

Source BioScience plc

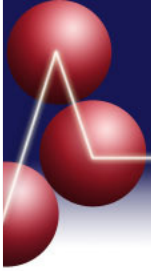
Presentation to Investors

March 2008

Disclaimer

In the interest of providing Source BioScience's shareholders and potential investors with information regarding the Company, including management's assessment of the Company's future plans and operations, certain statements and charts throughout this presentation are "forward-looking statements" and represent the Company's internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the Company's future economic performance.

The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties which may cause the Company's actual performance and financial results in future periods to differ materially from any estimates or projections. Nothing in this presentation should be construed as a profit forecast.



About Source BioScience

- A leading provider of expert, quality services and products to the healthcare, pharma biotech and life science research sectors
- State of the art reference laboratories in Nottingham, Cambridge and Oxford
- Fully listed (LSE: SBS)
- Three operating divisions:

- **Healthcare**

Screening and diagnostic testing services and products for cancer and other diseases for the NHS and private healthcare

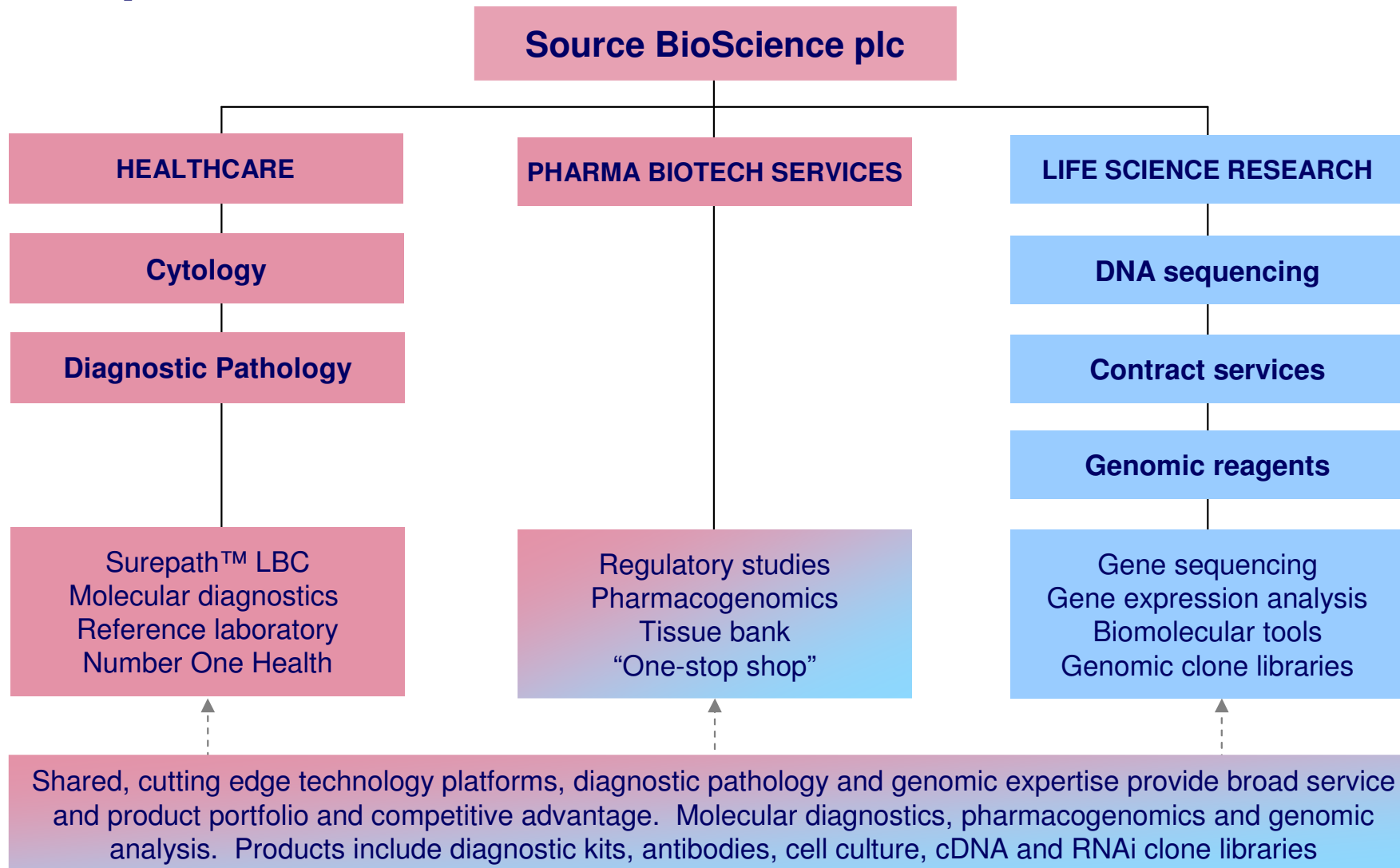
- **Pharma Biotech Services**

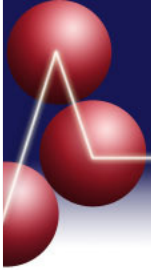
Support for early stage therapeutic development offering a “one-stop shop” from tissue pathology to gene expression profiling and mutation analysis to pharma biotech clients

- **Life Science Research**

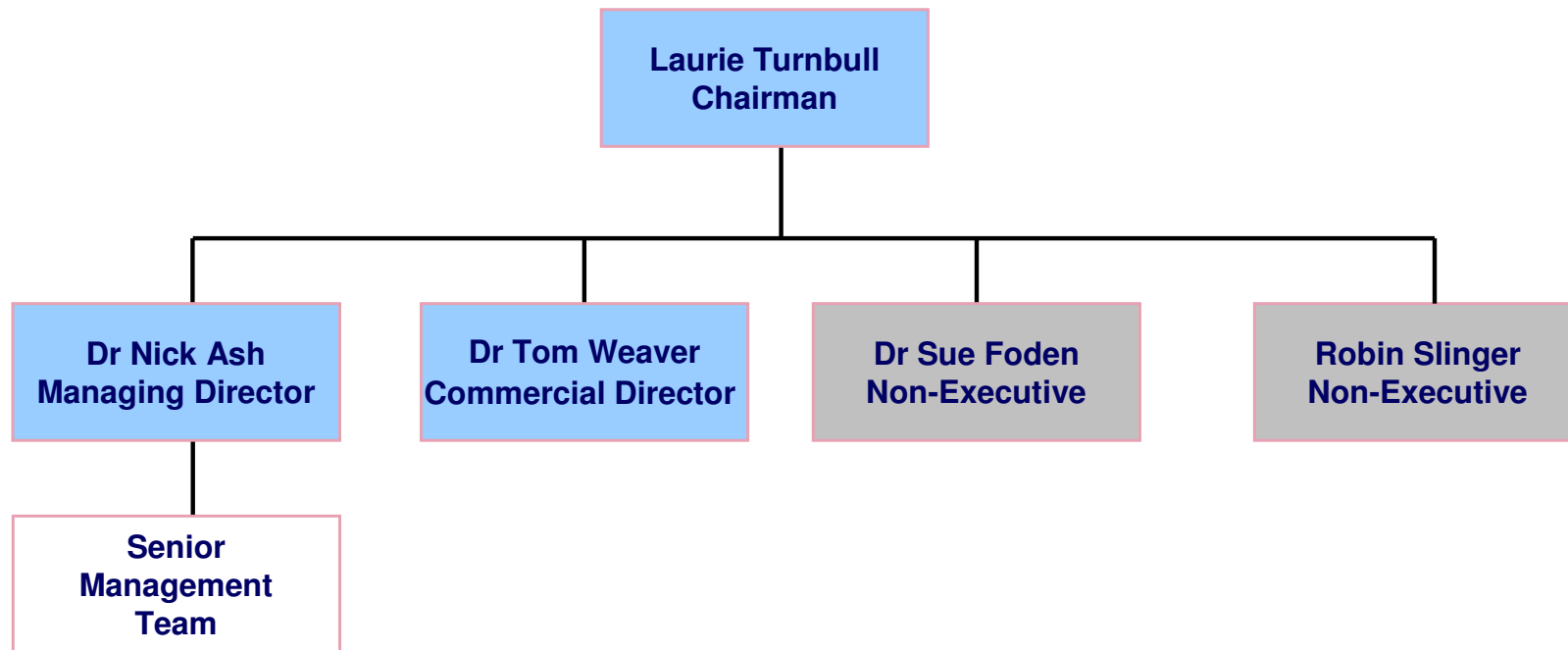
Core laboratory research support services to academic labs and research institutes, including DNA sequencing, genotyping and an online catalogue of biomolecular tools including antibodies, cell culture, cDNA, RNAi and genomic clone libraries

