

PuriCore plc
(“PuriCore” or the “Company” or the “Group”)

Interim Results for the Six Months Ended 30 June 2011

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 23 August 2011 — 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 2011.

Financial Highlights (unaudited)

- H1 sales of \$18.8 million, a decrease of 2% (5% at constant currency) (H1 2010: \$19.1 million)
 - Supermarket Retail sales of \$7.6 million, an increase of 6% (H1 2010: \$7.2 million)
 - Supermarket Retail margins improved to 35.1% (H1 2010: 28.8%) as volume increased, field service team efficiency improved, and quality continued to improve
 - Endoscopy and Laboratory sales of \$10.9 million, a decrease of 7% (12% at constant currency) (H1 2010: \$11.7 million)
 - Recurring revenues increased 28% to \$8.3 million in H1 2011 (H1 2010: \$6.5 million) accounting for 76% of sales for the first six months of 2011
 - Wound Care sales of \$0.22 million, an increase of 24% (H1 2010: \$0.18 million)
- Overall gross profit margin of 29.9% for H1 2011 (H1 2010: 32.3%) before one-off charges
 - Supermarket Retail margins increased driven by volume, quality, and service team leverage
 - Endoscopy and Laboratory margins decreased (driving the Group decrease) driven primarily by volume and decreased service team leverage
- Operating expenses, excluding depreciation, amortisation, non-cash share option expenses, and professional fees for the terminated Endoscopy sale, decreased 13.9% to \$8.3 million (H1 2010: \$9.6 million)
- \$3.8 million in cash as at 30 June 2011 (30 June 2010: \$12.2 million)
 - \$4.0 million available under \$4.0 million facility signed during H1
 - H1 2011 cash outflow from operating activities decreased 59.2% to \$(1.6) million (2010: \$(4.0) million)

Post-Period Significant Events

- Received major new Supermarket Retail orders in August totalling \$8.2 million representing 580 Sterilox System (“System”) installations to be installed in H2 2011 (total installations for FY 2010: 593 Systems)
 - Two leading US supermarkets implementing Sterilox enterprise-wide: Winn-Dixie Stores of Jacksonville, Florida, and Stater Bros Markets of San Bernardino, California
 - First division of the second largest US supermarket retailer now initiating full regional implementation
 - As at 30 June 2011, 4,460 Systems installed; more than 40% of the target market is now either a PuriCore customer or is in a pilot programme with the Company

- Reached agreement for the settlement of the claim against Misonix, Inc., in connection with the acquisition of Labcaire in 2009, inclusive of a distribution agreement for a private label version of PuriCore's Wound Care solution. The agreement provided for the cancellation of \$1 million of commissions otherwise due to Misonix and guaranteed distribution profits totalling \$2 million over the next 12 quarters thereby underpinning the profitability of this growing division.

Chris Wightman, Executive Chairman of PuriCore, said:

"PuriCore sales for the half-year were lower than expected though virtually level with the same period last year, resulting from delays in both the UK with NHS capital spending and in the US with supermarket retail orders delayed into Q3.

"Capital orders for the UK Endoscopy business slowed as the National Health Service constrained capital spending as it started its new fiscal year; however, the Board is confident that sales will improve as the NHS fiscal year progresses. Recurring revenues for this business unit, nonetheless, increased by 28% over H1 2010 as we generate more value from our installed base in UK hospitals and drive towards greater rental income. We anticipate this trend to continue as we seek to increase the overall percentage that recurring revenues represents of our total revenues thereby insulating the business from NHS spending policy changes.

