

PuriCore Interim Results for the Six Months Ended 30 June 2009

Record Food Safety Shipments; Operational Cash Flow Positive in Q2

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 25 August 2009 — PuriCore (LSE: PURI), the life sciences 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, today announces its interim results for the six months ended 30 June 2009.

Financial Highlights (unaudited)

- H1 sales of \$19.1 million, a decrease of 2% (an increase of 8% on a constant currency basis) (H1 2008: \$19.5 million)
 - Food Safety sales of \$12.6 million, an increase of 17% (H1 2008: \$10.8 million)
 - Endoscopy sales of \$6.1 million, a decrease of 27% (a decrease of 3% on a constant currency basis) (H1 2008: \$8.4 million)
- Operating expense reductions of 14% (12% net of non-cash share compensation, depreciation, and amortisation) compared with H1 2008
- \$15.8 million in cash as at 30 June 2009 (increased from the cash balance as at 31 March 2009 of \$15.6 million as a result of improved working capital and foreign currency)
 - Q2 operational cash flow positive
 - H1 operational cash outflow of \$2.5 million (H1 2008: \$4.7 million)
 - Debt reduced by \$2.7 million in H1 (\$1.3 million in Q2)

Operational Highlights

- Record six-month shipments of 614 Sterilox Food Safety Systems
- Enterprise-wide implementation of Sterilox Food Safety Systems by one of the top-five US supermarket retailers, SUPERVALU (NYSE: SVU)
- Launched a new Sterilox Endoscopy pass-through AER, the SAFER^{plus}
- Effectiveness of Sterilox Solution against H1N1 influenza confirmed
- Early traction and positive Vashe Wound Therapy feedback, with more than 100,000 successful treatments to date

Post-Period Developments

- Acquisition of Labcaire Systems Ltd., a leading UK supplier and manufacturer of endoscope disinfection equipment
- Fundraising of £2 million by way of a Placing through the issue of 10,810,811 Placing Shares at an Issue Price of 18.5 pence per share
- Established a new \$2.1 million debt facility consistent with the Company's strategy to utilize debt to fund the installation of leased Sterilox Food Retail Systems
- New FDA 510(k) clearance for Vashe Wound Therapy with extended shelf-life claims

Greg Bosch, Chief Executive of PuriCore, said:

"PuriCore remains well positioned to execute on its business plan and meet market expectations for revenue growth and operating expenditure improvement for the full year. Looking ahead, we will continue to expand our market share with leading US national and regional food retailers, develop our new Vashe Wound Therapy business, and accelerate UK Endoscopy sales and profits as we integrate Labcaire Systems into our business."

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About PuriCore

PuriCore plc (LSE: PURI) is a life sciences 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 H5N1 Avian Influenza), *Legionella*, *MRSA*, *M.tuberculosis*, Norovirus, and *Salmonella*. PuriCore is headquartered in Malvern, Pennsylvania, with offices 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 2009 Operating and Financial Review

In the first six months of 2009, PuriCore continued to focus on the core businesses—US Food Safety and UK Endoscopy—and initiated commercialisation in therapeutic Wound Care whilst decreasing operating costs. Despite the challenging economic environment and significant impact of weaker sterling, PuriCore delivered a solid performance with record shipments of the Sterilox Food Safety System. PuriCore's revenues in the period were \$19.1 million, increasing 8% on a constant currency basis over H1 2008. Through continued efforts to increase efficiencies, operating expenses were 14% lower across the Company. Gross margins were flat with prior year at 25% and remain a key area of focus to improve. In Q2, the Company was operational cash flow positive with total cash available as at 30 June 2009 of \$15.8 million (including restricted cash balances of \$1.6 million).

Business Report

Core Business: US Food Retail

The Directors are pleased with the acceptance of PuriCore's products by the leading US food retailers, with two of the top-five retailers now using Sterilox Systems enterprise-wide. In H1 2009, PuriCore increased sales by 17% to \$12.6 million (H1 2008: \$10.8 million), with record shipments in the six months of 614 Systems, many of which were a result of the second contract from top-five retailer Safeway for installations throughout all of its stores in the United States and Canada. In May, another top-five retailer, SUPERVALU, announced its plans to complete an enterprise-wide implementation of Sterilox Systems, thereby adding approximately 190 Systems that are scheduled to be installed in H2 2009.

