

## **PuriCore Interim Results for the Six Months Ended 30 June 2010**

***Company Wins Two Additional Top-10 US Food Safety Customers;  
UK Endoscopy Profitable Both Quarters;  
Operational Efficiencies Drive Margins to 32%***

**MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 31 August 2010** — PuriCore (LSE: PURI), the life sciences company focused on developing and commercialising proprietary, green solutions that safely, effectively, and naturally kill infectious pathogens, today announces its interim results for the six months ended 30 June 2010.

### **Financial Highlights (unaudited)**

- Q2 sales of \$9.2 million, an increase of 9.5% (8.0% at constant currency) (Q2 2009: \$8.6 million)
  - Food Safety sales of \$3.5 million, a decrease of 33.8% (Q2 2009: \$5.4 million)
  - Endoscopy sales of \$5.6 million, an increase of 87.1% (82.8% at constant currency) (Q2 2009: \$3.0 million)
- H1 sales of \$19.1 million, level with prior year (1.3% decrease at constant currency) (H1 2009: \$19.1 million)
  - Food Safety sales of \$7.2 million, a decrease of 43.2% (H1 2009: \$12.6 million)
  - Endoscopy sales of \$11.7 million, an increase of 88.6% (84.6% at constant currency) (H1 2009: \$6.2 million)
- Recurring revenues, including leases, service contracts, and consumables, of \$12.4 million or 65% of revenues (H1 2009: \$8.2 million or 43%)
  - Food Safety recurring revenues of \$5.8 million or 81% of revenues (H1 2009: \$4.4 million or 34%)
  - Endoscopy recurring revenues of \$6.5 million or 55% of revenues (H1 2009: \$3.6 million or 58%)
- Gross profit margin of 32.3% for H1 2010 (FY 2009: 25.2%; H1 2009: 25.3%)
- Endoscopy core business profitable for second quarter in a row (excluding amortisation of capitalised development costs)
- Operating expenses increased 9.9% to \$11.0 million due to the acquisition of Labcaire
- \$12.2 million in cash as at 30 June 2010 (30 June 2009: \$15.8 million)

### **Operational Highlights**

- Initiated Sterilox Food Safety installations in the second largest US supermarket retailer as well as in another top-10 US supermarket
- Launched the next-generation Sterilox Food Safety System Model 2300, providing significant improvements in service reliability and margin improvement
- Received approximately 47% of all H1 2010 NHS Supply Chain orders for endoscopy
- Secured \$1.8 million in Endoscopy on Demand managed service contracts
- Received new US FDA 510(k) clearances for over-the-counter (OTC) marketing and antimicrobial

preservative claims for Vashe Wound Therapy

- Successfully opposed Oculus European wound care patent; no appeal was filed
- Issued £8.0 million in convertible loan notes
- Secured a \$1.8 million debt facility with Republic First Bank to finance Food Safety System lease installations

**Chris Wightman, Executive Chairman of PuriCore, said:**

*“The first half of 2010 was notable for a number of achievements. Firstly, the significant increase in revenues from our Endoscopy division has driven that business to sustained and increasing profitability. Our market share was just below half of all NHS supply chain endoscopy orders, which enabled us to deliver substantial economies of scale and therefore improved gross margins and greater operational leverage. We expect these trends to continue in the second half. Secondly, the success of our Endoscopy on Demand product offering is delivering considerable financial flexibility to our customers at a time of tightening credit availability. Thirdly, the significant improvement in gross margins of 7% across the two main operating divisions now proves the financial viability of our model to build recurring revenues. This marked improvement reflects enhanced product quality, service, and cost. Finally, recurring revenues continue to comprise a growing percentage of total sales, representing 65% of total revenues in the period and reflecting the Company’s long-range strategy for recurring revenues to represent the majority of its income.*”

*“On a less positive note, our Food Safety business declined notably in terms of top line growth, equally caused by both a delay in the rollout of certain supermarket contracts due to economic pressures on the food retail industry and the mix between lease sales and capital sales. Despite these challenges, we have won two additional major accounts in the North American market, with a customer base representing more than 3,600 stores. These additional customers bring our current unexploited store base to more than 4,400. With customers currently installed, installing, or at pilot stage, our market share by customer in the whole of North America is now more than 40%, and with the rapid and significant improvement in gross margins, we are poised to take advantage of any improvement in the economic climate amongst our customer base.*”

