

Interim Results for the Six Months Ended 30 June 2007

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 24 September 2007— [PuriCore](#) (LSE: PURI), the life sciences company focused on the control of infectious pathogens with its novel, safe antimicrobial technology, announces its interim results for the six months ended 30 June 2007. PuriCore's products are used in a broad range of markets, including food safety in retail and foodservice, medical device disinfection, wound therapy, and hospitality.

Financial Highlights

- Sales increased 23% to \$10.3 million (2006: \$ 8.4 million)
 - 16% growth on a constant currency basis
- Recurring revenue from leases, rentals, consumables, and service contracts increased 95% to \$6.9 million (2006: \$3.6 million)
 - Recurring revenue accounted for approximately two-thirds of all sales
- Food Safety revenues increased by 56% to \$3.8 million (2006: \$2.4 million)
 - Installation of 60 systems lower than expected due to contract delays
- Global Endoscopy revenues increased by 11.4% to \$6.3 million (2006: \$5.6 million)
 - UK Endoscopy grew 12% (constant currency) despite continued challenging NHS environment
- Period-end cash (including restricted cash) was \$29.2 million

Operational Highlights

- The UK Sterilox Endoscopy product portfolio was expanded through new distribution agreements.
- FDA 510(k) clearance was received for the Sterilox Endoscopy System in the US.
- The Sterilox Food Safety Solution was listed as safe for direct food contact by the FDA.
- PuriCore expanded its microbiology research efforts demonstrating the effectiveness of Sterilox Solutions against major outbreak pathogens.

New Developments

- In a separate statement issued today, PuriCore announced positive initial results from clinical case studies utilizing its Vashe Wound Therapy Solution. More than 2,000 patients suffering from a diverse range of chronic and acute wounds were treated successfully by nine clinicians across 13 US clinical sites. No adverse effects were observed.
- PuriCore named a new vice president for the Foodservice, Hospitality, and Institutional markets.

Greg Bosch, Chief Executive of PuriCore, said:

“PuriCore has progressed in all business segments and the increasing proportion of recurring revenues underscores the market’s acceptance of our leased business model.

While the rate of adoption of Sterilox Systems in US supermarkets this year lags our expectations, we remain very bullish on this market. We continue to review costs and are focusing on opportunities with the greatest near-term potential. More than ever, we see a clear need in multiple markets for our highly effective, safe, and environmentally ‘green’ infection control solutions.”

Contacts:

Ben Brewerton	Greg Bosch, CEO
John Gilbert	Keith A. Goldan, CFO
FD	PuriCore plc
+44 (0) 20 7831 3113	+1 484 321 2700

About PuriCore

[PuriCore](#) (London Stock Exchange: PURI) is a life sciences company focused on developing and commercialising proprietary products that safely, effectively, and naturally kill contagious pathogens. PuriCore's technology provides a solution to a broad range of markets that depend upon controlling contamination, including food safety in retail and foodservice, medical device disinfection, wound therapy, and hospitality. The Company's proprietary technology mimics the human body's production of the natural antimicrobial hypochlorous acid, which is highly effective in killing bacteria, viruses, and fungal spores. Deploying hypochlorous acid solutions as soaks, sprays, mists, and in other forms, PuriCore's technology is designed to limit the spread of infectious disease, including major public health threats of *M. tuberculosis*, *MRSA*, *E.coli*, Norovirus, Avian Influenza, HIV, Polio Virus, *Helicobacter pylori*, and *Legionella*. PuriCore is headquartered in Malvern, Pennsylvania, with offices in Stafford, UK.

To receive additional information on PuriCore, please visit our web site at www.puricore.com, which does not form part of this press release.

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

Chairman and CEO Review

PuriCore's singular core platform technology allows it to expand into many industries and geographies. This portfolio of businesses provides both opportunities for growth as well as leverage against the cyclical nature of individual markets. In the first half of 2007, we focused on our existing core businesses: Sterilox Endoscopy in the UK, targeting hospital endoscope sterilisation units, and Sterilox Food Safety, targeting leading US retail supermarket chains. We will leverage our success in the Food Retail market to expand into the Foodservice, Hospitality, and Institutional markets to focus on food safety, bio-decontamination, and viral outbreak prevention. To create growth platforms, we have initiated development of our promising Wound Therapy applications for our technology, continue to develop our Endoscopy Systems for the US market, and are evaluating the opportunities for Water Safety applications.