The Company's total customer base now exceeds 40 US retail supermarket chains using Sterilox Food Safety Systems with more than 3,000 Systems installed as at 30 June 2009. This represents approximately 6.8% of the Food Retail target market. PuriCore has identified and is targeting additional sales opportunities of a second System for other applications within its active customer base. For the remainder of 2009, the Company will continue to expand its efforts to gain further traction with regional supermarket chains and begin to target Canadian retail chains.

Core Business: UK Endoscopy

UK Endoscopy sales in the period were \$6.1 million, down 27% (H1 2008: \$8.4 million), a 3% decrease on a constant currency basis. H1 sales growth comparisons were significantly impacted by the weaker sterling as well as by the Company's strong H1 2008 performance. Sales growth has also been impacted slightly by National Health Service (NHS) budgetary pressures. The Company endeavours to mitigate such pressures of NHS capital purchases by continuing to focus on recurring revenues streams from lease contracts, service agreements, and related consumable products.

In post-period developments, PuriCore acquired Labcaire Systems Ltd., a leading provider of endoscope disinfection equipment to UK NHS hospitals, private hospitals, and primary care networks. The addition of Labcaire's complementary skills and products expands the PuriCore Endoscopy product portfolio creating critical mass and a leadership position in the UK endoscopy market, further strengthening its UK offering of disinfection chemistry, endoscope reprocessing systems, and services. The Directors believe that the enlarged Group is well placed for growth and that the increase in international market opportunities and expansion of service and reagent supply opportunities, combined with synergistic cost savings will increase the Group's cash flow. The combined business raises the number of hospital sites from just over 200 to approximately 350, and the combined unaudited pro-forma Endoscopy division sales for the six months to 30 June 2009 would have been £8.5 million. See Post-Period Developments below for additional details of the acquisition.

New Market: Wound Care

Following positive feedback from clinicians in the Wound Care pilot sites, PuriCore transitioned from an exclusively clinical development programme to early commercialisation of the Vashe Wound Therapy platform. As at 30 June 2009, there have been more than 100,000 successful Vashe treatments, with total period sales of \$0.3 million (inclusive of Dental revenues). PuriCore has initiated targeted marketing programmes and has expanded its key opinion leader network and activities, including 14 recent publications and symposia presentations by the PuriCore scientific team and these industry leaders.

In post-period developments, the Company has received a new FDA 510(k) clearance for Vashe Wound Therapy, which extends the shelf life to 30 days.

Post-Period Developments

Acquisition of Labcaire

In early August, PuriCore announced it had acquired the entire issued share capital of Labcaire Systems Ltd., a leading UK supplier and manufacturer of endoscope disinfection equipment and air filtration systems and a wholly owned subsidiary of Misonix Inc. (NASDAQ: MSON). The shares were acquired in exchange for an upfront payment of \$3.6 million in cash and a further \$1 million to be paid in equal instalments over the next four years. Additional amounts may become payable at the end of each year through to 31 December 2013, based on the future annual sales of certain Labcaire products, such additional amounts in aggregate not to exceed \$1 million.

As at 30 June 2009, Labcaire Systems had gross assets of approximately £6.5 million (unaudited) (2008: £5.9 million, UK GAAP, audited), and for the year ended 30 June 2009 it reported revenues of approximately £8.7 million (unaudited) (2008: £6.8 million, UK GAAP, audited) and made a loss of approximately £4.5k (unaudited) (2008: loss of £284k, UK GAAP, audited).

£2 Million Placing

Also in early August, PuriCore announced that it has raised £2 million by way of a non pre-emptive Placing through the issue of 10,810,811 Placing Shares to institutional investors, representing 5% of the Company's existing issued share capital, at an Issue Price of 18.5 pence per share (being the closing bid price and a 3.9% discount to the closing mid-market price on 4 August 2009). The net proceeds of approximately £1.9 million were used to fund the upfront consideration for the Labcaire acquisition.

\$2.1 Million Debt Raise

PuriCore also announced today that it closed on a new \$2.1 million debt facility with Republic First Bank 24 August 2009. The debt will be drawn down through the fourth quarter and is structured as a 36-month promissory note with an imputed interest rate of 5.9%. This financing is consistent with the Company's strategy to utilize debt to fund the installation of leased Sterilox Food Retail Systems.

New Regulatory Approval

On 21 August 2009, PuriCore received a new 510(k) medical device clearance from the US FDA for Vashe Wound Therapy with extended shelf-life claims.