*“In our Wound Care business, we believe that our development of a bottled Vashe Wound Therapy product will accelerate adoption and increase the market opportunities for our technology. We are on track to launch our first bottled Vashe product offering by the end of the year. Our ultimate objective is to achieve at least a 12-month shelf life of the Vashe product, and we are progressing well towards this goal.”*

**Enquiries:**

**Financial Dynamics**

Susan Quigley  
Ben Brewerton  
+44 (0) 20 7831 3113

**PuriCore**

Chris Wightman  
Executive Chairman  
+44 (0) 20 7290 3440

### **About PuriCore**

PuriCore plc (LSE: PURI) is a water-based clean technology company focused on developing and commercialising proprietary green solutions that safely, effectively, and naturally kill infectious pathogens without causing harm to human health or the environment. PuriCore's patented, proprietary technology mimics the human body's production of the natural antimicrobial hypochlorous acid, offering a safe and non-hazardous approach to disinfection and sanitisation. The Company's products are used in a broad range of markets that depend upon controlling contamination, including food retail and foodservice, medical device disinfection, and wound care. Hypochlorous acid is proven to be safe, environmentally friendly, and fast acting against a broad range of infectious pathogens, including major public health threats of *C.difficile*, *E.coli*, HIV, Human and Animal Influenza (including H1N1 and H5N1), *Legionella*, *MRSA*, *M.tuberculosis*, Norovirus, and *Salmonella*. PuriCore is headquartered in Malvern, Pennsylvania, with operations in Stafford and Clevedon, UK.

To receive additional information on PuriCore, please visit our website at [www.puricore.com](http://www.puricore.com), which does not form part of this press release.

## **H1 2010 Business and Financial Report**

In the first six months of 2010, PuriCore continued to execute on moving the Company to a strong and sustainable financial position. Overall, sales were level compared with H1 2009 at \$19.1 million due to the macro economic challenges for the supermarket retail industry and a higher mix of lease sales versus capital sales in 2010 balanced with the significant improvement in the Endoscopy division following the Labcaire acquisition. However, gross profit margin improved significantly in both core businesses to 32.3% for the Company during the period (H1 2009: 25.3%; FY 2009: 25.2%) due to the Company's successful efforts to improve quality performance, increase field service efficiencies, and reduce product costs. Recurring revenues, including revenues from rental agreements, service contracts, and consumables, increased to \$12.4 million or 65% of revenues (H1 2009: \$8.2 million or 43%). Operating expenses increased 9.9% to \$11 million following the Labcaire acquisition. Late in Q2, PuriCore issued £8 million (gross) in convertible loan notes (see [release](#)) and secured \$1.8 million in debt with Republic First Bank to finance Sterilox Food Safety System lease installations. Cash at period end was \$12.2 million.

## **Business Report**

### ***North American Food Safety***

In PuriCore's North American Food Safety core business, sales decreased 43.2% for the half-year, reflecting delays in adoption of Sterilox Food Safety Systems at new accounts due to the negative economic climate of the North American supermarket retail market and a change to the mix between lease and capital sales. Despite these delays, PuriCore initiated implementation of two major Sterilox Food Safety contracts during H1 2010: in late Q2 with the second largest US supermarket retailer with more than 2,400 supermarkets including new and remodeled stores across multiple regions, and earlier in Q1 with another top-10 retailer with approximately 1,200 stores. In H1 2010, PuriCore installed approximately 300 Sterilox Food Safety Systems, bringing the total installed base to approximately 4,000 systems as at 30 June 2010. PuriCore's installed base represents 14% of the target North American market of 28,000 stores, whilst these same customers represent approximately 30% of the market. In total, more than 40% of the target market is now either a PuriCore customer or is in a pilot programme with the Company. Recurring Food Safety revenues were \$5.8 million or 81% of revenues (H1 2009: \$4.4 million or 34%), reflecting the increased installed base of leased systems and the continued expansion of service contracts in the capital sale installed base.