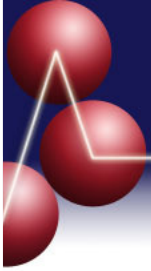
Group activities





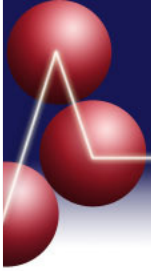
Board of Directors





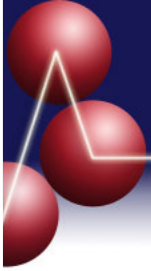
Financial highlights 2007

- 25% growth in revenue to £7.5 million
- 37% improvement in operating loss (before exceptional items) to £1.4 million (2006: £2.2 million loss)
- 50% reduction in operating loss from continuing operations to £1.2 million
- 77% improvement in loss before tax to £0.5 million (2006: £2.3 million loss)
- Cash balance of £12.3 million (31 December 2006: £15.2 million) to support the growth of the business



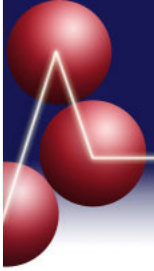
Key events during 2007

- Acquisition of Geneservice Limited on 3 July for £3.9 million; a profitable, cash generative business, creating a “one-stop shop” for diagnostic and pharma biotech support services
- Acquisition of a 40% equity stake in Number One Health Group Limited based on Harley Street
- Appointment as exclusive UK distributor for *Oncotype DX*[™]
- Appointment by Applied Biosystems, Inc. to be the UK service provider of its SNPlex[™] Genotyping System
- Licensed by the Human Tissue Authority

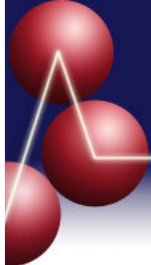


Key events 2008 to date

- Acquisition of Autogen Bioclear UK Limited for up to £6 million; a profitable, cash generative business with net current assets of £2 million
- Purchased Illumina's Genome Analyzer next generation sequencing and BeadStation genotyping platforms, becoming the first commercial service provider of these technologies in the UK
- FocalPoint location guided screener added to the exclusive distribution agreement with TriPath/Becton Dickinson
- Exclusive distribution agreement with Empire Genomics for the ACCUArray™ BAC aCGH assay
- Maintained GLP compliance and CPA accreditation; attained GCP accreditation



Review of 2007



Financial performance

- Revenue increased by 25%
- Cost control and increased efficiency of operations; gross margin 42% (2006: 40%)
- Reduction in administrative expenses despite increased scale of operations
- Pro forma operating loss reduced by 37%
- Negotiated settlement realised £0.2 million of exceptional income
- Operating loss reduced by 50% to £1.2 million
- Loss before tax improved by 77%