Financial Report

Income Statement

For the half year to 30 June 2009, PuriCore's sales were \$19.1 million, a decrease of 2% over H1 2008 (an increase of 8% on a constant currency basis), and operating expenses decreased by 12% (net of depreciation, amortisation, and non-cash share option expense) compared with H1 2008. Recurring revenues, which are generated from rental agreements, service contracts, and the sale of consumables, were \$8.6 million and accounted for 44.9% of total revenue for H1 2009 (H1 2008: \$8.5 million, 44.2% of total revenue).

Gross profit margin as at 30 June 2009 remained unchanged over H1 2008. The Directors anticipate that margin growth will be achieved through increased volumes yielding a more effective leverage of the field service organisations in both core businesses and by increasing field service efficiencies, product mix, and continued focus on reducing product cost.

Operating Expense Controls

The Company continued to make significant progress in its efforts in to reduce operating costs. The result was operating expenses (comprising sales & marketing, research & development, and general & administrative expenses) as at 30 June 2009 totaling \$10.0 million, 14% below prior year (H1 2008: \$11.6 million). Excluding depreciation, amortisation, and non-cash share option charges, operating expenses totaled \$9.2 million, a 12% reduction (2008: \$10.4 million). Following last year's 10% reduction, PuriCore continues to anticipate a 10% reduction in operating expenses for the full year 2009.

Operating expense reductions have resulted from the Company's growing experience in increasing efficiency in operating as a public company and prudent cost control, especially with respect to general & administrative expenses. Reductions have been achieved despite an increase in research & development costs in H1 2009 of \$1.0 million to \$2.2 million (increase primarily due to non-cash amortisation of development costs). Cash expenditures have been reduced, appropriately reflecting the Company being predominantly in a commercialisation phase and focusing its investments in core areas. The Company continues to balance its investment in engineering, clinical development, chemistry, and microbiology with a focus on projects with near-term revenue and profitability.

Balance Sheet and Cash Flow

Despite the challenging financial markets, PuriCore was operational cash flow positive in Q2 2009 improving its balance sheet. As at 30 June 2009, the Company's cash position was at \$15.8 million (including restricted cash balances of \$1.6 million), which increased from the cash balance of \$15.6 million as at 31 March 2009 as a result of improved working capital and foreign currency. H1 operational cash outflow was \$2.5 million (compared with \$4.7 million in H1 2008), and as at 30 June 2009, PuriCore had reduced its debt by \$2.7 million (debt as at 31 December 2008: \$9.0 million).

The Company also reduced inventory by \$0.4 million to \$3.2 million as at 30 June 2009 (\$3.6 million as at 31 December 2008), resulting from improved supply chain processes and a higher visibility of the sales pipeline that enabled more accurate inventory forecasting.

Outlook

PuriCore expects to complete the successful integration of Labcaire Systems into the business this year. The Company anticipates delivering full-year results for legacy PuriCore in line with market expectations for revenue growth and operating expenditure improvement. The Directors believe PuriCore is well positioned for further growth.

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 periods ended 30 June 2009 (unaudited) and 30 June 2008 (unaudited) and the year ended 31 December 2008.

	30 June 2009	30 June 2008	31 December 2008
	\$	\$	\$
Revenue	19,050,400	19,475,237	33,717,650
Cost of sales	(14,224,364)	(14,563,184)	(26,207,658)
Gross Profit	4,826,036	4,912,053	7,509,992
Sales and marketing expenses	(3,425,471)	(3,799,461)	(7,614,128)
General and administrative expenses	(4,306,609)	(6,544,731)	(11,871,858)
Research and development expenses	(2,244,085)	(1,280,845)	(3,907,489)
Loss before Interest and Tax	(5,150,129)	(6,712,984)	(15,883,483)
Finance costs	(338,001)	(289,657)	(635,235)
Finance income	139,551	178,960	420,963
Net Finance Loss	(198,450)	(110,697)	(214,272)
Loss before Taxation	(5,348,579)	(6,823,681)	(16,097,755)
Taxation	-	218,510	305,539
Loss for the Period	(5,348,579)	(6,605,171)	(15,792,216)
Other Comprehensive Income:			
Foreign currency translation for foreign operations	1,594,065	(26,542)	(3,929,298)
Total comprehensive income for the period	(3,754,514)	(6,631,713)	(19,721,514)
Profit Attributable to:			
Equity Holders of the Parent	(5,348,579)	(6,605,171)	(15,792,216)
Total comprehensive income attributable to:			
Equity holders of the Parent	(3,754,514)	(6,631,713)	(19,721,514)
Basic and Diluted Loss Per Share	(0.02)	(0.04)	(0.09)

Consolidated Statement of Recognized Income and Expense

For the six-month periods ended 30 June 2009 (unaudited) and 30 June 2008 (unaudited) and the year ended 31 December 2008.

