

16 February 2010

SAREUM HOLDINGS PLC
("Sareum" or "the Company")

HALF YEARLY RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

Sareum (AIM: SAR), the specialist cancer drug discovery business, is pleased to announce its half-yearly results for the six month period ended 31 December 2009.

Financial highlights

- Cash at bank at period end was £740,000 (2008: £531,000)
- Loss on ordinary activities (after taxation) of £296,000 (2008: £848,000)
- Placing of £815,000 (gross) in the period to advance cancer drug pipeline

Operational highlights

- Research programmes making good progress
- Progress in Chk1 cancer programme presented at NCRI cancer conference
- Company showcase presentation at BIO-Europe, Europe's largest biotechnology partnering event

Post period end highlights

- Progress in Chk1 cancer programme published in peer-reviewed scientific journal

Dr Tim Mitchell, CEO of Sareum Holdings plc, said: "We have been actively progressing and marketing our cancer research programmes and the recent fundraisings provide us with sufficient cash for the foreseeable future."

Sareum Holdings plc

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Half-yearly results for the six months ended 31 December 2009

Chairman's Statement

Sareum continues to progress its in-house cancer drug pipeline, whilst managing the research spend such that we can drive the most promising lines of development to build the asset value of our programmes.

Sareum's most advanced in-house programme is carried out in conjunction with one of the world's leading cancer research organisations, The Institute of Cancer Research and Cancer Research Technologies Limited. This programme targets checkpoint kinase 1 which is important in controlling a cancer cell's response to DNA-damaging chemotherapy. Successful *in-vivo* efficacy studies were presented at the NCRI International Cancer Conference in October 2009 and published in the peer-reviewed scientific journal, *Molecular Cancer Therapeutics*, in January 2010. Furthermore, the fifth patent application arising from the programme was published in January 2010 and the most recent data demonstrates that programme compounds have the potential to be efficacious by oral administration, as well as by injection. This is an important step forward in the search for compounds with the most competitive combination of attributes. We believe that compounds from this programme compare favourably with current best in class therapies, and these latest publications and data will assist in our discussions with potential licensing partners.

The Company's other cancer programmes, targeting Aurora and FLT4 kinases, are progressing to plan, and continue to be evaluated in *in-vivo* efficacy models. We look forward to reporting the progress in these programmes over the coming months.

Coupled with this research activity, is a very active marketing campaign to licence these programmes to a pharmaceutical or biotechnology company partner. In November 2009, CEO Dr Tim Mitchell presented Sareum's cancer drug discovery pipeline at BIO-Europe 2009, Europe's largest biotechnology partnering event.

The recent share placings, in September and October 2009 provide sufficient cash resources for the foreseeable future whilst maintaining a significant investment in the Company's pipeline of cancer programmes. We raised substantially more than our internal target and this is allowing us to bring forward some research spend in the programmes showing the most promise. The Directors were pleased to receive this support from investing institutions and retail investors, particularly in the light of the current economic climate.

Financial review

During the six months under review the group raised £815,000, before expenses, from two placings of new ordinary shares on AIM. £315,000 was raised in September at 0.2p per share and the remaining £500,000 was raised in October at 0.25p per share. The funds raised will underwrite the ongoing development of the group's drug discovery programmes.

We ended the half year with net assets of £797,000, including £740,000 of cash in the bank. The Directors believe that the Company has sufficient cash to fund the business for the foreseeable future. A commercial deal on one or more of the research programmes would further increase the duration of its funds.

Outlook

Our primary objective is to progress our in-house cancer drug discovery pipeline to deliver drug candidates that are positioned to attract lucrative partnering deals with pharmaceutical companies. We will continue to advance these programmes and expect to develop further drug candidates for pre-clinical studies during the current financial year. We are actively

seeking licensing partners with the aim of achieving a licensing deal on at least one of our current in-house programmes.

