

PuriCore plc

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

Final Results for the Year Ended December 31, 2010

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 28 April 2011 – [PuriCore](#) (LSE: PURI), the water-based clean technology company delivering proprietary, green solutions that safely, effectively, and naturally kill infectious pathogens, today announces its Final Results for the year ended 31 December 2010 and the availability of its 2010 annual report on its [website](#). PuriCore also announces its Interim Management Statement for Q1 2010 (see separate release)

2010 Financial Results

The sale of PuriCore International Limited (comprising the Endoscopy and Laboratory Clean Air businesses) is pending contract negotiations, due diligence, and shareholder approval. The following financial highlights relate to the full Group (continuing and discontinuing operations) for 2010 unless otherwise noted.

- Revenue increased 1.1% (1.8% at constant currency) to \$40.5 million (2009: \$40.0 million)
 - Food Safety revenue declined 35.5% to \$14.9 million
 - Endoscopy (discontinued operations) revenue increased 52.7% to \$25.1 million
- Gross profit margins for the 12 months increased to 33.6% (2009: 25.2%)
- Operating expenses, excluding non-cash depreciation, amortisation, and non-cash stock compensation charges, decreased 2.7% from 2009 levels
- Operating loss improved to \$8.2 million (2009: \$10.5 million)
- First full year of EBITDA profitability of Endoscopy business
- Cash of \$5.2 million at period end, including restricted cash of \$1.2 million)

Operational Results

Supermarket Retail: Food Safety and Floral Quality

- Increased the installed base by 593 Sterilox Systems, including more than 220 in the second largest US supermarket retailer (total installed base now more than 4,200 Systems)
- Significantly improved gross margins due in part to improved system reliability
- Secured two additional top-10 US supermarket customers and received initial order from number-one supermarket retailer in Canada
- Launched the next-generation Sterilox System, providing significant improvements in service reliability and margin improvement
- Launched the FloraFresh System, based upon new technology, to US supermarkets for their floral departments

Wound Care

- Received new US FDA 510(k) clearances for OTC marketing and antimicrobial preservative claims for prescription Vashe

- Launched bottled form of Vashe Wound Therapy
- Received positive response in major peer-reviewed journal article and five clinical poster presentations at medical conferences
- Donated Vashe for the treatment of acute wounds following the earthquake in Haiti
- Successfully opposed Oculus wound care patent in European Patent Office

IP and Awards

- 28 patents and 23 patents pending in global IP estate for continuing operations
- Recognised by Deloitte as a Fast 500 US growth company

Successful Fundraising

- Issued £8.0 million in convertible loan notes
- Secured \$2.8 million in two debt facilities with Republic Bank to finance Food Safety System installations

Post-Period Events

- Received initial order from a top-5 US supermarket retailer for 100 FloraFresh Systems, in addition to existing installations for produce applications in these stores
- Issued a £2.1 million damages claim against Misonix for breaches of warranty in relation to the Labcaire acquisition in August 2009
- Announced the sale of the Endoscopy business (PuriCore International Limited), anticipated to close in the second quarter of 2011 pending contract negotiations, due diligence, and shareholder approval
- Completed equity placing of 2,272,727 shares raising £1.2m to fund working capital needs of the Company
- Completed debt facility of \$4.0 million to fund working capital needs of the Company

Chris Wightman, Executive Chairman, said:

“PuriCore’s technology delivers a unique solution for the control of pathogens to a wide variety of markets, and despite some lingering economic challenges to the markets we serve, the Company continued to improve both the top- and bottom-line in 2010. Sales increased overall, but more importantly gross profit margins improved significantly

“Following a strategic review earlier in the year, the Company decided to focus on parts of the business that best leverage this technology whilst delivering strong revenue growth and offering long-term potential to capture significant market share. To this end the Company announced the sale of its Endoscopy business, which is on track to complete, focusing instead on its North American Supermarket Retail business, the emerging Wound Care market, and research into promising Agriculture applications.

“With a more focused business and the resources to realise the potential of our technology platform, we are confident of growing revenues and reaching profitability across all core business units in the longer term.”

2010 Annual Report Availability

PuriCore's 2010 annual report and accounts will be available in due course on the PuriCore website at www.puricore.com, will be posted to shareholders, and will be available for inspection at the National Storage Mechanism at www.hemscott.com/nsm.do.

Additionally, the report can be viewed at the offices of CMS Cameron McKenna LLP, Mitre House, 160 Aldersdate Street, London EC1A 4DD shortly before and during the Annual General Meeting scheduled to commence at 9am on 15 June 2011.

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 floral operations, wound care, and potential new applications in Agriculture. 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.

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

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

Chairman's Report

In 2010, PuriCore made significant advancements in all three business units as well as in its core platform technology. The Directors believe that the sale of the Endoscopy division will enable the Company to generate the best returns from the enormous potential applications for the Company's intellectual property. With a broad technology platform, the challenge is to retain the best combination of cash generation and growth, whilst recognising that market penetration might require combinations with other products and technologies. The key to the Company's long-term success is in the selection of opportunities with the right attributes of growth, cash generation, and market capture.

The Directors strategically reviewed the business as a whole and concluded that PuriCore's future prospects would be enhanced by focusing on the core North American Supermarket Retail business, the emerging Wound Care market, and through research into applications with significant potential in Agriculture. Each of these opportunities more fully leverages the Company's core platform technology.