We thank our investors for their continued support as we continue to grow the Company and execute our business plan for our core markets while seeking new opportunities for advancing human health through the control of infectious pathogens.

Food Safety: Retail Supermarkets

The US retail supermarket industry continues to be very receptive to the value of the Sterilox Food Safety System. We are pleased with the market's acceptance of our lease business model, exhibited by the 56% revenue growth of our Food Retail business in the US over the same period in the prior year. However, we installed fewer new systems than expected in H1 because of large contract delays.

Early adopters of our Food Safety technology proved the economics quickly: using Sterilox Systems significantly reduces the amount of fresh produce lost due to spoilage, also known as 'shrink.' Many retail chains find it challenging to quantify properly the economics of their shrink. Consequently, we have developed new models to enable our customers to better measure both produce savings as well as other economic benefits such as labour savings when implementing a Sterilox System. Additionally, we increasingly see more customers placing value on other intangibles including food safety, brand protection, and customer satisfaction. The early indication is that this modeling approach is effective.

Of the 60 Sterilox Food Safety Systems installed in H1 2007, 56 were installed under rental agreements. As of 30 June 2007, the Company had a total installed base of approximately 1,450 systems in this segment, 85% of which were installed under rental agreements.

The Food Retail business has also continued to garner the approval of regulatory authorities. In addition to being FDA allowed, EPA registered, UL listed, and NSF certified for use in food applications, the Sterilox Solution was listed in May by the US FDA as safe for direct food contact.

We continue to focus on the largest national retail supermarket chains and leading regional chains that differentiate themselves to consumers based on quality and reputation. To date, Sterilox Food Safety Systems are installed in four of the top-10 US retail supermarket chains. Discussions to expand these programs with several major supermarket retailers are now far advanced, and we are on track to convert one or more of these opportunities in 2007. Based on our current target account status, we anticipate our full-year 2007 installations to be approximately 150 to 200 systems and expect to enter 2008 with a robust pipeline.

Endoscopy

Our Endoscopy Systems, which target hospital endoscope sterilisation units, are currently marketed in the UK and internationally, with early-stage business development in the US.

The UK and International Sterilox Endoscopy business experienced 11.4% revenue growth in the period (1.4% on a constant currency basis). Excluding International sales, UK Endoscopy revenues grew 12% (constant currency), with significant contribution from the new distribution partnerships with Minntech and BHT.

Importantly, the Company's strategy to grow its recurring revenue base is yielding positive results: recurring revenue for H1 2007 in our UK Endoscopy business increased 74% over the same period in 2006. PuriCore continues to focus on expanding its recurring revenue through the sales of service agreements, consumables, and rental contracts.

PuriCore's principal customer in the UK is the NHS hospital network. Despite continued budgetary challenges in the NHS, our sales were buoyed by the combination of Sterilox business and the new distribution partnerships with Minntech and BHT. By 30 June, we had fully integrated Minntech's UK business, employing its field sales and engineering teams as well as consolidating its warehouse into PuriCore's Stafford facilities. We have also installed our first combined Sterilox and distributed AER systems. We foresee continued increased sales of both Sterilox Systems and our distributed products based on our solid pipeline of prospective NHS Trust customers.

Internationally, PuriCore is targeting its launch into the European market and rest of world by establishing relationships with key distributors that have both an endoscopy sales channel and an AER portfolio. Our endoscopy focus in 2007 was in our UK market, and we anticipate early traction internationally in 2008.

In the US, we are preparing for the commercialisation our Sterilox Endoscopy Systems. In May, we received ahead of schedule 510(k) clearance from the US FDA to reprocess endoscopes. We have identified target accounts and now expect to establish beta sites in Q4 2007 or Q1 2008.

