



## **XTL Biopharmaceuticals Provides Financial and Operational Update for the Second Quarter of 2014**

**HERZLIYA, Israel** – September 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 three and six month periods ended June 30, 2014.

Josh Levine, CEO of XTL, stated: “There continues to be significant excitement about hCDR1, a Phase II-ready asset for the treatment of Systemic Lupus Erythematosus, throughout the autoimmune research community. Recently, a review of hCDR1 was included in an article by Prof. Edna Mozes titled, [Novel Approaches to the Development of Targeted Therapeutic Agents for Systemic Lupus Erythematosus](#), which was published in the Journal of Autoimmunity. In this article hCDR1 was highlighted as one of the few attractive potential candidates for the specific and safe treatment of lupus patients.

“We continue to move ahead with the planning of clinical trials for our core assets, with a focus on hCDR1. Our newly-hired consultants have extensive experience in the study of Lupus and will allow us to expedite the planning process for hCDR1. In fact, we intend to approach the FDA with a finalized trial design by the end of this year. In respect to our rHuEPO asset for the treatment of Multiple Myeloma, we have already begun the regulatory process using our existing capital, which is in excess of \$3.2 million. We are on track to be able to commence both the Phase IIb trial for Lupus and the trial for Multiple Myeloma by the middle of 2015,” concluded Mr. Levine.

### **Financial Overview**

The Company reported research and development expenses for the quarter ended June 30, 2014 of \$40,000 compared with \$25,000 for the same period last year, which reflects increased spending on preparations for clinical trials. General and administrative expenses for the quarter ended June 30, 2014 were \$488,000 compared with \$694,000 for the same period last year. Excluding expenses associated with InterCure, Ltd., the Company’s medical device subsidiary, these costs would have been \$369,000 and \$508,000 for the quarters ended June 30, 2014 and 2013, respectively.

XTL reported an operating loss for the quarter ended June 30, 2014 of \$723,000 compared with \$1.0 million for the same period last year. The Company reported a net loss for the quarter ended June 30, 2014 of \$710,000 compared with \$1.2 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 \$3.3 million in cash, cash equivalents and bank deposits (including InterCure) as of June 30, 2014.

The Company reported research and development expenses for the six months ended June 30, 2014 of \$90,000 compared with \$43,000 for the same period last year reflecting increased spending on preparations for clinical trials. General and administrative expenses for the six months ended June 30, 2014 was \$1.2 million compared with \$1.4 million for the same period last year. Excluding expenses associated with InterCure, Ltd., the Company’s medical device subsidiary, these costs would have been \$916,000 and \$1,035,000 for the six months ended June 30, 2014 and 2013, respectively.

XTL reported an operating loss for the six months ended June 30, 2014 of \$1.5 million compared with \$1.9 million for the same period last year. The Company reported a net loss for the six months ended June 30, 2014 of \$1.5 million compared with \$2.3 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.

#### **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	
	June 30, 2014	December 31, 2013
Cash, Cash Equivalents and bank deposits	\$ 3,260	\$ 4,165
Working Capital	3,076	3,870
Total assets	7,224	8,015
Long term liabilities	\$ 27	\$ 11
Total shareholders' equity	5,708	6,265
Non-controlling interests	141	520

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

**Consolidated Statements of Comprehensive Income**

	For the six months ended June 30,		For the three months ended June 30,	
	2014	2013	2014	2013
<b>Revenues</b>	\$ 967	\$ 1,185	\$ 380	\$ 512
Cost of Sales	(270)	(387)	(113)	(188)
<b>Gross Profit</b>	\$ 697	\$ 798	\$ 267	\$ 324
Research and Development expenses	(90)	(43)	(40)	(25)
Selling and marketing expenses	(725)	(1,294)	(321)	(608)
General and administrative expenses	(1,217)	(1,394)	(488)	(694)
Impairment of intangible assets	-	-	-	-
Impairment of fixed and intangible assets in subsidiary	(141)	-	(141)	-
Other gains, net	-	10	-	3
<b>Operating Loss</b>	\$ (1,476)	\$ (1,923)	\$ (723)	\$ (1,000)
Finance income	\$ 15	\$ 39	\$ 13	\$ 18
Finance expenses	(10)	(13)	-	(3)
Financial income, net	\$ 5	\$ 26	\$ 13	\$ 15
Losses from investment in associate	\$ -	\$ (449)	\$ -	\$ (259)
<b>Loss for the Period</b>	\$ (1,471)	\$ (2,346)	\$ (710)	\$ (1,244)
<b>Other comprehensive income:</b>				
Items that might be classified to profit or loss:				
Foreign currency transaction adjustments	\$ -	\$ 68	\$ -	\$ 17
Reclassification of foreign currency transaction adjustments to Other gains, net	-	-	-	-
<b>Total other comprehensive income</b>	\$ -	\$ 68	\$ -	\$ 17
<b>Total comprehensive loss for the period</b>	\$ (1,471)	\$ (2,278)	\$ (710)	\$ (1,227)
<b>Total loss for the period attributable to:</b>				
Equity holders of the Company	\$ (1,249)	\$ (1,875)	\$ (563)	\$ (1,003)
Non-controlling interests	(222)	(471)	(147)	(241)
	\$ (1,471)	\$ (2,346)	\$ (710)	\$ (1,244)
<b>Total comprehensive loss for the period attributable to:</b>				
Equity holders of the Company	\$ (1,249)	\$ (1,807)	\$ (563)	\$ (986)
Non-controlling interests	(222)	(471)	(147)	(241)
	\$ (1,471)	\$ (2,278)	\$ (710)	\$ (1,227)
Basic and diluted loss per share (in U.S. dollars)	\$ (0.005)	\$ (0.008)	\$ (0.002)	\$ (0.004)
<b>Weighted average number of issued ordinary shares</b>	229,897,370	222,330,437	231,483,130	222,306,007