PuriCore's Endoscopy division is expected to be sold with the transaction anticipated to close in the second quarter pending shareholder approval. For the financial year ended 31 December 2010, this entity contributed revenue of \$25.1 million and a loss before tax of \$0.2 million to PuriCore's financial performance.

2010 Company Report

The sale of PuriCore International Limited (comprising the Endoscopy and Laboratory Clean Air businesses) is pending contract negotiations, due diligence, and shareholder approval. The following financial highlights relate to the full Group (continuing and discontinuing operations) for 2010 unless otherwise noted.

Revenues for PuriCore as a whole for the full year of \$40.5 million represented a slight increase compared with the prior year (2009: \$40.0 million). Whilst overall 2010 revenue was broadly flat over 2009, this performance masks some significant progress across the Company's business portfolio. Most notably, gross profit margin for the 12 months ended 31 December 2010 increased significantly over the previous year to 33.5% (2009: 25.2%), driven by a continued improvement in performance of the Food Safety System, a reduction in direct costs, and continued leverage of the Company's field service operations in both the Food Safety and Endoscopy divisions. Driven by margin improvement and operating expense leverage, the Company's operating loss of \$8.2 million exceeded management expectations (2009: \$10.5 million).

During the year, PuriCore successfully put in place key financing arrangements, including the issue of £8 million (gross) in convertible loan notes in June as well as a total of \$2.8 million—comprising \$1.8 million in April and an additional \$1.0 million in December for use in 2011—with Republic Bank to finance Food Safety System installations. Cash at period end was \$5.2 million (including restricted cash of \$1.2 million).

Supermarket Retail

In the North American Supermarket Retail core business, revenues were affected by the significant economic downturn in this sector in the US in 2008 and 2009 as well as by a change in the year to the mix between lease and capital sales. Despite this, PuriCore won several major accounts during the year, thereby significantly increasing the Company's market share, and the division's gross margins improved significantly due to improvements in service quality and product reliability. For the full year 2010, sales were \$14.9 million (2009: \$23.1 million), including Systems for the number-two US, two additional top-10 US, and the number-one Canadian supermarket retailers.

With the addition of 593 Sterilox Systems in 2010, PuriCore's installed base now surpasses 4,200 Systems for retail outlets of 60 leading US and Canadian supermarket chains. The total number of outlets for these chain customers represents more than a third of the target market of 28,000 stores. The Company also has sales opportunities with additional chains in various stages of negotiations, trials, or discussions, representing another 41% of the market. During the year, PuriCore successfully launched the next-generation Sterilox Food Safety System, which provides significant improvements in service reliability and margin improvement, as well as the new FloraFresh System based upon a new chemical derivation of the core technology more suited to fresh cut floral and living plants. The FloraFresh System addresses the need of existing customers for a second PuriCore System in their stores, with the potential for expansion beyond the food retail market. Following a successful trial in 2010, PuriCore received an order for 100 FloraFresh Systems from one of the top-five US supermarket retailers for this second PuriCore System in their stores in January 2011.

Wound Care Market

In the emerging Wound Care business (inclusive of Dental), full-year sales were \$408K, a decrease of 10.5% over the previous year's sales of \$456K. Whilst the rate of market adoption of Vashe Wound Therapy increased during the year, total sales decreased due to softening Dental orders. With the additional US FDA 510(k) regulatory clearances for extended shelf-life, an antimicrobial preservative claim, and over-the-counter (consumer) claims, PuriCore initiated a strategy to provide the market with new packaging for this product. As an initial offering, PuriCore launched in the fourth quarter its new bottled Vashe Wound Therapy, providing a convenient packaging option for wound care clinics and allowing for home use by patients. PuriCore also continues to expand its key opinion leader network, with an article published in the major peer-reviewed journal *Advances in Skin & Wound Care* and several medical conference posters 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.

New Markets: Agriculture

The Directors are confident of PuriCore's ability to expand into new markets with its core technology. Most promising is the expanded use of the Company's new product formulation for floral products in other agricultural applications. Preliminary research indicates that this successful application also represents a potentially significant breakthrough in the treatment of plant pathogens for the wider agricultural industry. Additional research is underway to identify the significance of this initial research.

Pending Litigation

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 in connection with PuriCore's acquisition of Labcaire in August 2009. Whilst the Company remains pleased with the Labcaire acquisition and its integration into PuriCore, it is confident of the merits of its case and will vigorously pursue the matter.

Outlook

With the Company focused on its core water-based, clean technology products, PuriCore has a strong pipeline and anticipated order flow for its products targeting the North American Retail Supermarket sector, and the Directors are confident of continued growth of its products in the Wound Care market and see significant potential in the use of the Company's core technology in Agriculture.

In the Supermarket Retail market in 2011, the Company expects to install a multiple of the number of Sterilox Systems sold in 2010. With a customer base representing more than a third of all targeted retail stores in North America, and combined with those in trials and discussions representing a full three-quarters of the target market, the Directors are confident that this division will show robust growth in 2011 and beyond. The successful introduction of the FloraFresh System at one of the top-five US supermarket chains increases the number of potential installations at each customer store.

The introduction of bottled Vashe Wound Therapy with a shelf life of 12 months is a business-changing event. Whilst belief in the efficacy of this product continues to grow, a bottled version has been needed to move the business from concept to widespread adoption. The Company will focus more attention and resources on this very significant opportunity during the coming quarters.