"In the North American Supermarket Retail business, sales expected in Q2 were delayed into Q3 as evidenced by today's announcement of the major orders just received from two new leading retailer customers for enterprise-wide implementations and the increased pace of installations at the second largest retailer in the US. This represents further proof that customers install all their stores with our technology once the purchasing decision has been made and evidences our confidence that we will convert all of the current customer base, currently representing around 10,800 stores, to installing our systems. Furthermore, the second largest US retailer supermarket chain continues to roll out our Sterilox Systems at a faster rate through its enterprise as our product is now considered a best practice by this retailer. PuriCore recently received the first orders from one of this retailer's largest divisions, which will be the first to fully implement Sterilox across a complete division. As at 30 June 2011, 15% of this retailer's stores have Sterilox Systems. With these new orders, as previously indicated, 2011 total installations will be significantly higher than the 593 installations in 2010. Despite the challenging market environment in the US, these orders and the increase in roll out velocity provide significant confidence for 2012 installations.

"PuriCore's emerging Wound Care business continues to grow steadily, with sales increasing each month. Bottled Vashe, now with a 12-month self-life, is popular with both customers and key opinion leaders, and we will continue to develop new packaging options for different clinical uses and will launch those in the coming quarters. Sales will begin later this year for our new distribution agreement with Misonix, further expanding our reach in the wound care market and underpinning profitability for our Wound Care division in future. Demand for a non-prescription option (over-the-counter) for our novel product increases, and we expect to launch our direct-to-consumer product for Vashe in Q4.

“The combination of the significant improvement in UK recurring revenues, the sharp increase in the momentum of US Supermarket Retail rollouts, and the Misonix distribution agreement provides the Board with great confidence in the future profitability of each division individually and for the business collectively in 2012. Combined with other business opportunities that the Company is involved in developing, the Board is confident that the current business mix will deliver both robust growth and significant cash generation.”

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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, which does not form part of this press release.

H1 2011 Business and Financial Report Business Report

PuriCore sales of \$18.8 million for H1 2011 remained relatively flat compared with the previous year (\$19.1 million) due to delays in spending, primarily in the UK. Sales for the half-year in the UK Endoscopy and Laboratory business decreased 7% (12% at constant currency), whilst sales to supermarket retail chains increased 6% compared with the same period last year (comparable unit sales increased from 291 to 363). During the period, sales activity was brisk, and the Company made significant progress on several major supermarket retail orders that ultimately closed during Q3. In the emerging Wound Care business, sales from Vashe Wound Therapy (including Dental sales) steadily grew and achieved a 22% increase for the half-year.

Overall gross profit margins decreased to 29.9% (H1 2010: 32.3%) before one-off charges due primarily to lower UK volume in the Endoscopy business. A one-off charge of \$0.5 million (representing 2.4% of gross margin) was taken to cost of sales for slow moving inventory that pre-dates the Labcaire acquisition. Supermarket Retail margins improved to 35.1% (H1 2010: 28.8%) as volume increased, field service team efficiency improved, and quality continued to exceed goals.

In January 2011, PuriCore served a Particulars of Claim against Misonix, Inc., the seller of the Labcaire business, seeking damages in excess of £2.1 million for breaches of warranty under the Sale and Purchase Agreement (SPA) in connection with PuriCore's acquisition of Labcaire in August 2009. In July, the Company announced that a settlement had been reached with Misonix. As part of the settlement, PuriCore will no longer be liable for \$1 million in commission payments as defined in the SPA, and Misonix will reimburse PuriCore \$650,000 towards costs and fees of the litigation to date. The companies simultaneously have agreed to enter into a distribution agreement for a private label version of PuriCore's Wound Care solution for use principally in conjunction with the Misonix line of ultrasonic systems. As part of this agreement, Misonix has the obligation over a three-year period either to purchase product or pay minimum payments of \$2 million in gross margin value to PuriCore, which will thereby underpin the profitability of this growing division.