	30 June 2009	30 June 2008	31 December 2008
	\$	\$	\$
Exchange differences on translation of foreign operations	1,594,065	(26,542)	(3,929,298)
Net Income Recognised In Equity	1,594,065	(26,542)	(3,929,298)
Loss for the financial year	(5,348,579)	(6,605,171)	(15,792,216)
Total Recognised Income And Expense	(3,754,514)	(6,631,713)	(19,721,514)
Total Recognised Income And Expense Is Attributable To:			
Equity holders of the parent	(3,754,514)	(6,631,713)	(19,721,514)

Condensed Consolidated Statement of Financial Position

For the six-month periods ended 30 June 2009 (unaudited) and 30 June 2008 (unaudited) and the year ended 31 December 2008.

	30 June 2009	30 June 2008	31 December 2008
	\$	\$	\$
ASSETS			
Non Current Assets			
Intangible assets	4,998,427	6,482,674	5,587,558
Property, plant, and equipment	3,682,513	6,586,523	4,421,771
Restricted cash	830,852	-	980,607
Trade and other receivables	181,502	473,528	203,535
Total Non Current Assets	9,693,294	13,542,725	11,193,471
Current Assets			
Inventories	3,255,200	4,472,465	3,627,095
Trade and other receivables	5,185,646	10,061,025	4,310,886
Restricted cash	783,940	2,033,000	1,085,489
Cash and cash equivalents	14,221,379	6,987,844	18,584,364
Total Current Assets	23,446,165	23,554,334	27,607,834
Total Assets	33,139,459	37,097,059	38,801,305
LIABILITIES			
Current Liabilities			
Trade and other payables	(6,961,126)	(10,115,436)	(6,486,069)
Loans and borrowings	(4,267,317)	(5,607,532)	(5,024,778)
Provisions	(95,999)	(93,872)	(93,872)
Total Current Liabilities	(11,324,442)	(15,816,840)	(11,604,719)
Non Current Liabilities			
Loans and borrowings	(3,045,282)	(484,748)	(5,012,706)
Total Non Current Liabilities	(3,045,282)	(484,748)	(5,012,706)
Total Liabilities	(14,369,724)	(16,301,588)	(16,617,425)
Net Assets	18,769,735	20,795,471	22,183,880
EQUITY			
Share capital	3,933,521	2,777,795	3,933,521
Share premium	158,255,171	145,455,963	158,255,171
Other Reserves	7,657,532	6,793,889	7,317,163
Retained earnings	(149,945,730)	(135,410,106)	(144,597,151)
Cumulative translation adjustment	(1,130,759)	1,177,930	(2,724,824)
Issued capital and reserves attributable to equity holders of the parent	18,769,735	20,795,471	22,183,880
Total Equity	18,769,735	20,795,471	22,183,880

Condensed Consolidated Cash Flow Statement

For the six-month periods ended 30 June 2009 (unaudited) and 30 June 2008 (unaudited) and the year ended 31 December 2008.