Dr Paul Harper,
Chairman, Sareum Holdings plc

Consolidated Income Statement for the six months ended 31 December 2009

	Unaudited Six months ended 31 Dec 09 £'000	Unaudited Six months ended 31 Dec 08 £'000	Audited Year ended 30 Jun 09 £'000
Revenue	-	32	32
Operating expenses	(322)	(936)	(1,185)
Operating Loss	(322)	(904)	(1,153)
Finance income	-	(3)	(3)
Finance costs	-	13	14
Loss before tax	(322)	(894)	(1,142)
Tax	26	46	68
Loss on ordinary activities after taxation	(296)	(848)	(1,074)
Loss per share (pence) Basic and diluted	(0.03)	(0.10)	(0.13)

Consolidated Balance Sheet as at 31 December 2009

	Unaudited As at 31 Dec 09 £'000	Unaudited As at 31 Dec 08 £'000	Audited As at 30 Jun 09 £'000
Non-current assets			
Intangible assets	1	2	2
Property, plant and equipment	1	2	1
	2	4	3
Current assets			
Debtors	137	87	101
Cash and cash equivalents	740	531	274
	877	618	375
Creditors: amounts due within one year	(82)	(70)	(52)
Net current assets	795	548	323
Net assets	797	552	326
Equity			
Called up share capital	294	204	204
Share premium	6,078	5,401	5,401
Retained earnings	(5,575)	(5,053)	(5,279)
Total equity	797	552	326

**Consolidated Statement of changes in equity for the six months ended
31 December 2009**

	Share Capital £'000	Share Premium £'000	Retained Loss £'000	Total £'000
As at 30 June 2008 (Unaudited)	204	5,401	(4,205)	1,400
Loss for the period	-	-	(848)	(848)
As at 31 December 2008 (Unaudited)	204	5,401	(5,053)	552
Loss for the period	-	-	(226)	(226)
As at 30 June 2009 (Unaudited)	204	5,401	(5,279)	326
Issue of share capital (net)	90	677	-	767
Loss for the period	-	-	(296)	(296)
As at 31 December 2009 (Unaudited)	294	6,078	(5,575)	797

Consolidated Cash Flow Statement for the six months ended 31 December 2009

	Unaudited Six Months ended 31 Dec 09 £'000	Unaudited Six Months ended 31 Dec 08 £'000	Audited Year ended 30 Jun 09 £'000
Cash flows from operating activities			
Cash outflow from operating activities	(301)	(778)	(1,036)
Interest paid	-	(3)	(3)
Research and Development tax credit	-	325	325
Net cash used in operating activities	(301)	(456)	(714)
Cash flows from investing activities			
Disposal of fixed assets	-	707	707
Interest received	-	13	14
Net cash from investing activities	-	720	721
Cash flows from financing activities			
Net proceeds from ordinary shares issued	767	-	-
Repayment of loans	-	(214)	(214)
Net cash from/(used in) financing activities	767	(214)	(214)
Increase/(Decrease) in cash and equivalents	466	50	(207)
Cash and equivalents at start of period	274	481	481
Cash and equivalents at end of period	740	531	274

NOTES TO THE UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2009

1. FINANCIAL INFORMATION

These half-yearly results do not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006. The Annual Report and Accounts for the year ended 30 June 2009 are available from Sareum's web site, www.sareum.co.uk.

2. BASIS OF ACCOUNTING

The half-yearly results have been prepared in accordance with IFRS accounting standards.

3. TAXATION

No liability arises for corporation tax for the six month period ended 31 December 2009. Research and Development tax credits, receivable as cash, are estimated to be £26,000 for the period.

4. DIVIDENDS

The directors do not propose the payment of a dividend in respect of the six months ended 31 December 2009.

5. LOSS PER SHARE

Basic and diluted loss per share is 0.03p (2008: 0.10p). The basic loss per ordinary share is calculated by dividing the Group's loss for the six months of £296,000 (2008: £848,000) by 998,315,104 (2008: 818,097,713), the weighted average number of shares in issue during the period.

6. AVAILABILITY OF HALF-YEARLY REPORT

This half-yearly statement is available on request from the offices of the Company at Unit 2a, Langford Arch, London Road, Pampisford, Cambridge CB22 3FX and from the Company's website www.sareum.co.uk.