Year ended 31 December	2007 £'000	2006 £'000	2005 £'000
Revenue	7,531	6,025	5,655
Cost of sales	(4,404)	(3,640)	(3,655)
Gross profit	3,127	2,385	2,000
Selling and distribution	(680)	(609)	(833)
Research and development	(110)	(167)	(207)
Admin expenses - normal	(3,731)	(3,837)	(4,373)
Pro forma operating loss	(1,394)	(2,228)	(3,413)
Exceptional income	206	-	383
Exceptional costs	(29)	(185)	(411)
Reported operating loss	(1,217)	(2,413)	(3,441)
Finance income/(expense)	704	81	(143)
Share of associate's loss	(20)	-	-
Loss before tax	(533)	(2,332)	(3,584)

Financial performance

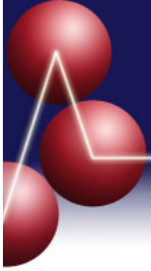
- Non-current assets
 - Goodwill of £3.1 million from Geneservice acquisition
 - Other intangible assets of £0.3 million from Geneservice and £0.3 million with Number One Health
 - Tangible assets of £0.4 million from Geneservice
- Current assets
 - Strong cash position
 - Debtors acquired with Geneservice
- Current liabilities
 - Provision for deferred consideration for Geneservice acquisition
 - Reduction in other payables after settlement of VAT accrued at £0.5 million
- Non-current liabilities
 - Provision for deferred consideration for Geneservice

As at 31 December	2007	2006	2005
	£'000	£'000	£'000
Goodwill	3,729	583	14,808
Other intangible assets	605	117	181
Tangible assets	1,709	1,634	2,041
Non-current assets	6,043	2,334	17,030
Inventory	435	533	773
Trade and other receivables	1,903	1,172	3,212
Cash	12,267	15,229	2,313
Current assets	14,605	16,934	6,298
Trade and other payables	3,034	3,473	3,356
Borrowings (<1 year)	166	162	301
Provisions	2,133	-	2,443
Current liabilities	5,333	3,635	6,100
Net current assets	9,272	13,299	198
Borrowings (>1 year)	51	206	293
Provisions	300	-	-
Net assets	14,964	15,427	16,935

Healthcare

Year ended 31 December	2007 £'000	2006 £'000	2005 £'000
Revenue			
Cytology	4,242	3,526	2,467
Diagnostic Pathology	1,501	2,200	2,415
Revenue	5,743	5,726	4,882
Operating result			
Cytology	1,072	658	183
Diagnostic Pathology	31	529	121
Operating result	1,103	1,187	304

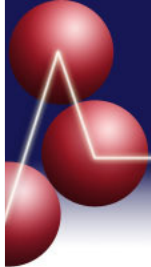
- Roll-out of SurePath™ liquid based cytology system for cervical cancer screening substantially completed; estimated 47% market share in England and Wales
- Continued support for automated cervical cancer screening trials in the UK and collaboration on companion diagnostics
- Increase in NHS internal capability for diagnostic pathology and reference laboratory services, especially HER2 testing for breast cancer, has adversely impacted revenues
- Enhanced diagnostic portfolio and tailored services aimed at clinicians to support treatment decisions including OncotypeDX™ distribution agreement and KRAS testing,



Pharma Biotech Services

Year ended 31 December	2007	2006	2005
	£'000	£'000	£'000
Revenue	509	299	773
Operating result	(272)	(516)	(740)

- Enhanced “one-stop shop” service offering to include a full spectrum of services from tissue pathology to genetic analysis
- Continued focus on service to smaller and medium sized pharma biotech companies with operations based mainly in the UK
- Increased attention from larger, international pharma companies; capability and facility “audits” conducted by a number of pharma companies
- Costs minimised and efficiencies maximised; strategic value to business