Looking ahead, PuriCore remains keenly focused on continuing to increase revenues, improve gross margins, and leverage operating expenses. PuriCore expects further increases in gross margins through continued leveraging of the fixed costs across the Company, including the field service department in the US. PuriCore owns a unique platform technology with applications across a diverse array of markets and applications. The challenge that the Company faces is to maximise the long-term value of the technology for shareholders whilst also maximising short-term profits and cash flow. As PuriCore develops markets and applications, the Directors will continue to evaluate these opportunities on the basis of their long-term potential as well as their short-term cash generation.

Christopher P.J. Wightman

Executive Chairman

28 April 2011

Chief Financial Officer's Report

The sale of PuriCore International Limited (comprising the Endoscopy and Laboratory Clean Air businesses) is pending contract negotiations, due diligence, and shareholder approval. The following financial highlights relate to the full Group (continuing and discontinuing operations) for 2010 unless otherwise noted.

Income Statement

PuriCore slightly increased sales in 2010 with revenues of \$40.5 million, an increase of 1.8% (at constant currency) over 2009 (\$40.0 million). This growth was driven by a 52.7% increase in UK Endoscopy sales (discontinued entity) driven in part by the full year impact of Labcaire sales in 2010, marking the first full year of EBITDA profitability of this business. Food Safety sales, however, declined 35.5% to \$14.9 million due to the impact of the US economy on this market sector as well as a shift in the balance of capital sales to lease sales.

The Company significantly increased its gross profit margin for 2010 to 33.6% (2009: 25.2%). PuriCore's continued performance improvement of its Food Safety System, a reduction in direct costs, and continued leverage of field service operations in both the Food Safety and Endoscopy divisions drove the increase. Both the margin improvement and operating expense leverage improved the Group's operating loss of \$8.2 million (2009: \$10.5 million). It should be noted that operating loss, excluding non-cash depreciation, amortisation, non-cash stock compensation charges, and capitalisation/amortisation of development costs, improved to \$6.3 million (2009: \$9.7 million)

Operating Expense Controls

During the period, PuriCore remained focused on reducing operating expenses, resulting in further reductions again this year. Net of depreciation, amortisation, and non-cash stock compensation, operating expenses decreased 2.7% to \$19.3 million (2009: \$19.8 million). Operating expenses (comprising sales & marketing, research & development, and general & administrative expenses) inclusive of the full-year impact of the Labcaire acquisition increased 5.8% to \$21.8 million (2009: \$20.6 million). Sales & marketing expenses in 2010 totalled \$5.7 million (2009: \$8.3 million), a decrease of 31.3%. General & administrative expenses in 2010 totalled \$11.2 million compared with \$9.3 million in 2009, driven by the full year impact of the Labcaire acquisition. Research & development (R&D) costs for the year increased 63.3% to \$4.9 million (2009: \$3.0 million). \$2.2 million of this increase, however, was driven by amortisation of capitalised development costs. Net of these charges, R&D costs decreased 7.2%. PuriCore continues to lower cash expenditures, appropriately reflecting the Company being predominantly in a commercialisation phase and focusing its investments in core areas. The Company remains focused on investment in engineering, clinical development, chemistry, and microbiology for existing product support and projects with near-term revenue and the greatest potential for being cash flow positive.

Balance Sheet and Cash Flow

PuriCore successfully completed several key financing arrangements in 2010. The Company issued £8 million (gross) in convertible loan notes in June 2010 maturing in December 2011. As expected, Food Safety volumes shifted from capital sales to leases, presenting potential short-term effects on the Company's business model due to the initial cash outlay required for installed leased systems. The Company, therefore, continued its strategy of borrowing against Food Safety System leases to fund the initial placement of these Systems and to augment the Company's working capital, raising \$1.8 million in April and an additional \$1.0 million in December for use in 2011 with Republic Bank. As at 31 December 2010, cash equivalents (including restricted cash of \$1.2 million) were \$5.1 million (as at 31 December 2009: \$5.4 million including restricted cash of \$1.1 million). In February, the Company raised £1.2 million through an equity fundraising and in late April, the Company completed a debt facility of \$4 million, both to fund working capital needs of the Company.

Financings

The disposal of PuriCore's Endoscopy division pending contract negotiations, due diligence, and shareholder approval in the second quarter of 2011 for approximately \$17 million will offer the Company significant resources for its core Food Safety and Wound Care businesses as well as business development for the Agricultural market. Should the sale not complete for any reason or shareholder approval not be received, the Directors have considered mitigating actions available to them to extend the cash out date of the Group, which include a Group restructuring and reducing or delaying R&D expenditures, capital expenditures, and/or performance-based remuneration. On the basis that shareholder approval is obtained in relation to debt financing, the proceeds from the disposal are received as planned, and that the revenue projections are realised, the Directors consider that the Group will continue to operate with sufficient funding without alteration to its current business model.