### ***UK Endoscopy***

The integration of Labcaire into PuriCore's UK Endoscopy core business was completed successfully. Sales of the combined businesses increased 88.6% (84.6% at constant currency) for the half-year, and this business was profitable during both Q1 and Q2 (excluding amortisation of capitalised development costs) for the first time. The strength of the PuriCore Endoscopy portfolio continues to result in increasing sales with the Company's primary customer, the UK National Health Service (NHS). For the half-year, PuriCore received approximately 47% of all NHS Supply Chain orders for endoscopy. The Company also secured \$1.8 million in new multi-year contracts for its new Endoscopy on Demand managed service offering that provides an endoscopy suite's reprocessing needs on a per-patient or per-procedure cost basis, further evidence of the interest in this model by private hospitals and primary care networks. Recurring revenues for the half-year were \$6.5 million or 55% of revenues (H1 2009: \$3.6 million or 58%).

### ***Wound Care***

PuriCore's Wound Care business continues to gain traction with leading wound care clinics and key opinion leaders including the publication of another recent peer-reviewed journal article in August (available on the Company's [website](#)). Several additional posters will be presented at upcoming wound care conferences on various Vashe clinical experiences, including its use in Haiti following the Company's donation of product at the time of the earthquake in January. The Company is also advancing its bottled Vashe Wound Therapy product offering to capitalise on its recent FDA 510(k) clearances for extended shelf life claims, antimicrobial preservative claims, and over-the-counter (OTC) marketing. PuriCore will launch its first bottled Vashe product offering by the end of the year. The Company's objective is to achieve at least a 12-month shelf life of the Vashe product, and development efforts are progressing well towards this goal. PuriCore also announced that no appeal has been filed to the decision by the European Patent Office (EPO) to revoke the [Oculus Innovative Sciences](#) (NASDAQ: OCLS) patent relating to wound care on the grounds of insufficiency. The revocation was based on the opposition initiated by PuriCore, and the EPO's decision reaffirms PuriCore's freedom to market Vashe Wound Therapy in Europe.

## Financial Report

### ***Income Statement***

For the half-year to 30 June 2010, PuriCore's sales were \$19.1 million, level with H1 2009 (1.3% decrease at constant currency). PuriCore significantly improved gross profit margin for the half-year due to the successful efforts to improve quality performance, increase field service efficiencies, and reduce product costs. As at 30 June 2010, gross profit margin was 32.3% compared with 25.3% in FY 2009 and 25.3% in H1 2009. For H1 2010, operating expenses increased 9.9% (10.5% net of depreciation, amortisation, and non-cash share option expense) compared with H1 2009, driven entirely by the Labcaire acquisition. The Company also continues to succeed in its objective to increase recurring revenues, which are generated from rental agreements, service contracts, and the sale of consumables, with H1 2010 recurring revenues of \$12.4 million, or 65% of total revenue for H1 2010 (H1 2009: \$8.2 million, 43% of total revenue).

### ***Balance Sheet and Cash Flow***

Despite the challenging economy, PuriCore successfully completed an £8 million (gross) debt raise and continued to debt finance certain Food Safety System lease installations. As at 30 June 2010, the Company's cash position was \$12.2 million (including restricted cash balances of \$0.9 million), H1 operational cash outflow was \$4.0 million (compared with \$2.5 million in H1 2009). The increase is driven primarily by an increase in receivables related to strong June sales.

### ***Outlook***

Notwithstanding the better performance in UK Endoscopy during the period, the Company anticipates delivering full-year sales, improvements in post-acquisition operating expense leverage, and gross profit margin across the business as a whole in line with market expectations as the Directors drive the Company to cash flow profitability. PuriCore expects that the Endoscopy core business will continue to be cash flow positive and profitable for the full year with a robust sales pipeline and multiple installations scheduled for H2 2010. Looking ahead, PuriCore also expects further demand for the Endoscopy on Demand managed service given ongoing financial pressures within the UK public sector. Additionally, the Company is on track to launch PuriCore's industry-leading ISIS pass-through automated endoscope reprocessor in combination with the safe and natural Sterilox decontamination chemistry in Q3. In the Food Safety business, the Company anticipates full-year unit installations of 650 to 800 Sterilox Systems, continued margin improvement, and continued market share growth with leading US and Canadian supermarket retailers. In the Wound Care business, the Company expects continued clinical adoption across its existing users as well as in an expanded hospital base.