Life Science Research

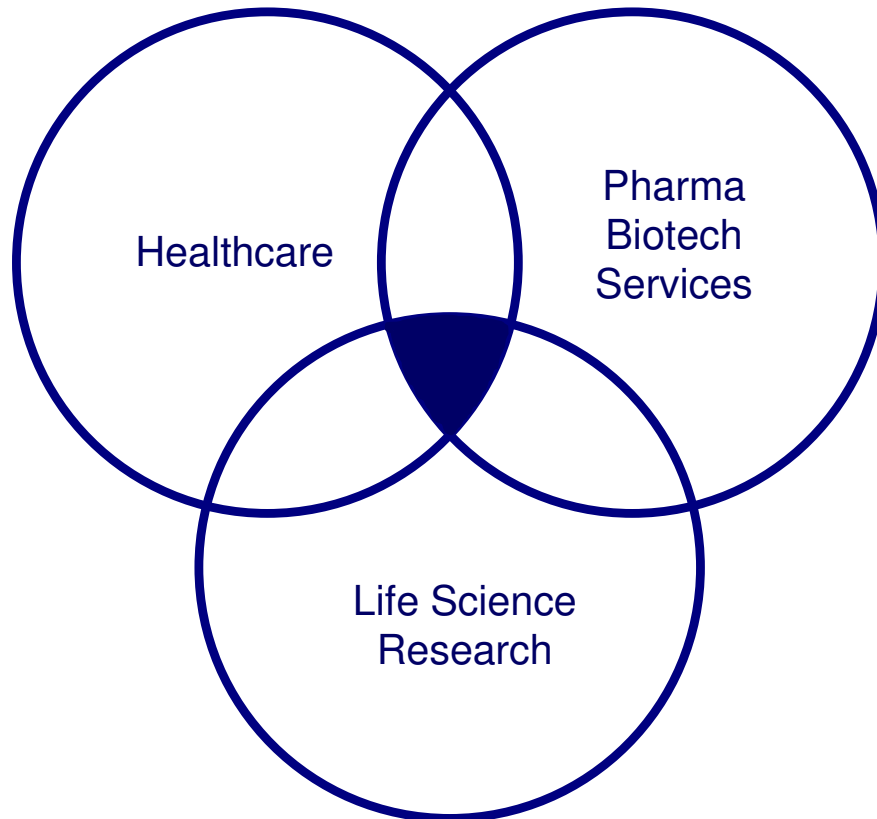
Year ended 31 December	2007	2006	2005
	£'000	£'000	£'000
Revenue	1,279	-	-
Operating result	71	-	-

- Results are for the six months from date of acquisition
- Costs of £0.1 million are included due to IFRS impact on acquisition accounting

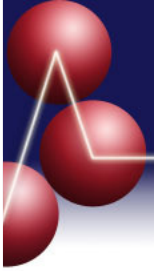
- Revenues from sequencing £0.5 million; genotyping and other contract services £0.4 million; clones and other genomic reagents £0.4 million
- Only sequencing and genotyping provider in the UK with CPA and GLP/GCP accreditation
- Genotyping and contract services lab relocated from Cambridge to Nottingham
- Integration completed; finance, IT and admin support consolidated centrally
- Laboratories in Nottingham, Cambridge and Oxford with biobanking in Cambridge

Where we are now....
a “joined up” business

“Joined up” business

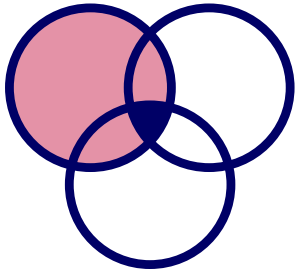


- Shared expertise and technology platforms
 - diagnostic pathology
 - DNA sequencing and genotyping
 - high end digital imaging
 - biobank of tissue and clones
 - bioinformatics
 - quality accreditations
- Broad portfolio of service and product offering
- Robust business model within each division
- Opportunities from overlap and complementary nature of activities