Wound Therapy

PuriCore has continued to explore and invest in therapeutic applications of its core technology with encouraging results. We are very excited to announce today that physicians at 13 US clinical sites have used the Vashe Wound Therapy System successfully to treat more than 2,000 patients with chronic and acute wounds with no report of adverse effects. The clinicians have reported positive results and efficacy of Vashe for the treatment of patients with a variety of challenging wounds including chronic venous ulcers and non-healing surgical wounds as well as patients with necrotizing fasciitis, a rare, life-threatening bacterial infection of the skin, subcutaneous tissue, and superficial fascia with a mortality rate of 20 to 60%.

These and other positive clinical results were presented earlier this month and again this week at major woundcare conferences (see separate release dated 24 September 2007). To date, all clinicians were un-paid, and these studies being conducted are investigator-driven and non-controlled. The Company plans to develop a formal clinical program to demonstrate the efficacy of Vashe in a broad range of applications including burns.

PuriCore continues to develop the Vashe Wound Therapy System, a novel, noninvasive, easy to use wound treatment process that has been shown to be complementary to existing treatment methods. The Vashe System received US FDA 510(k) clearance for use as a medical device to irrigate, cleanse, moisturize and debride acute and chronic wounds including stage I through IV pressure ulcers, stasis ulcers, diabetic ulcers, post-surgical wounds, first and second degree burns, abrasions, and minor irritations of the skin. Previously, studies with the Vashe Solution conducted in patients at the University of Oxford and published in the *Journal of Wound Care* showed a positive and observable improvement in healing rates and pain reduction.

We have initiated early discussions with potential partners. We are very encouraged by the results of our studies and we will continue to evaluate our options in the coming months. We expect continued news flow in this area in the near term.

Foodservice, Hospitality, and Institutional

PuriCore recently expanded its business development initiatives in the Foodservice, Hospitality, and Institutional markets (collectively previously referred to as 'Hospitality') with the addition of a new vice president in July. Combined, these markets represent a \$1 billion opportunity. Our efforts in the Foodservice segment will focus on food preparation and service operations including cafeterias and large banquet halls; the Hospitality market will focus on hotels, resorts, casinos, and cruise ships; and the Institutional segment will target schools, correctional facilities, and public facilities. For these markets, our solutions will address the need for food safety and biosafety, the control and spread of infectious pathogens in public facilities.

Results of independent research studies showing the effectiveness of Sterilox Solution in these types of environments against major outbreak pathogens—including norovirus, *MRSA*, *Acinetobacter*, and avian influenza—were published in the *Journal of Applied and Environmental Microbiology* and presented at two conferences (see release dated 15 June 2007). This month, the Sterilox Food Safety System was named a Product of the Year finalist by the influential trade group, the Foodservice Consultants Society International.

We are identifying distribution channels and our initial efforts will be in those markets in which we currently have a presence, namely hotels and correctional facilities, leveraging our early success in many of the major casino properties in Las Vegas.

Dental

PuriCore's Global Dental strategy continues to focus on clinically oriented applications such as root canal procedures and oral rinses. In May, results of a university study showing that our solution is extremely effective for root canal cleansing and disinfecting compared with bleach (sodium hypochlorite, a known cyto-toxic solution) were presented at the American Association of Endodontists annual meeting.

Financial Review

Income Statement

PuriCore experienced a solid first half of 2007 with revenue of \$10.3 million, an increase of 23% from H1 2006 (16% growth on a constant currency basis). Importantly, recurring revenues, which are generated from the rental agreements, service contracts, and the sales of consumables, accounted for 68% of total revenue for the six months ended 30 June 2007, a 95% increase in recurring revenue from the six months ended 30 June 2006. The first six months of 2007 was certainly our strongest half-year period to date, and the results have validated our shift to a recurring-revenue rental model.

Gross margin for the six month period ended 30 June 2007 was 23.5%, compared with 28.4% for the six months ended 30 June 2006 and 18.4% for the 12 months ended 31 December 2006. The margin improvement compared with the full-year 2006 level is primarily the result of higher margins in the US Food Retail business due to lower installation costs in H1 2007. Compared with the first half of 2006, this improvement was partially offset by lower margins in our UK Endoscopy business, which now includes sales of our new distributed products that carry a lower margin than our proprietary systems.