Darren D. Weiss
Chief Financial Officer
28 April 2011

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2010

	\$2010	Restated 2009 \$
CONTINUING OPERATIONS		
Revenue	15311432	23569330
Cost of sales	(10221052)	(18121080)
Gross Profit	5090380	5448250
Sales and marketing expenses	(3798626)	(4934168)
General and administrative expenses	(5680580)	(4731246)
Research and development expenses	(3635500)	(3034961)
Loss before Interest and Tax	(8024326)	(7252125)
Finance costs	(1530077)	(630273)
Finance income	47937	198013
Net finance costs	(1482140)	(432260)
Loss before Taxation	(9506466)	(7684385)
Taxation	-	-
Loss from Continuing Operations	(9506466)	(7684385)
DISCONTINUED OPERATIONS		
Loss from discontinued operations (net of income tax)	(188231)	(3251903)
Loss for the Year	(9694697)	(10936288)
Attributable to:		
Equity Holders of the Parent	(9694697)	(10936288)
Other Comprehensive Income		
Foreign currency translation differences for foreign operations	32627	467966
Total Comprehensive Loss for the Period Attributable to Equity Holders of the Parent	(9662070)	(10468322)
Loss per share		
	\$/share	\$/share
Continuing operations	(0.42)	(0.35)
Discontinuing operations	(0.01)	(0.15)
Basic and diluted	(0.43)	(0.50)

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2010

Group	Share capital \$	Share premium \$	Other reserves \$	Retained earnings \$	Cumulative translation adjustment \$	Total \$
At 31 December 2008	3933521	158255171	7317163	(144597151)	(2724824)	22183880
Total recognised income and expense	–	–	–	(10936288)	467966	(10468322)
Shares issued	180767	3163433	–	–	–	3344200
Share based payment movement	–	–	654459	–	–	654459
At 31 December 2009	4114288	161418604	7971622	(155533439)	(2256858)	15714217
Total recognised income and expense	–	–	–	(9694697)	32627	(9662070)
Share based payment movement	–	–	347756	–	–	347756
At 31 December 2010	4114288	161418604	8319378	(165228136)	(2224231)	6399903

Consolidated Statement of Financial Position

At 31 December 2010

	\$2010	\$2009
ASSETS		
Non-Current Assets		
Intangible assets	3667262	9195919
Property, plant, and equipment	3417409	5063126
Restricted cash	–	700825
Trade and other receivables	386329	391836
Total Non-Current Assets	7471000	15351706
Current Assets		
Inventories	2766611	6358070
Trade and other receivables	3439097	8680894
Restricted cash	1157287	350413
Cash and cash equivalents	2433653	4300195
Assets classified as held for sale	18837027	–
Total Current Assets	28633675	19689572
Total Assets	36104675	35041278
LIABILITIES		
Current Liabilities		
Trade and other payables	(3426067)	(10650876)
Loans and borrowings	(15226866)	(4980089)
Provisions	–	(95999)
Liabilities classified as held for sale	(9437511)	–
Total Current Liabilities	(28090444)	(15726964)
Non-Current Liabilities		
Loans and other borrowings	(1614328)	(3600097)
Total Non-Current Liabilities	(1614328)	(3600097)
Total Liabilities	(29704772)	(19327061)
Net Assets	6399903	15714217
EQUITY		
Share capital	4114288	4114288
Share premium	161418604	161418604
Other reserves	8319378	7971622
Retained earnings	(165228136)	(155533439)
Cumulative translation adjustment	(2224231)	(2256858)
Issued Capital and Reserves Attributable to Equity Holders of the Parent	6399903	15714217
Total Equity	6399903	15714217

The consolidated financial statements and related notes were approved by the Board of Directors and authorised for issue on 28 April 2011 and were signed on its behalf by:

Darren Weiss
Chief Financial Officer

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2010

	\$2010	\$2009
Cash Flows from Operating Activities		
Loss for the year	(9694697)	(10936288)
<i>Adjustment for:</i>		
Taxation	–	–
Finance costs	1533537	654437
Finance income	(47937)	(198013)
Depreciation, amortisation, and impairment	3650779	3755101
Share based payment expense	347756	654459
Loss on disposal of property, plant, and equipment	124890	302479
Operating Loss before Movement in Working Capital	(4085672)	(5767825)
Increase in inventories	(657424)	(1398888)
Increase in trade and other receivables	(699784)	(877287)
Decrease/(Increase) in trade and other payables	1325559	(281759)
Increase in provisions	–	2127
Cash Absorbed by Operations	(4117321)	(8323632)
Interest received	47937	198013
Net Cash Flow from Operating Activities	(4069384)	(8125619)
Cash Flows from Investing Activities		
Purchase of property, plant, and equipment	(2531044)	(2990269)
Purchase of subsidiary	–	(3351916)
Cash paid for internally generated intangibles	–	(1452707)
Net Cash Flow from Investing Activities	(2531044)	(7794892)
Cash Flows from Financing Activities		
Issue of shares, options, and warrants	–	3344200
Proceeds from new loan notes	13827163	2727103
Net debt issuance cost	(1092230)	76404
Repayment of borrowings	(5288434)	(5098388)
Interest paid on borrowings	(770799)	(654437)
Repayments of obligations under finance leases	(59182)	(81513)
Net Cash Flow from Financing Activities	6616518	313369
Net Decrease in Cash and Cash Equivalents	16090	(15607142)
Cash and cash equivalents at beginning of year	5351433	20650460
Effect of foreign exchange rate changes on cash held	(174451)	308115
Total Cash Held at End of Year	5193072	5351433
Cash and cash equivalents (on the balance sheet)	2433653	4300195
Cash and cash equivalents within assets held for sale	1602132	–
Restricted cash (on the balance sheet)	1157287	1051238
Total Cash Held at End of Year	5193072	5351433

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with IFRSs as adopted by the EU and applicable law and have elected to prepare the parent company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Directors' Report, Directors' Remuneration Report, and Corporate Governance Statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

Each of the Directors, whose names and functions are listed below, confirms that, to the best of his or her knowledge:

a) the financial statements have been prepared in accordance with the applicable law and international Financial Reporting Standards as adopted by the EU and give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

b) the review of the business includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Name	Function
Joseph Birkett	Senior Independent Non-Executive Director
Gregory Bosch	Chief Executive Officer
Matthew Hammond	Non-Executive Director
Michael Sapountzoglou	Non-Executive Director
Darren Weiss	Chief Financial Officer
Christopher Wightman	Executive Chairman

Joseph William Birkett
Chairman of the Audit Committee
28 April 2011

Risks and Uncertainties

Risk management is seen as an important element of internal control and is used to mitigate the Group's exposure to such risks.