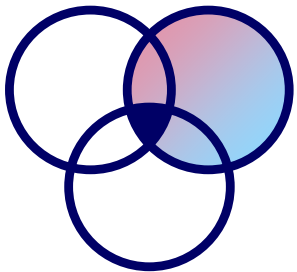
Growth strategy and opportunities

Organic growth of core expertise



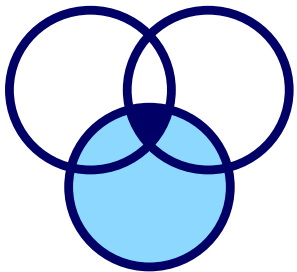
Healthcare

- Automated cytology screening for cervical cancer – FocalPoint™
- Expanded portfolio of diagnostic tests
- IT solutions for pathology reporting



Pharma Biotech Services

- “One-stop shop” offering
- Enhanced support for oncology clinical trials
- Exploitation of tissue and genomic biomaterial resource

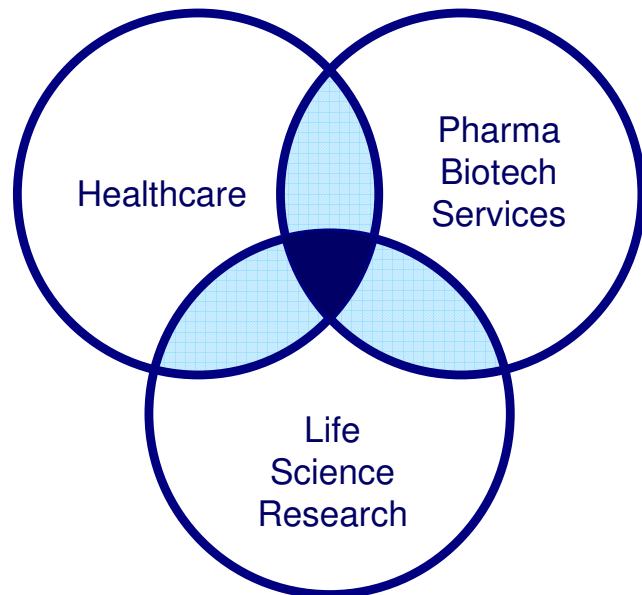


Life Science Research

- Next generation sequencing and genotyping services
- Consolidation of core laboratory infrastructure
- Bioinformatics - data handling and interpretation

Growth from complementary activities

Significant opportunities for growth exist where the expertise in each of divisions interact and complement each other:



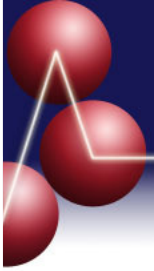
- **Molecular diagnostics**
combining pathology and genetics to diagnose, predict and monitor disease
 - diagnostic genotyping on Illumina platform
 - Empire Genomics ACCUarray™ test
- **Pharmacogenomics**
how genetics determines response to therapies
 - genetic segmentation of patient groups
- **Personalised medicine**
biomarkers for disease predisposition and therapy response
 - partnerships with drug developers
 - personalised genomics and predisposition testing

Growth through acquisition

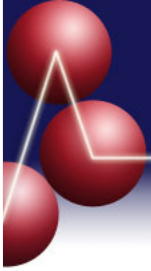
Autogen Bioclear UK Limited

- Acquired on 10 March 2008 for £6 million of which £2 million deferred
- Net assets of £2 million at acquisition
- Profit before tax of £0.8 million on turnover of £2.7 million in year ended 30 June 2007
- Distribution of diagnostic kits, antibodies and other genomic products
- Highly complementary customer base and product range
- Sales and marketing expertise
- Opportunities to centralise support and distribution infrastructure

Further growth through appropriate acquisitions will be targeted



Summary



An opportunity for investors?

- Significant progress toward cash generation and profitability
- “Joined up” business with focus on service delivery
- Strong executive team and integration capability
- Outstanding facilities and technology platforms
- Cash available to invest in
 - acquisition opportunities
 - new technologies – where demand exists
- Market fundamentals strong for core activities
- Expanding markets for molecular diagnostics and pharmacogenomics