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.

**Condensed Consolidated Statement of Comprehensive Income**  
For the six-month period ended 30 June 2010

	30 June 2010	30 June 2009	31 December 2009
	\$	\$	\$
<b>Revenue</b>	19,096,310	19,050,400	40,034,561
Cost of sales	(12,933,047)	(14,224,364)	(29,956,684)
<b>Gross Profit</b>	6,163,263	4,826,036	10,077,877
Sales and marketing expenses	(3,095,794)	(3,425,471)	(8,279,480)
General and administrative expenses	(5,476,259)	(4,306,609)	(9,308,617)
Research and development expenses	(2,388,714)	(2,244,085)	(2,969,644)
<b>Loss before Interest and Tax</b>	(4,797,504)	(5,150,129)	(10,479,864)
Finance costs	(287,862)	(338,001)	(654,437)
Finance income	19,644	139,551	198,013
<b>Net Finance Loss</b>	(268,218)	(198,450)	(456,424)
<b>Loss before Taxation</b>	(5,065,722)	(5,348,579)	(10,936,288)
Taxation	-	-	-
<b>Loss for the Period</b>	(5,065,722)	(5,348,579)	(10,936,288)
<b>Other Comprehensive Income:</b>			
Foreign currency translation for foreign operations	3,020,129	1,594,065	467,966
<b>Total comprehensive income for the period</b>	(2,045,593)	(3,754,514)	(10,468,322)
<b>Loss Attributable to:</b>			
Equity Holders of the Parent	(5,065,722)	(5,348,579)	(10,936,288)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Parent	(2,045,593)	(3,754,514)	(10,468,322)
<b>Basic and Diluted Loss Per Share</b>	<b>(0.02)</b>	<b>(0.02)</b>	<b>(0.05)</b>

## Condensed Consolidated Statement of Financial Position

For the six-month period ended 30 June 2010

	30 June 2010	30 June 2009	31 December 2009
	\$	\$	\$
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Intangible assets	8,099,231	4,998,427	9,195,919
Property, plant, and equipment	5,633,857	3,682,513	5,063,126
Restricted cash	-	830,852	700,825
Trade and other receivables	500,220	181,502	391,836
<b>Total Non Current Assets</b>	<b>14,233,308</b>	<b>9,693,294</b>	<b>15,351,706</b>
<b>Current Assets</b>			
Inventories	7,048,393	3,255,200	6,358,070
Trade and other receivables	13,173,844	5,185,646	8,680,894
Restricted cash	908,649	783,940	350,413
Cash and cash equivalents	11,319,819	14,221,379	4,300,195
<b>Total Current Assets</b>	<b>32,450,705</b>	<b>23,446,165</b>	<b>19,689,572</b>
<b>Total Assets</b>	<b>46,684,013</b>	<b>33,139,459</b>	<b>35,041,278</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	(12,784,024)	(6,961,126)	(10,650,876)
Loans and borrowings	(16,784,208)	(4,267,317)	(4,980,089)
Provisions	(95,999)	(95,999)	(95,999)
<b>Total Current Liabilities</b>	<b>(29,664,231)</b>	<b>(11,324,442)</b>	<b>(15,726,964)</b>
<b>Non Current Liabilities</b>			
Loans and borrowings	(3,159,313)	(3,045,282)	(3,600,097)
<b>Total Non Current Liabilities</b>	<b>(3,159,313)</b>	<b>(3,045,282)</b>	<b>(3,600,097)</b>
<b>Total Liabilities</b>	<b>(32,823,544)</b>	<b>(14,369,724)</b>	<b>(19,327,061)</b>
<b>Net Assets</b>	<b>13,860,469</b>	<b>18,769,735</b>	<b>15,714,217</b>
<b>EQUITY</b>			
Share capital	4,114,289	3,933,521	4,114,288
Share premium	161,418,603	158,255,171	161,418,604
Other Reserves	8,163,467	7,657,532	7,971,622
Retained earnings	(160,599,161)	(149,945,730)	(155,533,439)
Cumulative translation adjustment	763,271	(1,130,759)	(2,256,858)
<b>Issued capital and reserves attributable to equity holders of the parent</b>	<b>13,860,469</b>	<b>18,769,735</b>	<b>15,714,217</b>
<b>Total Equity</b>	<b>13,860,469</b>	<b>18,769,735</b>	<b>15,714,217</b>