The risks included here are not exhaustive. The Group operates in a competitive and rapidly changing environment. New risks emerge periodically, and it is not possible to predict all such risk factors for the Group's business or the extent to which any factor or combination of factors might cause actual results to differ materially from those contained in any forward-looking statements.

Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

RISKS RELATING TO THE GROUP'S BUSINESS

The Group is reliant on its core technology and development.

The Group is reliant on its core technology platform and is subject to competition from companies that might have existing products in development or commercially available that are more advanced and/or less expensive. The Group manages and endeavours to mitigate these concerns through its hiring of employees and advisers who assist with product development, quality, engineering, business strategy, marketing, filing of patents, and management and protection of intellectual property.

With the pending disposal of PuriCore International Limited, the Group's operations will be less diversified.

The Group's business will focus on the Supermarket Retail, Floral, and Wound Care market segments with additional R&D programmes in Agricultural applications pending the successful sale of PuriCore International Limited. Weak performance in these segments, or in any particular part of these business divisions, may have a proportionally greater adverse impact on the financial position of the Group. The Group manages and endeavours to mitigate against these risks through continuing business development and ongoing sales initiatives.

The Group's products are subject to US and potentially European and other legislative and regulatory requirements.

Pending the successful sale of PuriCore International Limited, the Group's current products will be subject to US legal regulatory requirements, and the Company anticipates future product expansion into the EU and other jurisdictions. If the Group or its third-party manufacturers fail to satisfy legislative and regulatory requirements, this could result in the imposition of sanctions on the Group, including fines, injunctions, civil penalties, import bans, delays, suspension or withdrawal of approvals, license revocation, seizures or recall of products, operating restrictions, and criminal prosecutions, any of which could materially harm the Group's product development and commercialisation efforts. The Group manages and endeavours to mitigate against these risks through effective management and staffing of appropriate quality, regulatory, legal, and engineering personnel who confer with appropriate professional advisers on an ongoing basis.

The Group is dependent on a limited number of sub-contract manufacturers to assemble many of its products and to produce certain components within these products.

Although the Group expects that its products will be manufactured, assembled, and tested as is currently done for the foreseeable future, there is no guarantee that its sub-contractors will continue to devote adequate resources to the production of the Group's devices and components or deliver sufficient quantities of finished devices on a timely basis or at an acceptable cost or to enable the Group to maintain sufficient inventory to meet customer demand. The Group manages and endeavours to mitigate these concerns by maintaining effective and positive communication and relationships with its existing sub-contract manufacturers and regularly considers dual sourcing and potential alternate sub-contract manufacturers. Furthermore, the Group continues to strengthen its operations regarding supply chain, order management, and quality control and to assess potential related risks.

The Group is dependent on key personnel.

Competition for qualified employees and personnel in scientific research and life science industries is intense and there are a limited number of persons with knowledge appropriate to, and experience within, such industries. Identifying personnel with the necessary skills and attributes required to enable the Group to carry out its strategy is difficult and can often entail a lengthy search process. There is no guarantee, therefore, that the Group will be successful in attracting and retaining qualified executives, scientists and other personnel. In addition, there can be no assurance that the Group will continue to attract persons of sufficient and appropriate experience to serve as executives and Directors. The loss of the services of key personnel or the inability to attract additional qualified personnel could have a material adverse effect on the business, financial condition, results of operations and cash flows of the Group.

The Group is subject to inventory risks because it builds its Systems based on forecasts and may continue to place purchase orders with sub-contract manufacturers before orders from its customers are received.

The Group usually develops forecasts and places purchase orders with its sub-contractors for its devices before the Group receives purchase orders from its own customers. This limits the Group's ability to react to fluctuations in demand for its devices and may cause the Group to have a shortage or an excess at any given time. As a result of the variations in lead time for ordering and obtaining the components and services required to build the devices, the Group may from time to time be unable to meet customer orders, which could have a material adverse effect on the Group's business, financial condition, and results of operations.

The Group's future operating results will be highly dependent on how well it manages the expansion of its operations.

The Group has experienced, and may continue to experience, periods of rapid growth in the number of its customers and the number of systems that it installs. This, in turn, would likely necessitate an increase in the number of the Group's employees, its operating and financial systems, sub-contract manufacturers, and the geographic scope of its operations. This growth and expansion may place a significant strain on the Group's financial, management, or other resources. To manage its expanded operations effectively, the Group will be required to continue to improve its existing operational, financial, and management processes and to implement new systems.

RISKS RELATING TO FUNDING

The Group might be unable to raise future funding should the need arise.

The Group is at an advanced stage of negotiations to dispose of its UK operations to a third party. At the date of approval of these financial statements, the disposal is conditional upon final agreement of the terms of the deal, including the sale price, and upon obtaining shareholder approval.

The Directors have prepared cash flow forecasts to 31 December 2012. These forecasts make a number of assumptions, the most significant of which relate to the level of convertible loan notes that will be converted into shares, the likelihood of obtaining shareholder approval for the issue of equity warrants and the disposal of the UK operations, the proceeds from that disposal and the projected level of future revenue from the continuing business. The forecasts include planned repayments of the bank loans and other loan notes in full as they fall due.