Operating expenses for the first six months of 2007 were \$12.8 million, compared with \$9.9 million for the first six months of 2006, an increase of approximately 29%. Research and development increased 21% in H1 2007 vs. H1 2006, driven by investment in new market opportunity development. Selling, general, and administrative costs increased 30% in H1 2007 vs. H1 2006. The increase was largely the result of the additional costs associated with operating as a public company (the Company was private for the first six months of 2006), including the additional overhead of legal, accounting, and other professional fees. Additionally, the Company recognized \$0.5 million in H1 2007 (\$0.9 million in H1 2006) of non-cash stock compensation expense related to the issuance of share options to Employees and Directors of the Company (as determined under IFRS 2).

Balance Sheet

As of 30 June 2007, PuriCore had cash and cash equivalents (including restricted cash) of \$29.2 million (compared with \$43.0 million as of 31 December 2006), a decrease of \$13.8 million. A significant use of cash was approximately \$3 million for the repayment of debt associated with secured borrowing arrangements that the Company entered into to further the strategy of growing our base of rented Sterilox Systems installed on operating lease agreements. As of 30 June, outstanding related debt related to these agreements totalled \$11.7 million (vs. \$14.7 at 31 December 2006).

The Company also used \$3 million of cash to build inventory, which increased to \$6.7 million at 30 June 2007 from \$3.7 million at 31 December 2006. The increase is a result of strategic decisions to increase inventories in anticipation of US Food Retail orders as well as to integrate the inventory associated with the Minntech distribution agreement. Thus we expect inventory levels to decrease with conversions of Food Retail prospects as well as on-going UK sales.

Outlook

PuriCore remains focused on driving end-customer adoption of our core technology across key markets. We diligently continue to control costs and allocate resources to the business areas with the highest potential for return. We have a strong pipeline of major opportunities in our core Food Retail and Endoscopy businesses. We are excited about expansion into new geographies and other new areas including Wound Therapy and the Foodservice, Hospitality, and Institutional markets. Overall, we are optimistic about the outlook for growth in the coming months while we judiciously manage the business. Throughout PuriCore, we remain focused on delivering value to our shareholders.

PuriCore plc

CONSOLIDATED INCOME STATEMENT

For the six month period ended 30 June 2007, 30 June 2006 and the year ended 31 December 2006

	Note	30 June 2007 \$	30 June 2006 \$	31 December 2006 \$
CONTINUING OPERATIONS				
REVENUE	1	10,288,693	8,362,939	15,867,232
Cost of sales		(7,868,036)	(5,987,022)	(12,943,478)
		<hr/>	<hr/>	<hr/>
GROSS PROFIT	1	2,420,657	2,375,917	2,923,754
Selling, general and administrative expenses		(11,326,618)	(8,709,298)	(18,887,838)
Research and development		(1,483,051)	(1,225,270)	(2,120,795)
		<hr/>	<hr/>	<hr/>
LOSS BEFORE INTEREST AND TAX		(10,389,012)	(7,558,651)	(18,084,879)
Finance costs		(630,669)	(242,880)	(1,261,644)
Finance income		849,626	63,835	1,341,385
		<hr/>	<hr/>	<hr/>
LOSS BEFORE TAX		(10,170,055)	(7,737,696)	(18,005,138)
Income tax income		-	-	166,160
		<hr/>	<hr/>	<hr/>
LOSS FOR THE PERIOD		(10,170,055)	(7,737,696)	(17,838,978)
		<hr/>	<hr/>	<hr/>
ATTRIBUTABLE TO: EQUITY HOLDERS OF THE PARENT		(10,170,055)	(7,737,696)	(17,838,978)
		<hr/>	<hr/>	<hr/>
LOSS PER SHARE		\$/share	\$/share	\$/share
<i>Continuing operations</i>				
Basic		(0.06)	(0.07)	(0.14)
		<hr/>	<hr/>	<hr/>

PuriCore plc

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

For the six month period ended 30 June 2007, 30 June 2006 and the year ended 31 December 2006

