“CEA”	carcinoembryonic antigen
“clinical development”	the entire clinical study process encompassing Pre-clinical, Phase I, Phase II and Phase III studies
“CTA”	clinical trial authorisation
“Data Monitoring Committee”	independent group of experts who monitor patient safety and treatment efficacy data during the conduct of a clinical trial
“DBS”	deep brain stimulation
“dopamine”	a neurotransmitter found within the nervous system
“DR”	diabetic retinopathy
“DSMB”	Data Monitoring and Safety Monitoring Board
“dyskinesias”	movement disorder which consists of effects including diminished voluntary movements and the presence of involuntary movements. Dyskinesias is symptomatic of several medical disorders and is distinguished by the underlying cause
“EMA”	European Medicines Agency
“endostatin”	broad spectrum angiogenesis inhibitor
“ex vivo”	latin term to describe biological events that take place outside the bodies of living organisms
“GM-CSF”	granulocyte macrophage-colony stimulating factor
“GMP”	Good Manufacturing Practice, formal standards of facilities cleanliness, process, quality controls and documentation set out and periodically monitored by the main medicines control agencies to which a company has to conform in order to manufacture a product for human use
“haematological”	pertaining to blood or blood-forming issues
“HCB”	Haut Conseil des Biotechnologies
“humoral”	pertaining to elements in the blood or other body fluids, generally relating to antibodies
“immunotherapy”	method of treating disease that involves either stimulating the immune system or replacing components of the immune system, for example administering antibodies or cells

"IND"	Investigational New Drug
"Interleukin – 2"	a natural protein that is used in the treatment of some cancers e.g. renal cell cancer
"IRS biomarker"	immune response surrogate biomarker
"in vivo"	latin term to describe biological events that take place inside the bodies of living organisms
"ITT"	intention to treat
"L-DOPA"	a metabolic precursor of dopamine
"LEDD"	L-Dopa Equivalent Daily Dose
"LentiVector®"	Proprietary gene delivery technology using a lentivirus-derived vector which has applications in product development and discovery research
"macular degeneration"	a disease of the part of the retina that causes central vision loss
"MVA"	modified vaccinia Ankara
"MRI guided stereotaxic devices"	surgical device using magnetic resonance imaging to direct a probe to a precisely mapped location
"nephrectomy"	surgical removal of a kidney
"ocular products"	products relating to treatment of the eye
"oncogenic"	giving rise to cancerous tumours
"open label"	refers to a type of clinical study in which both the researchers and participants know which treatment is being administered
"OS"	overall survival
"Parkinson's disease"	a progressive degenerative disease affecting the brain leading to a deficiency in the neurotransmitter dopamine
"PFS"	progression free survival
"Phase I"	first trials of a new candidate therapy in which a small number of healthy volunteers take part
"Phase II study"	the assessment in patients of a drug to determine dose range and preliminary efficacy
"Phase III study"	definitive studies to determine efficacy and safety of a drug in patients who are likely to benefit. These trials try to find out as much as possible about the new drug including its side-effects
"pre-clinical study"	experiments performed before starting clinical trials to assess a compound's potential efficacy and its potential to cause side-effects
"prognostic"	a predictor of the course of a disease
"proof-of-concept"	study designed to show that a compound has its intended clinical effect
"R & D"	research and development

"RAC"	Recombinant DNA Advisory Committee
"retinitis pigmentosa"	a group of hereditary disorders characterised by progressive peripheral vision loss and night vision difficulties that can lead to central vision loss
"SAE"	serious adverse event
"sham control"	using a mock surgical procedure which the patient is unaware of as a comparator in a clinical trial
"SPA"	special protocol assessment
"SOC"	standard of care
"Stargardt disease"	hereditary eye disease that is one of the most frequent causes of macular degeneration during childhood
"striatum"	part of the basal ganglia system of the brain
"T-cell"	type of white blood cell that is of importance to the immune system
"TRIST"	TroVax® Renal Immunotherapy Survival Trial
"UPDRS"	Unified Parkinson's Disease Rating Score
"Usher Syndrome 1B"	human hereditary disorder characterized by profound congenital deafness, retinitis pigmentosa, and vestibular dysfunction
"viral genes"	genes encoding the proteins normally found in a virus

NOTICE OF GENERAL MEETING

OXFORD BIOMEDICA plc

(incorporated in England and Wales with registered number 3252665)

Notice is hereby given that a General Meeting of Oxford BioMedica plc (the "**Company"**) will be held at the offices of Morrison and Foerster (UK) LLP at CityPoint, One Ropemaker Street, London EC2Y 9AW at 10.00 a.m. on 7 January 2011 for the purpose of considering and, if thought fit, passing the following resolutions of which Resolutions 1, 2, 4 and 5 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

1. THAT, the issue of the New Ordinary Shares of 1 pence each pursuant to the Firm Placing and Placing and Open Offer, as defined in the Prospectus to which this notice is attached (the "**Firm Placing and Placing and Open Offer**"), at a subscription price of 5 pence per share, which represents a 37.5 per cent. discount to the closing middle market price (as derived from the Daily Official List of the London Stock Exchange) of an Existing Ordinary Share on the last dealing day preceding the date of the notice of this meeting (being the time of agreeing the Firm Placing, Placing and Open Offer) be and is hereby approved.

