

XTL Biopharmaceuticals Reports Financial and Operational Results for the First Quarter of 2014

HERZLIYA, Israel – June 2, 2014 – XTL Biopharmaceuticals Ltd. (NASDAQ: XTLB, TASE: XTL) (“XTL” or the “Company”), a clinical-stage biopharmaceutical company focused on the acquisition, development and commercialization of pharmaceutical products for the treatment of unmet clinical needs, today announced its financial and operational results for the quarter ended March 31, 2014.

Josh Levine, the CEO of XTL, stated: “During the quarter, we moved ahead with planning for clinical trials to advance our two core programs, including hCDR1, a Phase II-ready asset for the treatment of Systemic Lupus Erythematosus. To further these efforts we recently appointed several key consultants to assist with the planning for the Lupus trial. This includes Professor David Isenberg, MD, one of the creators of the BILAG index, a potential primary endpoint currently recommended by the FDA. The BILAG index was used as a secondary endpoint in the previous Phase II trial in which hCDR1 showed a substantial effect. We expect our current capital position of in excess of \$3.6 million and low fixed overhead costs will allow us to move ahead with clinical trial preparation and have the hCDR1 trial for Lupus and rHuEPO trial for Multiple Myeloma ready to commence by the end of 2014 or early-2015.”

Financial Overview

The Company reported research and development expenses for the quarter ended March 31, 2014 of \$50,000 compared to \$18,000 for the same period last year reflecting increased spending on preparations for clinical trials. General and administrative expenses for the quarter ended March 31, 2014 were \$729,000 compared to \$700,000 for the same period last year. Excluding expenses associated with InterCure, Ltd., the Company’s medical device subsidiary, these costs would have been \$547,000 and \$527,000 for the quarters ended March 31, 2014 and 2013, respectively.

XTL reported an operating loss for the quarter ended March 31, 2014 of \$753,000 compared with \$923,000 for the same period last year. The Company reported a net loss for the quarter ended March 31, 2014 of \$761,000 compared with \$1.1 million for the same period last year. The lower loss was due primarily to lower Sales and Marketing expenses related to InterCure and lower losses from investment in associates following the disposal of its holdings in Proteologics in the third quarter of 2013.

The Company reported \$3.9 million in cash, cash equivalents and bank deposits (including InterCure) as of March 31, 2014.

About XTL Biopharmaceuticals Ltd. (“XTL”)

XTL Biopharmaceuticals Ltd., a biopharmaceutical company, focuses on the acquisition, development, and commercialization of pharmaceutical products for the treatment of unmet clinical needs. XTL is focused on late stage clinical development of drugs for the treatment of lupus, multiple myeloma and schizophrenia.

XTL is a public company traded on the Nasdaq Capital Market (NASDAQ: XTLB) and the Tel Aviv Stock Exchange (TASE: XTL). XTL shares are included in the following indices: Tel-Aviv Biomed, Tel-Aviv MidCap, and Tel-Aviv Tech Index.

Cautionary Statement

Some of the statements included in this press release may be forward-looking statements that involve a number of risks and uncertainties. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Please see the risk factors associated with an investment in our ADSs or ordinary shares which are included in our Annual Report on Form 20-F as filed with the U.S. Securities and Exchange Commission on April 2, 2014.

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XTL Biopharmaceuticals, Ltd. and Subsidiaries
(in thousands, except share and per share amounts)

Consolidated Statements of Financial Position - Selected Data

	As of	
	March 31,	December 31,
	2014	2013
Cash, Cash Equivalents and bank deposits	\$ 3,871	\$ 4,165
Working Capital	3,485	3,870
Total assets	7,743	8,015
Long term liabilities	\$ 10	\$ 11
Total shareholders' equity	6,142	6,265
Non-controlling interests	286	520

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(in thousands, except share and per share amounts)

Consolidated Statements of Comprehensive Income

	For the three months ended March 31,	
	2014	2013
Revenues	\$ 587	\$ 673
Cost of Sales	(157)	(199)
 Gross Profit	 \$ 430	 \$ 474
Research and Development costs	(50)	(18)
Selling and marketing expenses	(404)	(686)
General and administrative expenses	(729)	(700)
Impairment of intangible assets	-	-
Other gains, net	-	7
Operating Loss	\$ (753)	\$ (923)
Finance income	\$ 2	\$ 21
Finance expenses	(10)	(10)
Financial income, net	\$ (8)	\$ 11
Earnings (losses) from investment in associate	\$ -	\$ (190)
Loss for the Period	\$ (761)	\$ (1,102)
 Other comprehensive income (loss):		
Items that might be classified to profit or loss:		
Foreign currency transaction adjustments	\$ -	\$ 51
Reclassification of foreign currency transaction adjustments to Other gains, net	-	-
Total other comprehensive income (loss)	\$ -	\$ 51
 Total comprehensive loss for the period	\$ (761)	\$ (1,051)
 Loss for the year attributable to:		
Equity holders of the Company	\$ (686)	\$ (872)
Non-controlling interests	(75)	(230)
	\$ (761)	\$ (1,102)
 Total comprehensive loss for the period attributable to:		
Equity holders of the Company	\$ (686)	\$ (821)
Non-controlling interests	(75)	(230)
	\$ (761)	\$ (1,051)
 Basic and diluted loss per share (in U.S. dollars)	 \$ (0.003)	 \$ (0.004)
 Weighted average number of issued ordinary shares	 228,309,044	 222,323,300