	30 June 2009	30 June 2008	31 December 2008
	\$	\$	\$
Cash Flows From Operating Activities			
Loss for the year	(5,348,579)	(6,605,171)	(15,792,216)
<i>Adjustments for:</i>			
Taxation	-	(218,510)	(305,539)
Finance costs	338,001	289,657	635,235
Finance income	(139,551)	(178,960)	(420,963)
Depreciation and amortisation	2,167,031	2,425,571	5,611,893
Share based payment expense	340,369	551,417	1,112,759
Warrant expense	-	38,068	-
Loss on disposal of property, plant, and equipment	107,834	-	143,581
Operating Loss Before Movement In Working Capital	(2,534,895)	(3,697,928)	(9,015,250)
Decrease in inventories	371,895	1,211,261	2,056,631
(Increase)/Decrease in trade and other receivables	(916,106)	(5,436,898)	497,752
Increase/(decrease) in trade and other payables	475,057	2,788,691	(840,678)
Increase in provisions	2,127	-	2
Cash Absorbed By Operations	(2,601,922)	(5,134,874)	(7,301,543)
Interest received	139,551	178,960	420,963
Income tax credit received	-	218,510	305,539
Net Cash Outflow From Operating Activities	(2,462,371)	(4,737,404)	(6,575,041)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment	(721,752)	(673,443)	(1,444,715)
Cash paid for internally generated intangibles	-	(781,484)	(779,936)
Net Cash Flow From Investing Activities	(721,752)	(1,454,927)	(2,224,651)
Cash Flows From Financing Activities			
Issue of shares, options, and warrants	-	-	13,954,935
Proceeds from new loan notes	-	3,000,000	-
Proceeds from new bank loans	-	-	9,737,997
Repayment of borrowings	(2,677,707)	(6,254,062)	(9,013,862)
Interest paid on borrowings	(274,622)	(210,884)	(470,981)
Repayments of obligations under finance leases	(47,178)	(17,474)	(50,467)
Decrease in overdraft	-	(176,617)	(176,617)
Net Cash Flow From Financing Activities	(2,999,507)	(3,659,037)	13,981,005
Net (Decrease)/Increase In Cash And Cash Equivalents	(6,183,630)	(9,851,368)	5,181,313
Cash and cash equivalents at beginning of year	20,650,460	18,894,207	18,894,207
Effect of foreign exchange rate changes on cash held	1,369,341	(21,995)	(3,425,060)
Restricted cash	1,614,792	2,033,000	2,066,096
Cash and Cash Equivalents	14,221,379	6,987,844	18,584,364
Total Cash at End of Period	15,836,171	9,020,844	20,650,460

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 2009 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 25 August 2009.

The interim financial statements for the period ended 30 June 2009 are unaudited and do not comprise statutory accounts within the meaning of Section 240 of the Companies Act of 1985.

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 2008.

The comparative figures for the financial year ended 31 December 2008 are not the Company's statutory accounts for the financial year. The statutory accounts for the year ended 31 December 2008, 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 in accordance with section 235 of the Companies Act 1985 and (ii) did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.

The accounting policies set out in the annual report and accounts for the year ended 31 December 2008 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 2008 except for the policies stated below.

Changes in Accounting Policy

The Group applies IAS 1 "Presentation of Financial Statements" (2007), which became effective as at 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these consolidated interim financial statements as of and for the six-month period ended as at 30 June 2009. Comparative information has also been restated and there has been no significant impact on the presentation of the financial statements.

As at 1 January 2009, the Group determines and presents operating segments based on the information that internally is provided to the Chairman, who is the Group's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 "Operating Segments." The adoption of IFRS 8 has made no significant impact on the presentation of the financial statements.

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 2008.

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 2009, cash held was \$15.8 million (including \$1.6 million restricted cash) and outstanding loan notes payable were \$4.3 million.

Given the research and development and sales and marketing phase of the Group's life cycle and the continual work to develop further applications of PuriCore Systems, the Group has incurred a loss before taxation of \$5.3 million in the six months ended 30 June 2009 (year ended 31 December 2008: loss before taxation of \$16.1 million). In addition, given the nature of the Group's operations, future income is dependent on securing additional contracts within the markets in which it currently operates and on developing new applications for PuriCore Systems and penetrating those related markets.

The Board has prepared projected cash flow information for the period to 31 December 2010. Given the nature of the business and operating losses incurred to date, management has sensitized these forecasts for a number of stress-case scenarios, including a downturn in forecast trading, a similar cost structure to that in the year ended 31 December 2008, and reduced new borrowings. Based on the information above and the projected cash flow information, including the stress-case forecasts, the Directors believe that it remains appropriate to prepare the financial statements 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 2008. Under 'other,' we have identified the Group's Global Dental business and certain business development activities not yet generating significant revenues.

Primary Reporting Format – Business Segments

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)
Total Assets	6,572,120	4,631,602	-	21,935,737	33,139,459

For the period ended 30 June 2008

	Endoscopy	Food Safety	Other	Corporate, & Unallocated	Total as Reported for the PuriCore Group
Revenue	8,369,788	10,848,233	257,216	-	19,475,237
Profit/(Loss) Before Interest, Tax, Depreciation and Amortisation	466,393	254,007	41,087	(5,048,900)	(4,287,413)
Depreciation and Amortisation	(410,165)	(1,577,561)	-	(437,845)	(2,425,571)
Profit/(Loss) Before Interest and Tax	56,228	(1,323,554)	41,087	(5,486,745)	(6,712,984)
Total Assets	10,372,971	4,565,916	-	22,158,172	37,097,059