**Condensed Consolidated Cash Flow Statement**  
For the six-month period ended 30 June 2010

	30 June 2010	30 June 2009	31 December 2009
	\$	\$	\$
<b>Cash Flows From Operating Activities</b>			
Loss for the year	(5,065,722)	(5,348,579)	(10,936,288)
<i>Adjustments for:</i>			
Finance costs	287,862	338,001	654,437
Finance income	(19,644)	(139,551)	(198,013)
Depreciation and amortization	1,867,090	2,167,031	3,755,101
Share based payment expense	191,845	340,369	654,459
Loss on disposal of property, plant, and equipment	44,380	107,834	302,479
<b>Operating Loss Before Movement In Working Capital</b>	(2,694,189)	(2,534,895)	(5,767,825)
(Increase)/Decrease in inventories	(690,323)	371,895	(1,398,888)
(Increase)/Decrease in trade and other receivables	(2,798,268)	(916,106)	(877,287)
Increase/(Decrease) in trade and other payables	2,133,148	475,057	(281,759)
Increase in provisions	-	2,127	2,127
<b>Cash Absorbed By Operations</b>	(4,049,632)	(2,601,922)	(8,323,632)
Interest received	19,644	139,551	198,013
<b>Net Cash Outflow From Operating Activities</b>	(4,029,988)	(2,462,371)	(8,125,619)
<b>Cash Flows From Investing Activities</b>			
Purchase of property, plant and equipment	(1,684,681)	(721,752)	(2,990,269)
Purchase of subsidiary	-	-	(3,351,916)
Cash paid for internally generated intangibles	-	-	(1,452,707)
<b>Net Cash Flow From Investing Activities</b>	(1,684,681)	(721,752)	313,369
<b>Cash Flows From Financing Activities</b>			
Issue of shares, options, and warrants	-	-	3,344,200
Proceeds from new loan notes	12,056,800	-	-
Net debt issuance cost	(1,803,066)	63,379	76,404
Proceeds from new bank loans	1,770,363	-	2,727,103
Repayment of borrowings	(2,437,462)	(2,677,707)	(5,098,388)
Interest paid on borrowings	(287,862)	(338,001)	(654,437)
Repayments of obligations under finance leases	(26,366)	(47,178)	(81,513)
<b>Net Cash Flow From Financing Activities</b>	9,272,404	(2,999,507)	364,606
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>	3,557,738	(6,183,630)	(15,607,142)
Cash and cash equivalents at beginning of year	5,351,433	20,650,460	20,650,460
Effect of foreign exchange rate changes on cash held	3,319,297	1,369,341	308,115
Restricted cash	908,649	1,614,792	1,051,238
Cash and Cash Equivalents	11,319,819	14,221,379	4,300,195
<b>Total Cash at End of Period</b>	12,228,468	15,836,171	5,351,433

## Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2010

	30 June 2010	30 June 2009	31 December 2009
	\$	\$	\$
Balance at beginning of period	15,714,217	22,183,880	22,183,880
Profit or loss	(5,065,722)	(5,348,579)	(10,936,288)
<b>Other comprehensive income</b>			
Foreign currency translation for foreign operations	3,020,129	1,594,065	467,966
Total other comprehensive income	3,020,129	1,594,065	467,966
Total comprehensive income for the period	(2,045,593)	(3,754,514)	(10,468,322)
<b>Transactions with owners, recorded directly in equity</b>			
Issue of ordinary shares	-	-	3,344,200
Share-based payment transactions	191,845	340,369	654,459
Total contributions by and distributions to owners	191,845	340,369	3,998,659
Balance at end of period	13,860,469	18,769,735	15,714,217

### Basis of Preparation

PuriCore plc (the "Company") is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company as at and for the six months ended 30 June 2010 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The consolidated interim financial statements are the responsibility of the Directors and were authorised and approved by the Board of Directors for issuance on 31 August 2010.