Supermarket Retail

In the first half of 2011, the Supermarket Retail business installed 363 Systems, bringing the total installed base to 4,460 Systems or 16% of the target market in the US and Canada. In total, more than 40% of the target market is now either a PuriCore customer or is in a pilot programme with the Company. New orders during the half-year include an initial order from a top-5 US supermarket retailer for 100 FloraFresh Systems, following on from the existing installations for produce applications for a second System in these stores; the expansion of the Sterilox installed base for a top-five US supermarket retailer in several geographic sectors; and continued Sterilox installations in new and remodeled stores for a top-10 US supermarket retailer. Additionally, the Company recently finalised agreements for new implementations for 580 Sterilox Systems in H2 2011 (FY 2010: 593 Systems) totalling \$8.2 million including major new enterprise-wide contracts from two new leading US supermarket customers, Winn-Dixie Stores and Stater Bros Markets, in addition to full adoption now underway in one regional division of the second largest US supermarket retailer.

UK Endoscopy and Laboratory

PuriCore announced in March that the Company had agreed heads of terms with a potential buyer for the sale of the Company's Endoscopy operations. In May, PuriCore had not reached satisfactory agreement with the other party and therefore ended further negotiations. In view of this outcome, the Board determined that it is in the best financial interests of the Company to retain the Endoscopy business and UK operations.

The primary UK customer, the National Health Service, initiated capital spending constraints as it started its fiscal year in April, contributing to lower than expected sales. Recurring revenues, however, continued to increase, up 28% to \$8.3 million in H1 2011 (H1 2010: \$6.5 million) accounting for 76% of sales for the first six months on 2011. This higher proportion was the result of the UK NHS capital spending constraints as well as the Company's continued focus to increase growth of rentals recurring revenues.

Wound Care

In the emerging Wound Care business (including Dental), sales increased 24% in H1 2011 to \$0.22 million compared with H1 2010, primarily due to the availability of the new bottled Vashe Wound Therapy. This new bottled product currently offers a 12-month shelf-life and provides a convenient packaging option for both wound care clinics and patient use at home.

Financial Report

Income Statement

For the half-year to 30 June 2011, PuriCore's sales were \$18.8 million, slightly decreased from H1 2010 (5% decrease at constant currency). Gross profit margin for the half-year decreased \$1.0 million to \$5.1 million due to sales volume reductions in the Endoscopy business and a \$0.5 million charge to inventory reserves related to inventory that pre-dated the Labcaire acquisition. As at 30 June 2011, gross profit margin was 27.4% compared (29.9% excluding the inventory provision increase) compared with 33.6% in FY 2010 and 32.3% in H1 2010. For H1 2011, operating expenses decreased 3.5% compared with H1 2010. Excluding the impact of depreciation, amortisation, non-cash share option expense, and professional fees related to the terminated Endoscopy business sale, operating expenses decreased 13.9% compared with H1 2010.

Balance Sheet and Cash Flow

During the period, PuriCore completed an equity placing of 2,272,727 shares raising £1.2 million (£1.2 million net of expenses) to fund working capital needs of the Company and debt funding. PuriCore also completed a \$4.0 million line of credit facility to fund working capital needs of the Company. At the signing of this facility, 400,000 warrants were issued with a potential further 1 million warrants to be issued based on amounts drawn down under this facility. The warrants are exercisable at a price of 52.8 pence per share for a period of three years. As at 30 June 2011, \$4.0 million of this line of credit remained available. Cash at period end was \$3.8 million.

Outlook

The Company anticipates delivering full-year sales growth across the business as a whole as the Directors drive the Company forward. PuriCore expects that sales in the UK will improve in H2 as the NHS relaxes capital spending constraints. In the Supermarket Retail business, the Company anticipates full-year unit demand of more than 1,000 Sterilox Systems with the recent new orders and ongoing sales negotiations, continued strong margins, and further market share growth with leading US and Canadian supermarket retailers. In the Wound Care business, the Company expects continued clinical adoption of the new bottled products and new packaging options, including a direct-to-consumer line of Vashe products, available in the coming quarters.