For the period ended 31 December 2008

	Endoscopy	Food Safety	Other	Corporate, & Unallocated	Total as Reported for the PuriCore Group
Revenue	13,842,186	19,413,678	461,786	-	33,717,650
Loss Before Interest, Tax, Depreciation and Amortisation	(1,193,933)	(522,623)	(1,004,799)	(7,550,235)	(10,271,590)
Depreciation and Amortisation	(895,104)	(3,102,476)	-	(1,614,313)	(5,611,893)
Loss Before Interest and Tax	(2,089,037)	(3,625,099)	(1,004,799)	(9,164,548)	(15,883,483)
Total Assets	11,324,478	4,646,974	344,801	22,485,052	38,801,305

Sales by Geographic Segment

	Six months ended 30 June 2009	Six months ended June 2008	Year ended 31 Dec. 2008
United Kingdom	6,146,274	8,369,788	13,842,186
United States	12,904,126	11,105,449	19,875,464
	19,050,400	19,475,237	33,717,650

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

Share Based Payments

During the periods ended 30 June 2009 and 2008 and the year ended 31 December 2008, 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 2009		30 June 2008		31 December 2008	
	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	0.74	23,945,700	1.23	20,390,950	0.90	20,390,950
Granted during the period	0.16	12,130,000	0.61	6,405,000	0.42	6,995,000
Exercised during the period	-	-	-	-	-	-
Forfeited during the period	0.70	(1,793,434)	1.69	(838,750)	1.02	(3,440,250)
Outstanding at end of period	0.61	34,282,266	1.06	25,957,200	0.74	23,945,700
Exercisable at end of period	0.94	16,514,657	1.23	16,564,049	0.85	16,293,906

The weighted average share price for the six months ended 30 June 2009 was \$0.13. This compares with the weighted average share prices as at 30 June 2008 of \$0.51 and 31 December 2008 of \$0.27.

For the six months ended 30 June 2009, PuriCore plc has recognised total expenses of \$340,369 (six months ended 30 June 2008: \$551,417; year ended 31 December 2008: \$1,112,759) related to Director and employee equity settled share based payment transactions during the year.

Taxation

The Group's effective consolidated tax rate is detailed in the following table.

	6 months ended 30 June 2009	6 months ended 30 June 2008	12 months ended 31 December 2008
	\$	\$	\$
Loss before tax	(5,348,579)	(6,823,681)	(16,097,755)
Tax (charge)/credit	-	218,510	305,539
Effective tax rate %	-	(1.67)%	(1.97)%

The difference in effective tax rate was caused by the following factors:

- For the period ended 31 December 2008, a hybrid rate of 28.5% was applied as the corporation tax rate applicable to the Group changed from 30% to 28% on 1 April 2008.
- The corporation tax rate applicable to the Group for the six months ended 30 June 2009 was 28.5%.
- Tax on any profits arising in the current or prior period were offset by prior period losses and group relief.
- In the year ended 31 December 2008, a tax credit in relation to a research and development tax credit claim was recognised of \$305,539 (30 June 2008: \$218,510).

Property, Plant, and Equipment (including leased equipment)

	At 30 June 2009 \$	At 30 June 2008 \$	At 31 December 2008 \$
<i>Cost</i>			
At beginning of period	16,668,021	17,362,065	17,362,065
Additions	721,752	940,065	1,444,715
Disposals	(335,099)	(266,622)	(782,263)
Effect of movements in foreign exchange	562,392	(7,502)	(1,356,496)
	<hr/>	<hr/>	<hr/>
At end of period	17,617,066	18,028,006	16,668,021
<i>Depreciation</i>			
At beginning of period	12,246,250	9,359,941	9,359,941
Charged in the period	1,577,900	2,336,385	4,377,863
On disposals	(227,265)	(251,889)	(638,682)
Effect of movements in foreign exchange	337,668	(2,954)	(852,872)
	<hr/>	<hr/>	<hr/>
At end of period	13,934,553	11,441,483	12,246,250
<i>Net book value</i>			
At end of period	3,682,513	6,586,523	4,421,771
	<hr/>	<hr/>	<hr/>
At beginning of period	4,421,771	8,002,124	8,002,124
	<hr/>	<hr/>	<hr/>

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 \$1,158,770 for the six months ended 30 June 2009 (six months ended 30 June 2008: \$1,340,400, twelve months ended 31 December 2008: \$3,118,791).

Post-Period-End Events

Details of post-period-end events are on page 4.

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

Greg Bosch

Chief Executive Officer

25 August 2009