The interim financial statements for the period ended 30 June 2010 are unaudited and do not comprise statutory accounts within the meaning of Sections 434 and 435 of the Companies Act of 2006.

### Statement of Compliance

These interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting,' as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group for the year ended 31 December 2009.

The comparative figures for the financial year ended 31 December 2009 are not the Company's statutory accounts for the financial year. The statutory accounts for the year ended 31 December 2009, which were prepared under International Financial Reporting Standards adopted by the EU ("Adopted IFRS"), have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) includes an emphasis of matter relating to the assumption that the going concern basis is appropriate, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The accounting policies set out in the annual report and accounts for the year ended 31 December 2009 have been applied consistently throughout the Group for the purpose of these consolidated interim financial statements.

### Significant Accounting Policies

As required by the Disclosure and Transparency Rules of the Financial Services Authority, this condensed set of financial statements has been prepared by the Group by applying the same accounting policies as were applied by the Group in its published consolidated financial statements as at and for the year ended 31 December 2009.

### Use of Estimates and Judgements

The preparation of interim financial statements required management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009.

### Going Concern

The financial statements are prepared on a going concern basis, which the Directors believe to be appropriate for the reasons set out below.

The Group meets its day-to-day working capital requirements through cash reserves and external funding facilities. At 30 June 2010 cash held was \$12.2 million (including \$0.9 million restricted cash) and outstanding loan notes payable were \$19.9 million.

The Board is constantly reviewing alternative strategies for funding the Group. On the basis of the additional funds raised and the strategies being considered, the Board considers that the Group will continue to operate with sufficient funding and accordingly these financial statements have been prepared on a going concern basis.

### Segmental Analysis

The PuriCore Group is managed by type of business. The Group has two main trading segments that are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different market knowledge and strategies. For each of the strategic business units, the Board reviews internal management reports on a monthly basis. For the purposes of IFRS 8, it is these strategic business units that form the Group's reportable segments and is in line with the basis of segmentation adopted in the consolidated Group financial statements for the year ended 31 December 2009. Under 'other,' we have identified the Group's Global Dental business and certain business development activities not yet generating significant revenues.

### Operating Segments

For the period ended  
30 June 2010

	Endoscopy \$	Food Safety \$	Other \$	Corporate, & Unallocated \$	Total as Reported for the PuriCore Group \$
Revenue	11,742,512	7,175,311	178,487	-	19,096,310
(Loss)/Profit Before Interest, Tax, Depreciation and Amortisation	358,657	(1,620,270)	(254,165)	(1,414,636)	(2,930,414)
Depreciation and Amortisation	(701,257)	(845,807)	-	(320,026)	(1,867,090)
(Loss)/Profit Before Interest and Tax	(342,600)	(2,466,077)	(254,165)	(1,734,662)	(4,797,504)
Total Assets	18,209,209	5,493,108	259,039	22,722,657	46,684,013

For the period ended  
30 June 2009

	Endoscopy \$	Food Safety \$	Other \$	Corporate, & Unallocated \$	Total as Reported for the PuriCore Group \$
Revenue	6,146,274	12,638,019	266,107	-	19,050,400
(Loss)/Profit Before Interest, Tax, Depreciation and Amortisation	(516,029)	562,781	(335,451)	(2,694,399)	(2,983,098)
Depreciation and Amortisation	(338,876)	(939,534)	(20,247)	(868,374)	(2,167,031)
(Loss)/Profit Before Interest and Tax	(854,905)	(376,753)	(355,698)	(3,562,773)	(5,150,129)
<b>Total Assets</b>	<b>6,572,120</b>	<b>4,631,602</b>	<b>-</b>	<b>21,935,737</b>	<b>33,139,459</b>

For the year ended  
31 December 2009

	Endoscopy \$	Food Safety \$	Other \$	Corporate, & Unallocated \$	Total as Reported for the PuriCore Group \$
Revenue	16,465,232	23,113,017	456,312	-	40,034,561
Loss Before Interest, Tax, Depreciation and Amortisation	(2,199,443)	(1,042,007)	(648,167)	(2,835,146)	(6,724,763)
Depreciation and Amortisation	(1,028,296)	(1,338,434)	-	(1,388,371)	(3,755,101)
Loss Before Interest and Tax	(3,227,739)	(2,380,441)	(648,167)	(4,223,517)	(10,479,864)
<b>Total Assets</b>	<b>14,624,115</b>	<b>4,845,207</b>	<b>270,837</b>	<b>15,301,119</b>	<b>35,041,278</b>