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 2011

| | 30 June 2011 | 30 June 2010 | Restated 31 December 2010 |
|---|--------------|--------------|---------------------------------|
| | \$ | \$ | \$ |
| Revenue | 18,755,237 | 19,096,310 | 40,451,690 |
| Cost of sales | (13,617,212) | (12,933,047) | (26,876,418) |
| Gross Profit | 5,138,025 | 6,163,263 | 13,575,272 |
| Sales and marketing expenses | (2,425,420) | (3,095,794) | (5,744,900) |
| General and administrative expenses | (5,991,615) | (5,476,259) | (11,180,755) |
| Research and development expenses | (2,155,786) | (2,388,714) | (4,858,714) |
| Loss before Interest and Tax | (5,434,796) | (4,797,504) | (8,209,097) |
| Finance costs | (1,204,924) | (287,862) | (1,533,537) |
| Finance income | 10,073 | 19,644 | 47,937 |
| Net Finance Loss | (1,194,851) | (268,218) | (1,485,600) |
| Loss before Taxation | (6,629,647) | (5,065,722) | (9,694,697) |
| Taxation | - | - | - |
| Loss for the Period | (6,629,647) | (5,065,722) | (9,694,697) |
| Other Comprehensive Income: | | | |
| Foreign currency translation for foreign operations | (870,894) | 3,020,129 | 32,627 |
| Total comprehensive loss for the period | (7,500,541) | (2,045,593) | (9,662,070) |
| Loss Attributable to: | | | |
| Equity Holders of the Parent | (6,629,647) | (5,065,722) | (9,694,697) |
| Total comprehensive income attributable to: | | | |
| Equity holders of the Parent | (7,500,541) | (2,045,593) | (9,662,070) |
| Basic and Diluted Loss Per Share | (0.28) | (0.22) | (0.43) |

Condensed Consolidated Statement of Financial Position

For the six-month period ended 30 June 2011

| | 30 June 2011 | 30 June 2010 | Restated 31 December 2010 |
|---|---------------------|---------------------|---------------------------------|
| | \$ | \$ | \$ |
| ASSETS | | | |
| Non Current Assets | | | |
| Intangible assets | 6,906,018 | 8,099,231 | 8,282,314 |
| Property, plant, and equipment | 4,762,437 | 5,633,857 | 5,511,789 |
| Trade and other receivables | 273,024 | 500,220 | 386,328 |
| Total Non Current Assets | 11,941,479 | 14,233,308 | 14,180,431 |
| Current Assets | | | |
| Inventories | 6,587,845 | 7,048,393 | 7,015,494 |
| Trade and other receivables | 8,140,658 | 13,173,844 | 9,715,678 |
| Restricted cash | - | 908,649 | 1,157,287 |
| Cash and cash equivalents | 3,762,715 | 11,319,819 | 4,035,785 |
| Total Current Assets | 18,491,218 | 32,450,705 | 21,924,244 |
| Total Assets | 30,432,697 | 46,684,013 | 36,104,675 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Trade and other payables | (12,992,928) | (12,784,024) | (12,762,362) |
| Loans and borrowings | (15,078,095) | (16,784,208) | (15,232,083) |
| Provisions | (95,999) | (95,999) | (95,999) |
| Total Current Liabilities | (28,167,022) | (29,664,231) | (28,090,444) |
| Non Current Liabilities | | | |
| Loans and borrowings | (1,337,360) | (3,159,313) | (1,614,328) |
| Total Non Current Liabilities | (1,337,360) | (3,159,313) | (1,614,328) |
| Total Liabilities | (29,504,382) | (32,823,544) | (29,704,772) |
| Net Assets | 928,315 | 13,860,469 | 6,399,903 |
| EQUITY | | | |
| Share capital | 4,483,312 | 4,114,289 | 4,114,288 |
| Share premium | 162,998,021 | 161,418,603 | 161,418,604 |
| Other Reserves | 8,399,890 | 8,163,467 | 8,319,378 |
| Retained earnings | (171,857,783) | (160,599,161) | (165,228,136) |
| Cumulative translation adjustment | (3,095,125) | 763,271 | (2,224,231) |
| Issued capital and reserves attributable to equity holders of the parent | 928,315 | 13,860,469 | 6,399,903 |
| Total Equity | 928,315 | 13,860,469 | 6,399,903 |