	30 June 2007	30 June	31 December
	\$	2006	2006
		\$	\$
Exchange differences on translation of foreign operations	387,853	(223,085)	1,094,179
	<hr/>	<hr/>	<hr/>
NET INCOME/(EXPENSE) RECOGNISED IN EQUITY	387,853	(223,085)	1,094,179
Loss for the period	(10,170,055)	(7,737,696)	(17,838,978)
	<hr/>	<hr/>	<hr/>
TOTAL RECOGNISED INCOME AND EXPENSE	(9,782,202)	(7,960,781)	(16,744,799)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
TOTAL RECOGNISED INCOME AND EXPENSE IS ATTRIBUTABLE TO:			
Equity holders of the parent	(9,782,202)	(7,960,781)	(16,744,799)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PuriCore plc

CONSOLIDATED BALANCE SHEET

For the six month period ended 30 June 2007, 30 June 2006 and the year ended 31 December 2006

	30 June 2007 \$	30 June 2006 \$	31 December 2006 \$
ASSETS			
NON CURRENT ASSETS			
Intangible assets	5,655,894	4,654,086	5,329,721
Equipment leased to customers	5,914,248	5,647,116	6,779,094
Property, plant and equipment – all other	3,363,592	1,598,394	2,543,930
Restricted cash	3,033,000	254,671	3,033,000
Other receivables	-	1,810,098	-
	<u>17,966,734</u>	<u>13,964,365</u>	<u>17,685,745</u>
TOTAL NON CURRENT ASSETS	17,966,734	13,964,365	17,685,745
CURRENT ASSETS			
Inventories	6,701,174	2,965,310	3,672,381
Trade and other receivables	6,310,811	3,153,578	6,496,776
IPO funds receivable	-	6,863,979	-
Restricted cash	2,250,000	794,690	2,250,000
Cash and cash equivalents	23,903,728	46,977,061	37,683,515
	<u>39,165,713</u>	<u>60,754,618</u>	<u>50,102,672</u>
TOTAL CURRENT ASSETS	39,165,713	60,754,618	50,102,672
TOTAL ASSETS	57,132,447	74,718,983	67,788,417
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	(7,874,720)	(6,401,070)	(6,295,128)
IPO expenses payable	-	(5,162,462)	-
Financial liabilities	(5,717,607)	(6,103,953)	(5,933,974)
Provisions	(94,301)	-	(91,989)
	<u>(13,686,628)</u>	<u>(17,667,485)</u>	<u>(12,321,091)</u>
TOTAL CURRENT LIABILITIES	(13,686,628)	(17,667,485)	(12,321,091)
NON CURRENT LIABILITIES			
Financial liabilities	(6,023,768)	(4,622,311)	(8,762,225)
Provisions	-	(20,884)	-
	<u>(6,023,768)</u>	<u>(4,643,195)</u>	<u>(8,762,225)</u>
TOTAL NON CURRENT LIABILITIES	(6,023,768)	(4,643,195)	(8,762,225)
TOTAL LIABILITIES	(19,710,396)	(22,310,680)	(21,083,316)
NET ASSETS	37,422,051	52,408,303	46,705,101
EQUITY			
Share capital	2,758,718	1,518,390	2,758,718
Share premium	144,931,003	144,267,162	144,931,003
Other reserves	5,886,454	3,764,484	5,387,301
Retained earnings	(117,660,326)	(97,388,989)	(107,490,271)
Cumulative translation adjustment	1,506,203	247,256	1,118,350
	<u>37,422,051</u>	<u>52,408,303</u>	<u>46,705,101</u>
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS	37,422,051	52,408,303	46,705,101
TOTAL EQUITY	37,422,051	52,408,303	46,705,101

PuriCore plc

CONSOLIDATED BALANCE SHEET

For the six month period ended 30 June 2007, 30 June 2006 and the year ended 31 December 2006

