



## 2006 Half-Year Results Confirm Solid Financial Position and Product Development Progress

**LIEGE (BELGIUM) – August 31, 2006, 8:00am CET – OncoMethylome Sciences published its financial results today for the first half of 2006, ending on June 30, 2006.**

### **H1 2006 operational highlights:**

- The company completed a EUR 25 million IPO on Eurolist by Euronext Brussels and Amsterdam despite difficult stock market conditions, increasing the cash position to EUR 37 million as of June 30, 2006.
- The R&D capacity of the laboratory in Liege (Belgium) was nearly doubled.
- The marker discovery and pharmacogenomics program, based in Leuven (Belgium), yielded patent filings on over 200 new markers that show promise in oncology applications.
- OncoMethylome was granted a European patent on its core technology (MSP: Methylation Specific PCR). As a result, OncoMethylome now owns granted technology patents in three key commercial markets, namely USA, Europe and Japan.
- The performance characteristics of the prostate cancer diagnostic product were confirmed in 400 additional patient samples. As a result, OncoMethylome completed all of its R&D obligations for this product and collected the corresponding milestone payment from its commercial partner Johnson & Johnson.
- The collaboration with Schering-Plough is on track, and patient enrollment in the multi-center brain cancer clinical trial is proceeding well. The trial utilizes OncoMethylome's MGMT pharmacogenomics test.
- Important marker discovery studies were published by OncoMethylome's research collaborators, who continue to contribute promising oncology markers to the company's marker portfolio. Johns Hopkins University, Fox Chase Cancer Center, and Lovelace Respiratory Research Institute published their work on promising methylation markers for detecting breast cancer, kidney cancer, and lung cancer.

### **H1 2006 financial highlights (versus H1 2005)**

Key Figures (EUR thousands, except number of shares and per share data):

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
Revenues	967	392
Operating profit (EBIT)	-3,407	-3,145
Net loss	-3,338	-3,076
Earnings per share, basic (€)	-0.32	-0.73
Number of outstanding shares	10,450,954	4,234,880
Cash and cash equivalents	37,236	476

## Revenues

Revenues increased to EUR 967,000 from EUR 392,000 for the same period in 2005, mainly due to receipt of new government subsidies.

## Costs and Profitability

Total research and development expenses for the first half of 2006 were EUR 3.4 million compared with EUR 2.8 million for the first half of 2005. This increase of 21% is attributable to the expansion of the company's R&D projects. Selling, general and administrative expenses increased by 35% to EUR 993.000, mainly due to the expansion of the administrative functions required to accommodate the listing on Eurolist by Euronext. Despite the R&D expense increase of 21%, the net loss for the first six months of 2006 increased by only 9% to EUR 3.3 million.

## Cash Position

OncoMethylome's cash and cash equivalents amounted to EUR 37.2 million at June 30, 2006. In the first half of 2006, OncoMethylome raised a total of EUR 31.3 million through the issuance of new shares, consisting of a EUR 6 million private placement in the first quarter, and the EUR 25.3 million IPO in the second quarter. These transactions resulted in a net cash contribution of EUR 29.1 million, after deducting fundraising costs. As the IPO was completed on June 27, 2006, additional accounts payable pertaining to IPO expenses amount to EUR 1.7 million. Excluding financing activities, OncoMethylome's net cash burn for the first six months of 2006 was approximately EUR 3 million.

## **Outlook for H2 2006**

For the full year 2006, OncoMethylome provides revenue guidance of EUR 2 million to EUR 3 million. Due to its exposure to lump-sum milestone payments resulting from its commercial partnerships, the company's revenues may be subject to variations from period to period. The continuous expansion of R&D activities is foreseen in the second half of 2006.

All commercialization and product development programs, as previously communicated for 2006 and 2007, remain on track. One of the milestones expected for the second half of 2006 has already been achieved, namely the milestone pertaining to the availability of clinical trial testing capacity in the Schering-Plough collaboration. Still expected for the second half of 2006 is Johnson & Johnson's decision regarding the exercise of its option to in-license OncoMethylome's prostate cancer screening product.

"The first half of 2006 was a success for OncoMethylome Sciences. We significantly expanded our R&D capabilities in Leuven and Liege, which paid off in terms of marker discoveries and product pipeline progress. Our commercial partnerships with Schering-Plough and Johnson & Johnson are on track, and we continue to meet our commercial partnership milestones" said Herman Spolders, CEO of OncoMethylome Sciences. "The strong cash position resulting from the IPO, our excellent and patent-protected technology, and our uniquely-qualified team of scientists put us in an excellent position to continue to work towards bringing quality diagnostic and personalized treatment products to the market."

**Conference call and webcast presentation: today at 9.30 CET**

OncoMethylome Sciences will host its half-year update conference call today at 9.30 CET, which will also be simultaneously broadcast via the internet. The event is open to the public and is accessible via internet broadcast at [www.oncomethylome.com](http://www.oncomethylome.com) and via telephone at +32 2 404 0334. In order to ask questions during the Q&A session, please join the event via telephone. A recording of the event will also be made available at [www.oncomethylome.com](http://www.oncomethylome.com) after the call.

**Complete financial statements:**

The complete unaudited financial statements of H1 2006 are available for downloading in the investors section of [www.oncomethylome.com](http://www.oncomethylome.com).

**About OncoMethylome Sciences**

OncoMethylome Sciences (Euronext Brussels: ONCOB; Euronext Amsterdam: ONCOA) is a molecular diagnostics company developing patent-protected gene methylation tests to assist physicians in effectively detecting and treating cancer. Specifically, the company's tests are designed to help the physician (i) accurately detect cancer in early stages of cancer development, (ii) predict a patient's response to drug therapy, and (iii) predict the likelihood of cancer recurrence.

OncoMethylome boasts a broad product development pipeline consisting of nine products and a solid partnering record. The company collaborates with leading international molecular oncology research centers, such as The Johns Hopkins University, and has a number of commercial and collaborative partnerships with Veridex LLC, a Johnson & Johnson company, Schering-Plough Corp., Chemicon International Inc., and EXACT Sciences Corp. OncoMethylome's products are based on methylation technology invented by Johns Hopkins University (USA).

Established in January 2003, OncoMethylome has offices in Liege and Leuven (Belgium), in Durham, NC (USA), and in Amsterdam (the Netherlands).

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