Condensed Consolidated Cash Flow Statement

For the six-month period ended 30 June 2011

| | 30 June 2011 | 30 June 2010 | 31 December 2010 |
|---|--------------|--------------|---------------------|
| | \$ | \$ | \$ |
| Cash Flows From Operating Activities | | | |
| Loss for the year | (6,629,647) | (5,065,722) | (9,694,697) |
| <i>Adjustments for:</i> | | | |
| Finance costs | 1,204,924 | 287,862 | 1,533,537 |
| Finance income | (10,073) | (19,644) | (47,937) |
| Depreciation and amortization | 1,715,837 | 1,867,090 | 3,650,779 |
| Share based payment expense | 80,512 | 191,845 | 347,756 |
| Loss on disposal of property, plant, and equipment | 354,429 | 44,380 | 124,890 |
| Operating Loss Before Movement In Working Capital | (3,284,018) | (2,694,189) | (4,085,672) |
| Decrease /(Increase) in inventories | 427,649 | (690,323) | (657,424) |
| Decrease /(Increase) in trade and other receivables | 973,480 | (2,798,268) | (699,784) |
| Increase in trade and other payables | 230,566 | 2,133,148 | 1,325,559 |
| Cash Absorbed By Operations | (1,652,323) | (4,049,632) | (4,117,321) |
| Interest received | 10,073 | 19,644 | 47,937 |
| Net Cash Outflow From Operating Activities | (1,642,250) | (4,029,988) | (4,069,384) |
| Cash Flows From Investing Activities | | | |
| Purchase of property, plant and equipment | (331,703) | (1,684,681) | (2,531,044) |
| Net Cash Flow From Investing Activities | (331,703) | (1,684,681) | (2,531,044) |
| Cash Flows From Financing Activities | | | |
| Issue of shares, options, and warrants | 1,948,441 | - | - |
| Proceeds from new loan notes | - | 12,056,800 | 13,827,163 |
| Net debt issuance cost | 714,844 | (1,803,066) | (1,092,230) |
| Proceeds from new bank loans | - | 1,770,363 | - |
| Repayment of borrowings | (400,746) | (2,437,462) | (5,288,434) |
| Interest paid on borrowings | (1,204,924) | (287,862) | (770,799) |
| Repayments of obligations under finance leases | (30,210) | (26,366) | (59,182) |
| Net Cash Flow From Financing Activities | 1,027,405 | 9,272,407 | 6,616,518 |
| Net (Decrease)/Increase In Cash And Cash Equivalents | (946,548) | 3,557,738 | 16,090 |
| Cash and cash equivalents at beginning of year | 5,193,072 | 5,351,433 | 5,351,433 |
| Effect of foreign exchange rate changes on cash held | (483,809) | 3,319,297 | (174,451) |
| Restricted cash | - | 908,649 | 1,157,287 |
| Cash and Cash Equivalents | 3,762,715 | 11,319,819 | 4,035,785 |
| Total Cash at End of Period | 3,762,715 | 12,228,468 | 5,193,072 |

Condensed Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2011

| | 30 June 2011 | 30 June 2010 | 31 December 2010 |
|--|--------------|--------------|------------------|
| | \$ | \$ | \$ |
| Balance at beginning of period | 6,399,903 | 15,714,217 | 15,714,217 |
| Profit or loss | (6,629,647) | (5,065,722) | (9,694,697) |
| Other comprehensive income | | | |
| Foreign currency translation for foreign operations | (870,894) | 3,020,129 | 32,627 |
| Total other comprehensive income | (870,894) | 3,020,129 | 32,627 |
| Total comprehensive income for the period | (7,500,541) | (2,045,593) | (9,662,070) |
| Transactions with owners, recorded directly in equity | | | |
| Issue of ordinary shares | 1,948,441 | - | |
| Share-based payment transactions | 80,512 | 191,845 | 347,756 |
| Total contributions by and distributions to owners | 2,028,953 | 191,845 | 347,756 |
| Balance at end of period | 928,315 | 13,860,469 | 6,399,903 |

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 2011 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 22 August 2011.