	30 June 2007 \$	30 June 2006 \$	31 December 2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period	(10,170,055)	(7,737,696)	(17,838,978)
<i>Adjustments for:</i>			
Taxation	-	-	(166,160)
Finance costs	527,363	242,880	1,151,269
Finance income	(849,626)	(63,835)	(1,341,385)
Depreciation and amortisation	1,954,766	1,398,139	2,995,164
Amortisation of warrant and debt discount and issuance costs	103,306	-	110,375
Share based payment expense	499,153	940,024	2,578,466
Loss/(gain) on disposal of property, plant and equipment	-	45,999	(31,221)
	<hr/>	<hr/>	<hr/>
OPERATING LOSS BEFORE MOVEMENT IN WORKING CAPITAL	(7,935,093)	(5,174,489)	(12,542,470)
(Increase)/decrease in inventories	(3,028,793)	765,740	58,669
(Increase)/decrease in trade and other receivables	185,960	(2,017,615)	(798,196)
(Increase)/decrease in IPO funds receivable	-	(6,863,979)	-
Increase/(decrease) in trade and other payables	1,579,596	4,924,855	(380,680)
Increase/(decrease) in provisions	2,312	(4,868)	66,237
	<hr/>	<hr/>	<hr/>
CASH ABSORBED BY OPERATIONS	(9,196,018)	(8,370,356)	(13,596,440)
	<hr/>	<hr/>	<hr/>
NET CASH FLOW FROM OPERATING ACTIVITIES	(9,196,018)	(8,370,356)	(13,596,440)
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1,712,695)	(4,640,391)	(8,067,069)
Proceeds from sale of property, plant and equipment	-	-	143,382
Cash paid for internally generated intangibles	(482,797)	(343,719)	(1,102,626)
	<hr/>	<hr/>	<hr/>
NET CASH FLOW FROM INVESTING ACTIVITIES	(2,195,492)	(4,984,110)	(9,026,313)
	<hr/>	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares, options and warrants	-	52,402,168	52,480,096
Proceeds from new loans	-	9,147,555	12,657,448
Repayments of borrowings	(3,304,726)	(884,424)	(3,227,254)
Repayments of obligations under finance leases	(31,699)	(19,985)	(69,119)
Interest received	849,626	-	1,341,385
Decrease in overdrafts	(249,068)	-	(635,356)
	<hr/>	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH FLOW FROM FINANCING ACTIVITIES	(2,735,837)	60,645,314	62,547,200
	<hr/>	<hr/>	<hr/>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(14,127,377)	47,290,848	39,924,447
Cash and cash equivalents at beginning of period	42,966,515	952,842	952,842
Effect of foreign exchange rate changes on cash held	347,590	(217,268)	2,119,226
	<hr/>	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,186,728	48,026,422	42,966,515
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PuriCore plc

BASIS OF PREPARATION

The consolidated interim financial statements of the company for the six months ended 30 June 2007 comprise the company and its subsidiaries (together referred to as the 'Group').

The consolidated interim financial statements were authorised for issuance on 24 September 2007.

These interim financial statements have been prepared on the basis of the accounting policies set out in the annual report and accounts for the year ended 31 December 2006. These accounts, which were prepared under International Financial Reporting Standards adopted by the EU ("Adopted IFRS"), have been delivered to the Registrar of Companies. The report of the auditors was unqualified in accordance with section 235 of the Companies Act 1985 and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

The accounting policies have been applied consistently throughout the Group for purposes of these consolidated interim financial statements.

ADOPTED IFRS NOT YET APPLIED

The following adopted IFRSs were available but have not been applied by the PuriCore Group in these financial statements:

- IAS 23 (Amendment): 'Borrowing Costs' – effective for annual periods beginning on or after 1 January 2009.
- IFRIC 11 IFRS 2: 'Group and Treasury Share Transactions' – effective for annual periods beginning on or after 1 March 2007.
- IFRIC 12: 'Service Concession Arrangements' – effective for annual periods beginning on or after 1 January 2008.
- IFRIC 13: 'Customers Loyalty Programmes' – effective for annual periods beginning on or after 1 July 2008.
- IFRIC 14 'IAS 19 – the limit on a defined benefit asset, minimum funding requirements and their interaction' – effective for annual periods beginning on or after 1 January 2008.

The group does not anticipate that the adoption of these standards and interpretations will have a material effect on its financial statements on initial adoption.

PuriCore plc

NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 June 2007

1 SEGMENTAL ANALYSIS

The PuriCore Group is managed by type of business. Segmental information is provided having regard to the nature of the goods and services provided and the markets served.