Sales by Geographic Areas

	Six months ended 30 June 2010 \$	Six months ended 30 June 2009 \$	Year ended 31 Dec. 2009 \$
United Kingdom	11,742,512	6,146,274	16,465,232
United States	7,353,798	12,904,126	23,569,329
	<b>19,096,310</b>	<b>19,050,400</b>	<b>40,034,561</b>

The geographic areas above are segregated based upon the location of the respective operating division of the company.

### Share Based Payments

During the periods ended 30 June 2010 and 2009 and the year ended 31 December 2009, PuriCore plc operated an Employee Share Option Scheme. The exercise period is up to 10 years with options becoming vested at various points in time following the completion of one year's employment with PuriCore plc. The share options granted under the scheme are not subject to performance conditions and have no vesting conditions other than completion of service with the exception of certain options granted to the Executive Director in 2008 and 2009 and certain options granted to employees in February 2009.

	30 June 2010		30 June 2009		31 December 2009	
	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	0.59	33,385,431	0.74	23,945,700	0.74	23,945,700
Granted during the period	0.12	120,000	0.16	12,130,000	0.16	12,600,000
Exercised during the period	-	-	-	-	-	-
Forfeited during the period	0.89	(9,677,499)	0.70	(1,793,434)	0.58	(3,160,269)
Outstanding at end of period	0.41	23,827,932	0.61	34,282,266	0.59	33,385,431
Exercisable at end of period	0.71	9,419,497	0.94	16,514,657	0.90	16,810,741

The weighted average share price for the six months ended 30 June 2010 was \$0.12. This compares with the weighted average share prices as at 30 June 2009 of \$0.13 and 31 December 2009 of \$0.20.

For the six months ended 30 June 2010, PuriCore plc has recognised total expenses of \$191,845 (six months ended 30 June 2009: \$340,369; year ended 31 December 2009: \$654,459) related to Director and employee equity settled share based payment transactions during the year.

**Property, Plant, and Equipment (including leased equipment)**

	At 30 June 2010	At 30 June 2009	At 31 December 2009
<i>Cost</i>			
At beginning of period	19,489,263	16,668,021	16,668,021
Acquisitions through business combinations	-	-	482,013
Additions	1,684,681	721,752	2,990,269
Disposals	(347,337)	(335,099)	(1,050,305)
Effect of movements in foreign exchange	(276,619)	562,392	399,265
<b>At end of period</b>	<b>20,549,988</b>	<b>17,617,066</b>	<b>19,489,263</b>
<i>Depreciation</i>			
At beginning of period	14,426,137	12,246,250	12,246,250
Charged in the period	987,428	1,577,900	2,688,300
On disposals	(302,957)	(227,265)	(747,826)
Effect of movements in foreign exchange	(194,477)	337,668	239,413
<b>At end of period</b>	<b>14,916,131</b>	<b>13,934,553</b>	<b>14,426,137</b>
<i>Net book value</i>			
At end of period	5,633,857	3,682,513	5,063,126
At beginning of period	5,063,126	4,421,771	4,421,771

**Related-Party Transactions****Transactions with Key Management Personnel**

Key management personnel receive compensation in the form of short-term employee benefits, post employment benefits, and share based payment awards. Key management personnel received total compensation of \$1,102,126 for the six months ended 30 June 2010 (six months ended 30 June 2009: \$1,158,770; 12 months ended 31 December 2009: \$2,555,641).

**Post Period Event**

Effective 1 July 2010 the Company's share capital was consolidated on the basis of 1 new Ordinary Share of 10p each for every 10 existing Ordinary Shares. Following the consolidation, the Company's issues share capital was 22,731,043 shares of 10 pence each.

**Responsibility Statement of the Directors in Respect of the Interim Financial Report**

We confirm that to the best of our knowledge:

The condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

The interim management report includes a fair review of the information required by:

- a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
- b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board  
Chris Wightman  
31 August 2010

Executive Chairman