The interim financial statements for the period ended 30 June 2011 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 2010.

The comparative figures for the financial year ended 31 December 2010 are not the Company's statutory accounts for the financial year. The statutory accounts for the year ended 31 December 2010, 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 2010 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 2010.

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 2010.

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 2011 cash held was \$3.8 million and outstanding loan notes payable were \$16.4 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.

In April 2011, PuriCore announced it had ended the process to dispose of PuriCore International Limited (the Endoscopy and Laboratory segment). As a result, the operations of PuriCore International Limited are included in Group results as at 30 June 2011 and have been reclassified from Discontinued Operations to Group results as at 30 June 2011.

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 2010. Under 'other,' we have identified the Group's Vashe and Global Dental business and certain business development activities not yet generating significant revenues.

Operating Segments

For the period ended
30 June 2011

| | Endoscopy & Laboratory \$ | Supermarket Retail \$ | Other \$ | Corporate, & Unallocated \$ | Total as Reported for the PuriCore Group \$ |
|---|------------------------------------|-----------------------------|----------------|--------------------------------------|--|
| Revenue | 10,892,383 | 7,641,267 | 221,587 | - | 18,755,237 |
| (Loss) Before Interest, Tax, Depreciation and Amortisation | (452,730) | 422,902 | (160,926) | (3,528,205) | (3,718,959) |
| Depreciation and Amortisation | (708,028) | (740,388) | - | (267,421) | (1,715,837) |
| (Loss)/Profit Before Interest and Tax | (1,160,758) | (317,486) | (160,926) | (3,795,626) | (5,434,796) |
| Total Assets | 15,098,422 | 5,588,022 | 349,015 | 9,397,238 | 30,432,697 |

For the period ended
30 June 2010

| | Endoscopy & Laboratory \$ | Supermarket Retail \$ | Other \$ | Corporate, & Unallocated \$ | Total as Reported for the PuriCore Group \$ |
|--|------------------------------------|-----------------------------|----------------|--------------------------------------|--|
| Revenue | 11,742,512 | 7,175,311 | 178,487 | - | 19,096,310 |
| Profit/(Loss) 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 year ended
31 December 2010

| | Endoscopy & Laboratory \$ | Supermarket Retail \$ | Other \$ | Corporate, & Unallocated \$ | Total as Reported for the PuriCore Group \$ |
|---|------------------------------------|-----------------------------|----------------|--------------------------------------|--|
| Revenue | 25,140,258 | 14,903,109 | 408,323 | - | 40,451,690 |
| Loss Before Interest, Tax, Depreciation and Amortisation | 1,215,216 | (2,578,525) | (415,595) | (2,779,414) | (4,558,318) |
| Depreciation and Amortisation | (1,399,988) | (786,089) | - | (1,464,702) | (3,650,779) |
| Loss Before Interest and Tax | (184,772) | (3,364,614) | (415,595) | (4,244,116) | (8,209,097) |
| Total Assets | 18,837,027 | 6,066,521 | 314,057 | 10,887,070 | 36,104,675 |

Sales by Geographic Areas

| | Six months ended 30 June 2011 \$ | Six months ended 30 June 2010 \$ | Year ended 31 Dec. 2010 \$ |
|-----------------------|--|--|----------------------------------|
| United Kingdom | 10,892,383 | 11,742,512 | 25,140,258 |
| United States | 7,862,854 | 7,353,798 | 15,311,432 |
| | 18,755,237 | 19,096,310 | 40,451,690 |