Primary reporting format – Business Segments

For the period ended 30 June 2007	Endoscopy	Food	Other	Corporate & unallocated	Total as reported for the PuriCore Group
	\$	\$	\$	\$	\$
REVENUE	6,285,778	3,763,327	239,588	-	10,288,693
	=====	=====	=====	=====	=====
GROSS PROFIT	1,768,552	538,787	113,318	-	2,420,657
	=====	=====	=====	=====	=====
For the period ended 30 June 2006	Endoscopy	Food	Other	Corporate & unallocated	Total as reported for the PuriCore Group
	\$	\$	\$	\$	\$
REVENUE	5,641,029	2,411,799	310,131	-	8,362,939
	=====	=====	=====	=====	=====
GROSS PROFIT/(LOSS)	2,342,602	(52,797)	121,115	(35,003)	2,375,917
	=====	=====	=====	=====	=====
For the year ended 31 December 2006	Endoscopy	Food	Other	Corporate & unallocated	Total as reported for the PuriCore Group
	\$	\$	\$	\$	\$
REVENUE	8,902,951	6,477,618	486,663	-	15,867,232
	=====	=====	=====	=====	=====
GROSS PROFIT/(LOSS)	2,299,460	626,585	(2,291)	-	2,923,754
	=====	=====	=====	=====	=====

PuriCore plc

NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 June 2007

2 EMPLOYEE BENEFITS

SHARE BASED PAYMENTS

During the periods ended 30 June 2006 and 2007 and the year ended 31 December 2006 PuriCore plc operated an Employee Share Option Scheme. The share options granted under the scheme are not subject to performance conditions and have an exercise period of up to 7 years. There are no vesting conditions attached to the options other than completion of service, with options becoming vested at various points in time following the completion of one year's employment with PuriCore plc.

	30 June 2007		30 June 2006		31 December 2006	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	\$	\$	\$	\$		
Outstanding at beginning of period	1.12	20,142,700	1.63	17,031,617	1.62	17,495,950
Granted during the period	1.03	447,500	1.01	6,993,600	1.12	4,065,000
Exercised during the period	-	-	0.52	370,000	0.18	(370,000)
Forfeited during the period	(0.98)	(130,250)	2.85	(4,989,267)	1.24	(1,048,250)
	<u>1.24</u>	<u>20,459,950</u>	<u>1.12</u>	<u>19,405,950</u>	<u>1.12</u>	<u>20,142,700</u>
Outstanding at end of period						
Exercisable at end of period	<u>1.28</u>	<u>15,565,900</u>	<u>1.23</u>	<u>10,393,958</u>	<u>1.16</u>	<u>13,910,899</u>

The weighted average share price for the six months ended 30 June 2007 was \$1.07. This compares to the weighted average share prices as at 30 June 2006 (\$0.92) and 31 December 2006 (\$1.05). The weighted average share prices for the periods ended 30 June and 31 December 2006 were based wholly or partially on valuations undertaken in the year since the PuriCore plc stock was not publicly traded during the first six months of 2006. Therefore these weighted average share prices could not be based on market observable information.

PuriCore plc

NOTES TO THE FINANCIAL STATEMENTS

For the six month period ended 30 June 2007

3 PROPERTY, PLANT AND EQUIPMENT (INCLUDING LEASED EQUIPMENT)

	At 30 June 2007	At 30 June 2006	At 31 December 2006
	\$	\$	\$
<i>Cost</i>			
At beginning of period	14,390,414	6,212,663	6,212,663
Additions	1,975,686	4,640,394	8,158,589
Disposals	(262,991)	(46,004)	(424,540)
Effect of movements in foreign exchange	101,007	183,644	443,702
	_____	_____	_____
At end of period	16,204,115	10,990,697	14,390,414
	_____	_____	_____
<i>Depreciation</i>			
At beginning of period	5,067,390	2,563,251	2,563,251
Charged in the period	1,846,192	1,174,564	2,520,795
On disposals	(48,050)	-	(312,379)
Effect of movements in foreign exchange	60,743	7,372	295,723
	_____	_____	_____
At end of period	6,926,275	3,745,187	5,067,390
	_____	_____	_____
<i>Net book value</i>			
At end of period	9,277,840	7,245,510	9,323,024
	=====	=====	=====
At beginning of period	9,323,024	3,649,412	3,649,412
	=====	=====	=====