2. THAT conditional upon the passing of Resolution 1 above, Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "**Act**") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "relevant securities" up to an aggregate nominal amount of £4,000,000 pursuant to the Firm Placing and Placing and Open Offer which authority shall be in addition to the existing authority conferred, which shall continue in full force and effect. The authority conferred by this resolution shall expire (unless previously revoked or varied by the Company in general meeting) on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuant of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.

3. THAT conditional upon the passing of Resolutions 1 and 2 above, in addition to all other existing powers of the Directors under section 570 of the Act which shall continue in full force and effect, the Directors are empowered under the said section 570 to allot equity securities as defined by section 560 of the Act for cash pursuant to the authority conferred by Resolution 2 above as if section 561 of the Act did not apply to any such allotment, provided that such allotments are made pursuant to the Firm Placing and Placing and Open Offer. Such power shall, subject to the continuance of the authority conferred by Resolution 2, expire on the conclusion of the next annual general meeting of the Company or the date 15 months from the date of passing of this resolution, whichever is the earlier, but may be revoked or varied from time to time by Special Resolution so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

4. THAT, the proposed participation of M&G Investment Management in the Firm Placing and Placing (as defined and described in the Prospectus to which this notice is attached), being a related party transaction for the purposes of the Listing Rules of the Financial Services Authority, be and is hereby approved.

5. THAT, the proposed participation of Cubana Investments in the Firm Placing and Placing (as defined and described in the Prospectus to which this notice is attached), being a related party transaction for the purposes of the Listing Rules of the Financial Services Authority, be and is hereby approved.

BY ORDER OF THE BOARD
Andrew Wood
Company Secretary

Registered office
Medawar Centre
Robert Robinson Avenue
The Oxford Science Park
Oxford
OX4 4GA

Dated 13 December 2010

Notes

(1) Members entitled to attend and vote at the General Meeting are also entitled to appoint one or more proxies to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder which must be identified on the form of proxy. A proxy need not be a shareholder of the company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.

(2) A form of proxy is enclosed for use by members. To be valid it should be completed, signed and delivered (together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of authority) to the Company's registrars Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or submitted electronically via www.capitashareportal.com (see note 3), not later than 48 hours before the time appointed for holding the General Meeting or, in the case of a poll taken subsequently to the date of the General Meeting, or any adjourned meeting, not less than 24 hours before the time appointed for the taking of the poll which is taken more than 48 hours after the day of the General Meeting or adjourned meeting. Shareholders who intend to appoint more than one proxy can obtain additional forms of proxy from Capita Registrars. Alternatively, the form provided may be photocopied prior to completion. The forms of proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.

(3) You may submit your proxy vote electronically via www.capitashareportal.com. From there you can log in to your Capita share portal account or register for the Capita share portal if you have not already done so. To register, select "Register" then enter your surname, Investor Code, postcode and an e-mail address. Create a password and click "Register" to proceed. You will be able to vote immediately by selecting "Proxy Voting" from the menu. You can find your Investor Code on the Form of Proxy enclosed with this document.

(4) An abstention (or "vote withheld") option has been included on the form of proxy. The legal effect of choosing the abstention option on any resolution is that the shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.

(5) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

(6) The statement of rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

(7) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with CRESTCo's specification and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Registrar (ID

RA10) by 10.00 a.m. on 5 January 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST members concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

(8) Completion and return of a form of proxy will not affect the right of such member to attend and vote in person at the meeting or any adjournment thereof.

(9) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders entered on the register of members of the Company at 10.00 a.m. on 5 January 2011 will be entitled to attend or vote (whether in person or proxy) at the General Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register after 10.00 a.m. on 5 January 2011 will be disregarded in determining the rights of any person to attend or vote at the meeting or any adjourned meeting (as the case may be).

(10) As at 10 December 2010 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 544,875,557 Ordinary Shares, carrying one vote each. Therefore, the total voting rights in the Company as at 10 December 2010 are 544,875,557.

(11) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

(12) A copy of this notice of meeting, together with any members' statements which have been received by the Company after the despatch of this notice and the other information required by s.311A of the Companies Act 2006 are all available on the Company's website at www.oxfordbiomedica.co.uk under 'investors: shareholder meetings'.

(13) Shareholders, proxies and authorised representatives will be required to provide their names and addresses for verification against the register of members and proxy appointments received by the Company before entering the meeting. Each authorised representative must produce proof of his or her appointment, in the form of the actual appointment or a certified copy. Other than this, there are no procedures with which any such persons must comply in order to attend and vote at the meeting.

(14) Shareholders, proxies and authorised representatives may raise questions at the meeting concerning any business being dealt with at the meeting and will receive answers, except that a question need not be answered where it would interfere unduly with the conduct of the meeting, would involve the disclosure of confidential information, where the answer has already been given on a website in the form of an answer to a question or where it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.