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 2011 and 2010 and the year ended 31 December 2010, 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 2011 | | Restated 30 June 2010 | | 31 December 2010 | |
|------------------------------------|--|----------------------|--|----------------------|--|----------------------|
| | 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 | 3.81 | 1,106,851 | 5.90 | 3,338,543 | 5.89 | 3,338,543 |
| Granted during the period | 0.89 | 100,000 | 1.20 | 12,000 | 0.94 | 99,500 |
| Exercised during the period | - | - | - | - | - | - |
| Forfeited during the period | 6.44 | (150,849) | 8.90 | (967,750) | 6.52 | (2,331,192) |
| Outstanding at end of period | 2.98 | 1,056,002 | 4.10 | 2,382,793 | 3.81 | 1,106,851 |
| Exercisable at end of period | 5.95 | 348,329 | 7.10 | 941,950 | 6.81 | 381,682 |

The weighted average share price for the six months ended 30 June 2011 was \$0.80. This compares with the weighted average share prices as at 30 June 2010 of \$1.20 and 31 December 2010 of \$1.31.

For the six months ended 30 June 2011, PuriCore plc has recognised total expenses of \$80,512 (six months ended 30 June 2010: \$191,845; year ended 31 December 2010: \$347,756) related to Director and employee equity settled share based payment transactions during the year.

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 issued share capital was 22,731,043 shares of 10 pence each.

Property, Plant, and Equipment (including leased equipment)

| | At 30 June 2011 | At 30 June 2010 | At 31 December 2010 Restated |
|---|----------------------------|----------------------------|---|
| <i>Cost</i> | | | |
| At beginning of period | 20,357,532 | 19,489,263 | 19,489,263 |
| Additions | 331,703 | 1,684,681 | 2,531,044 |
| Disposals | (7,108,741) | (347,337) | (1,506,280) |
| Effect of movements in foreign exchange | 384,234 | (276,619) | (156,495) |
| At end of period | 13,964,728 | 20,549,988 | 20,357,532 |
| <i>Depreciation</i> | | | |
| At beginning of period | 14,845,743 | 14,426,137 | 14,426,137 |
| Charged in the period | 862,405 | 987,428 | 1,883,600 |
| On disposals | (6,754,312) | (302,957) | (1,381,390) |
| Effect of movements in foreign exchange | 248,455 | (194,477) | (82,604) |
| At end of period | 9,202,291 | 14,916,131 | 14,845,743 |
| <i>Net book value</i> | | | |
| At end of period | 4,762,437 | 5,633,857 | 5,511,789 |
| At beginning of period | 5,511,789 | 5,063,126 | 5,063,126 |

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 \$1,014,947 for the six months ended 30 June 2011 (six months ended 30 June 2010: \$1,102,126; 12 months ended 31 December 2010: \$2,363,986). There were otherwise no related-party transactions during the six months ended 30 June 2011.

Post Period Events

- Received major new Supermarket Retail orders in August totalling \$8.2 million representing 580 Sterilox System installations (total installations for the whole of 2010 593 systems)
 - Two leading US supermarkets implementing Sterilox enterprise-wide: Winn-Dixie Stores of Jacksonville, Florida, and Stater Bros Markets of San Bernardino, California.
 - First division of the second largest US supermarket retailer now initiating full regional implementation
 - More than 40% of the target market is now either a PuriCore customer or is in a pilot programme with the Company
- Reached agreement for the settlement of the claim against Misonix, Inc., in connection with the acquisition of Labcaire in 2009, inclusive of a distribution agreement for a private label version of PuriCore's Wound Care solution. The agreement provided for the cancellation of \$1 million of commissions otherwise due to Misonix (accounting treatment) and guaranteed distribution profits totalling \$2 million over the 12 quarters thereby underpinning the profitability of this growing division.

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.

The Directors of PuriCore plc are listed in the PuriCore plc Annual Report for 31 December 2010. This report will be available at PuriCore plc's registered office at: 6th Floor, 25 Farrington Street, London, EC4A 4AB, and on the Company's website at www.puricore.com.

By order of the Board
Chris Wightman
23 August 2011

Executive Chairman