Further details are included in the basis of preparation note to the financial statements.

RISKS RELATING TO THE GROUP'S FINANCIAL POSITION

The Group is operating during a period of significant macro global economic pressures.

The Group recognises that the global economic dynamics have changed greatly over the past few years and that continuing economic pressures have contributed to slower revenue growth. The Group endeavours to mitigate this concern by monitoring, managing, and adjusting all costs across the business and by ensuring its cash deposits, which the Directors believe are sufficient for the Group to execute on its business plan, are conservatively managed and invested. Further, the Directors believe that the cost savings provided to customers by PuriCore's products will continue to be an effective value proposition for its core markets.

Failure to use each System for its full budgeted lifespan could cause the Group to incur losses.

As at 31 December 2010, the Group had approximately 45% of its installed US system base on lease contracts. The Group depreciates each leased System over an operating life of five to seven years. If a rental contract is terminated by the customer prior to the term of the lease agreement and/or the Group fails to gain customer renewals or find for any reason an alternative customer for such System, it could result in the Group writing off the remaining net book value of the System. Furthermore, if a System becomes incapable of operating to the required standard before the expiry of its accounted lifespan and it is not possible to or it is prohibitively expensive to remedy the problem, the Group will lose revenue in respect of such a device. In the event that such a device had been used as security in conjunction with a third-party financing arrangement, the Group would still have the obligation to service the financing arrangement without having the associated benefits of the rental income. Any of these factors could result in the Group incurring losses. The Group manages and endeavours to mitigate this concern by continuously monitoring the performance of existing Systems, providing appropriate service and focusing on the quality of both the manufacture and the design of its Systems.

The Group relies on third-party vendor financing to fund part of the capital costs of its equipment.

PuriCore's sales are principally in two forms: capital purchases and lease agreements. If the Group loses the benefit of its third-party finance relationships, it might not be able to source alternative financing on similar terms. Furthermore, if the Group chooses to fund the costs of its equipment itself, it would result in considerable levels of cash out-flow, which might in turn have a material adverse effect on the Group's business, financial condition, and results of operations. The Group manages and endeavours to mitigate this concern by targeting high quality customers including the leading US and Canadian retail supermarket chains to assure third-party financiers of the economic stability of the Group's customers, by continuously evaluating alternate financial arrangements and business partners, and by engaging in discussions and networking with other financial providers and advisers.

The Group has significant lease contracts with several customers.

The Group expanded its Food Safety customer base from 2005 through 2010; however, it has entered into lease contracts that are significant in nature with several customers. Failure to deliver products and/or service to such customers or termination by any of these customers of its agreements with the Group could have a material adverse effect on the Group's results or operations or financial condition.

The Group is exposed to foreign exchange fluctuations.

As a consequence of the international nature of its business, the Group is exposed to risks associated with foreign currency exchange rates. The Group's corporate headquarters are located in the US and it presents financial statements in US dollars. The Group expects its future revenues to be denominated in several currencies, in particular the US dollar, Euro, and pounds sterling. Therefore, movements in foreign currency exchange rates may have an impact on the Group's reported results of operations, financial position, and cash flows that are not necessarily related to the Group's results of operations.

To date, the Group has not entered into any currency transactions to hedge its fixed costs exposures nor has it any plans to do so, although it may enter into such transactions in the future. However, the Group cannot assure investors that such hedging transactions will be available at a reasonable cost or will be successful in reducing these exposures. Any losses incurred in connection with such hedging transactions could have a material adverse effect on the Group's business, financial condition and results of operations.

RISKS RELATING TO INTELLECTUAL PROPERTY AND LITIGATION

The Group might be unable to protect adequately its intellectual property, proprietary information, and know-how or be subject to third-party infringement actions.

The Group is the owner of intellectual property rights, including patents, trademarks, designs, copyright, trade secrets, unpatented proprietary technology, processes, know-how, and other confidential information. Whilst it might apply from time to time to register additional patents, trademarks, designs, and copyright and take reasonable steps to protect its proprietary information, there can be no assurance that any of its intellectual property rights will not be successfully challenged or that third parties will not misappropriate such secrets and information. The Group relies to a great extent on its patents and know-how and whilst no valid challenges have previously been made, there is no guarantee that they will not be made in the future. Any misappropriation or challenge or failure to obtain a license could have a material adverse effect on the Group's business, financial condition, and results of operations and might require it to engage in litigation. The Group manages and endeavours to mitigate these risks by implementing appropriate ongoing legal and managerial oversight of the intellectual property portfolio, by utilising confidentiality agreements with customers, suppliers, and employees, and by working with advisers.

Basis of preparation

PuriCore plc (the "Company") is incorporated in the UK. PuriCore, Inc., (a US subsidiary) is incorporated under the laws of Delaware in the USA. The Group financial statements were authorised for issue by the Board of Directors on 28 April 2011. European Union law (EULAW) (IAS Regulation EC 1606/2002) requires that the financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRSs). The financial statements have been prepared on the basis of the recognition and measurement requirements of Adopted IFRSs that are endorsed by the EU and effective as at 31 December 2010.

