XTL Biopharmaceuticals Reports Financial and Operational Results for the Full Year 2013

HERZLIYA, Israel – April 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 year ended December 31, 2013.

Company Highlights:

- Reorganized and strengthened management team
  - Appointed Josh Levine as CEO in October 2013
  - Named David Kestenbaum as CFO in January 2014
- Entered exclusive licensing agreement to acquire hCDR1, a peptide for the treatment of Lupus (Systemic Lupus Erythematosus - SLE)
- Retained two leading Rheumatology experts as consultants for initiation of Phase 2 clinical trial for Lupus
- Initiated trading of ADRs on Nasdaq under the ticker symbol "XTLB"

"We have made significant progress implementing our new strategy over the past several months by expanding our pipeline of therapeutic candidates to include a licensing agreement for our Lupus asset, hCDR1. We have commenced regulatory work for implementing a Phase 2 clinical trial of rHuEPO for the treatment of Multiple Myeloma patients. We also expect to initiate a new Phase 2 trial for hCDR1 by the end of 2014 or early 2015," stated Josh Levine, CEO of XTL. "To further strengthen our clinical and corporate operations, we recently bolstered our team with the appointment of our new CFO, David Kestenbaum, and the hiring of key consultants."

"Since there has only been one drug approved in the last 50 years addressing Lupus, there is broad interest among many physicians that want to be part of our new program. To support the development of hCDR1, well-known industry experts in the rheumatology field, Daniel J. Wallace, MD and Murray Urowitz, MD, have been retained to assist XTL with our upcoming Phase 2 trial. We expect to announce additional appointments that offer us specific expertise as we move ahead with the Lupus program."

Mr. Levine continued, "In respect to our rHuEPO drug for the treatment of Multiple Myeloma, we are planning to conduct a placebo-controlled, double-blind Phase 2 trial to test safety and efficacy. We have begun the regulatory process to receive an IND for the drug, which we expect to receive in the second half of 2014. As an expert on multiple myeloma as well as the effect of EPO on such patients, our medical director, Professor Mittelman, will be instrumental in all processes related to the Phase 2 clinical trial.

"Now that we have a strategic plan in place with a strong product portfolio and have resumed trading on the NASDAQ, I am confident that we are on track toward advancing our clinical assets and enhancing shareholder value," concluded Mr. Levine.

Financial Overview

The Company reported research and development expenses for the year ended December 31, 2013 of $113,000 compared to $99,000 for the year ended December 31, 2012. General and administrative expenses for the year ended December 31, 2013 were $2.0 million compared to $2.8 million for the year ended December 31, 2012. Excluding expenses associated with InterCure, Ltd., the Company's medical device subsidiary, these costs would have been $1.3 million and $2.4 million for the years ended December 31, 2013 and 2012, respectively. This reduction is a result of lower share-based compensation to officers and directors in 2013.

XTL reported an operating loss for the year ended December 31, 2013 of $2.9 million compared with $2.4 million for the year ended December 31, 2012. The Company reported a net loss for the year ended December 31,

2013 of $3.7 million compared with $1.7 million for the year ended December 31, 2012. The increased loss was due to an impairment charge on the intangible assets related to the InterCure investment.

The Company reported $4.2 million in cash, cash equivalents and bank deposits as of December 31, 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 ADRs 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, Inc. and Subsidiaries
(in thousands, except share and per share amounts)

Consolidated Statements of Financial Position - Selected Data

	For the years ended December 31,	
	2013	**2012**
Cash, Cash Equivalents and bank deposits	$ 4,165	$ 3,312
Working Capital	3,870	2,143
Total assets	8,015	11,086
Long term liabilities	$ 11	$ 13
Total shareholders' equity	6,265	7,353
Non-controlling interests	520	2,071

Consolidated Statements of Comprehensive Income

	For the years ended December 31,	
	2013	**2012**
Revenues	$ 2,369	$ 938
Cost of Sales	(741)	(380)
Gross Profit	$ 1,628	$ 558
Research and Development costs	(113)	(99)
Selling and marketing expenses	(1,691)	(848)
General and administrative expenses	(2,048)	(2,769)
Impairment of intangible assets	(1,729)	-
Other gains, net	1,059	802
Operating Loss	$ (2,894)	$ (2,356)
Finance income	$ 61	$ 60
Finance expenses	(35)	(15)
Financial income, net	$ 26	$ 45
Earnings (losses) from investment in associate	$ (845)	$ 569
Loss for the Year	$ (3,713)	$ (1,742)
Other comprehensive income (loss):		
Items that might be classified to profit or loss:		
Foreign currency transaction adjustments	$ 108	$ 114
Reclassification of foreign currency transaction adjustments to Other gains, net	(221)	-
Total other comprehensive income (loss)	$ (113)	$ 114
Total comprehensive loss for the year	$ (3,826)	$ (1,628)
Loss for the year attributable to:		
Equity holders of the Company	$ (2,476)	$ (1,390)
Non-controlling interests	(1,237)	(352)
	$ (3,713)	$ (1,742)

Total comprehensive loss for the year attributable to:		
Equity holders of the Company	$ (2,589)	$ (1,276)
Non-controlling interests	(1,237)	(352)
	$ (3,826)	$ (1,628)
Basic and diluted loss per share (in U.S. dollars)	$ (0.01)	$ (0.01)
Weighted average number of issued ordinary shares	223,605,181	217,689,926