The financial information set out above does not constitute the Group's statutory accounts for the year ended 31 December 2010 or 31 December 2009 but is derived from those accounts. Statutory accounts for the year ended 31 December 2009 have been delivered to the Registrar of Companies, and those for the year ended 31 December 2010 will be delivered in due course. The auditor has reported on those accounts; their reports were (i) unqualified, (ii) included a reference to matters to which the auditors drew attention by way of emphasis of matter, it drew attention to a material uncertainty in relation to the going concern of the Group due to the risks inherent in the funding process being undertaken by the Group for both 2009 and 2010 as detailed below and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The results for the year ended 31 December 2010 were approved by the Board of Directors on 28 April 2011 and are audited.

Copies of full accounts will be sent to shareholders in due course. Additional copies will be available from www.puricore.com.

The financial statements are presented in US dollars (USD), rounded to the nearest dollar. The USD has been chosen as the presentational currency as the Group headquarters are located in the US and a significant portion of the Group's revenue and expenses are denominated in USD.

The financial statements have been prepared on a going concern basis, which the Directors believe to be appropriate for the following reasons.

The Group meets its day to day working capital requirements through cash balances and, external funding facilities. The cash balance was \$5.2 million at 31 December 2010 (including \$1.2 million restricted cash) and \$5.4 million at 27 April 2011 (including \$1.0 million restricted cash). The external funding facilities include bank loans and loan notes secured on the Group's leased assets and convertible loan notes. The bank loan balance was \$1.1 million at 31 December 2010 and is repayable in equal monthly instalments over the period to October 2011. The outstanding loan notes had a balance of \$3.1 million at 31 December 2010 with \$1.2 million repayable in equal monthly instalments over the period to September 2012, \$0.5 million repayable in equal monthly instalments over the period to December 2012 and \$1.4 million repayable in equal monthly instalments over the period to April 2013. The convertible loan notes, totalling \$12.4 million, are repayable on 31 December 2011 if not already converted.

In April 2011, the Group conditionally secured a line of credit totalling up to \$4 million from an existing debt provider, which bears compound monthly interest at a rate of 13% to 20% (depending on the amount of drawdown) and is repayable on 30 September 2012. This facility is contingent on the issue of up to 1,400,000 equity warrants (at 52.8 pence per share), which requires shareholder approval at the forthcoming Annual General Meeting.

The Group is at an advanced stage of negotiations to dispose of its UK operations to a third party. At the date of approval of these financial statements, the disposal is conditional upon final agreement of the terms of the deal, including the sale price, and upon obtaining shareholder approval.

Should shareholder approval not be granted for the issue of equity warrants, the line of credit facility would lapse. On this basis, should the Group not dispose of its UK operations by June 2011 then the Group would have insufficient cash reserves to continue to trade beyond that date.

The Directors have prepared cash flow forecasts to 31 December 2012. These forecasts make a number of assumptions, the most significant of which relate to the level of convertible loan notes that will be converted into shares, the likelihood of obtaining shareholder approval for the issue of equity warrants and for the disposal of the UK operations, the proceeds from that disposal and the projected level of future revenue from the continuing business. The forecasts include planned repayments of the bank loans and other loan notes in full as they fall due.

If the line of credit is secured and the currently planned disposal is completed on the basis assumed during 2011, the base case cash flow forecasts show that, at 31 December 2011, being the redemption date of the convertible loan notes, the Group will have sufficient cash resources to repay these notes in full. However the level of headroom is insufficient to cover reasonably possible downside variation against those forecasts. In that case, if the Directors are unable to procure that a substantial number of convertible loan note holders convert their notes into equity prior to 31 December 2011, the Group may have a working capital shortfall at that date. In these circumstances the Directors would seek additional financing via an equity capital fundraising or debt but there can be no certainty that they would be successful.

Should the line of credit be secured but the disposal of the UK operations is not completed as anticipated then the Group's base case cash flow forecasts show that at December 2011, being the redemption date of the convertible loan notes, the Group will not have sufficient cash resources to repay these notes in full. In that case, if the Directors are unable to procure that a substantial number of convertible loan note holders convert their notes into equity prior to 31 December 2011 the Group will have a working capital shortfall at that date. In these circumstances the Directors would seek additional financing via an equity capital fundraising or debt but there can be no certainty that they would be successful.

On the basis that shareholder approval is obtained for the issue of equity warrants and the line of credit thereby secured, the sale of the UK operations is completed as planned and a sufficient number of the convertible loan notes are converted to equity, the Directors consider that the Group will continue to operate with sufficient funding for at least 12 months from the date of approval of these financial statements. However, the Directors acknowledge that there can be no certainty in relation to these matters.

In the medium-term, the Directors intend to expand the US operations to encompass new markets, in order to achieve the critical mass required to become cash positive. This will entail developing new applications for PuriCore systems and penetrating those related markets.

The Directors have concluded that the need to obtain shareholder approval for the issue of equity warrants associated with the \$4m line of credit and the need to secure equity conversion of a substantial number of the convertible loan notes represent material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue to operate as a going concern. The Group and Company may, therefore, be unable to continue realising their assets and discharging their liabilities in the normal course of business. The financial statements do not contain any adjustments that would result from the basis of preparation being inappropriate.

Segmental Analysis

The Group is managed by type of business. Segmental information is provided having regard to the nature of the goods and services provided and the markets served. Under 'other,' PuriCore has identified certain business development activities, including Dental and Wound Care, not yet generating significant revenues.

Primary Reporting Format – Business Segments

For the year ended 31 December 2010	Food Safety \$	Other \$	Corporate & unallocated \$	Total as reported for the Group \$	Endoscopy \$	Total \$
Revenue	14903109	408323	–	15311432	25140258	40451690
Gross Profit	4918638	171742	–	5090380	8484892	13572272
Loss before Interest, Tax, Depreciation, and Amortisation	(2578525)	(415595)	(2779415)	(5773535)	1211756	(4561779)
Depreciation and amortisation	(786089)	–	(1464702)	(2250791)	(1399987)	(3650778)
Segment Results¹	(3364614)	(415595)	(4244117)	(8024326)	(188231)	(8212557)
Segment Assets						
Non-current assets	3334863	–	4136137	7471000	-	7471000
Current assets	2731658	314057	6750933	9796648	18837027	28633675
Total assets	6066521	314057	10887070	17267648	18837027	36104675
Segment Liabilities						
Current liabilities	(2924698)	–	(15728235)	(18652933)	(9437511)	(28090444)
Non-current liabilities	(1614328)	–	–	(1614328)	–	(1614328)
Total liabilities	(4539026)	–	(15728235)	(20267261)	(9437511)	(29704772)
Other Segment Items						
Capital expenditure: property, plant, and equipment	1736546	–	86822	1823368	707676	2531044
Capital expenditure: intangible assets	–	–	–	–	–	–

Within the statement of comprehensive income, the Endoscopy business segment shown above is classified as discontinuing operations.

¹Segment result is before interest and tax.

For the year ended 31 December 2009	Food Safety \$	Other \$	Corporate & unallocated \$	Restated total as reported for the Group \$	Endoscopy \$	Total \$
Revenue	23113018	456312	–	23569330	16465231	40034561
Gross Profit	5204441	243809	–	5448250	4629627	10077877
Loss before Interest, Tax, Depreciation, and Amortisation	(1042007)	(648167)	(2835146)	(4525320)	(2199443)	(6724763)
Depreciation and amortisation	(1338434)	–	(1388371)	(2726805)	(1028296)	(3755101)
Segment Results¹	(2380441)	(648167)	(4223517)	(7252125)	(3227739)	(10479864)
Segment Assets						
Non-current assets	2424458	–	7461883	*	5465365	15351706
Current assets	2420749	270837	7839236	*	9158750	19689572
Total assets	4845207	270837	15301119	*	14624115	35041278
Segment Liabilities						
Current liabilities	(4877271)	–	(3301957)	*	(7547736)	(15726964)
Non-current liabilities	(2804802)	–	(48670)	*	(746625)	(3600097)
Total liabilities	(7682073)	–	(3350627)	*	(8294361)	(19327061)
Other Segment Items						
Capital expenditure: property, plant, and equipment	1556604	–	367886	1924490	1065779	2990269
Capital expenditure: intangible assets	602653	188648	–	791301	661406	1452707

* Within the statement of comprehensive income, the Endoscopy business segment shown above is classified as discontinuing operations. Within the statement of financial position, the individual assets and liabilities of the Endoscopy business are not shown within assets and liabilities held for sale.

¹Segment result is before interest and tax.

Information about Geographical Areas

	Sales		Segment assets		Capital expenditure	
	\$2010	\$2009	\$2010	\$2009	\$2010	\$2009
Continuing Operations						
United Kingdom	–	–	22686659	19099898	707676	1727185
United States	15311432	23569330	13418016	15941380	1823368	2715791
	15311432	23569330	36104675	35041278	2531044	4442976

The above analysis is based on the location of the customers.

Products and Services Provided

PuriCore's water-based clean technology equipment and services aim to safely, effectively, and naturally kill infectious pathogens without causing harm to human health or the environment. PuriCore's Sterilox and Vashe Systems electrochemically generate hypochlorous acid solutions for customers on-site and on-demand at a range of concentrations to meet the needs of each application. Requiring only common salt, water, and electricity, these systems are considered reliable, safe, effective, and user-friendly.

PuriCore's products are currently used in the following areas:

UK Endoscopy (discontinued entity) – Endoscopes, which are commonly used in many medical procedures such as colonoscopies and bronchoscopies, are delicate medical devices that must be reprocessed between patient clinical procedures. Strict regulations govern specific cleaning and disinfection processes to ensure adequate safety and quality controls to prevent pathogen transmission and patient protection. Sterilox Solution aims to be a safe and effective method to disinfect these scopes. PuriCore also provides additional equipment and services required for endoscope decontamination. In 2010, no customers made up more than 10% of the total Endoscopy segment revenue.

Food Safety – Sterilox Solution is an intervention that aims to improve shelf life and home life for fresh produce, floral, and seafood. In 2010, three customers made up 38%, 20% and 11% each of the total Food Safety segment revenue.

US Wound Care – Vashe Wound Therapy is an FDA-cleared medical device for use in debriding, lubricating, and moistening chronic and acute wounds.

US & UK Dental – Water lines used in dental surgeries suffer from the build up of biofilms and other contamination. Sterilox Solutions act to decontaminate water lines and maintain acceptable water quality levels providing a safer, healthier work environment for patients and staff. Additionally, PuriCore offers an FDA-cleared root canal rinse and irrigant.

Discontinued Operations

Management committed to a plan to sell its entire Endoscopy segment in December 2010 following a strategic decision to place greater focus on the Group's core operations. The segment was not a discontinued operation or classified as held for sale at 31 December 2009, and the comparative statement of comprehensive income has been re-presented to show the discontinued operation separately from the continuing operations.

	\$2010	\$2009
Results of discontinued operation		
Revenue	25140258	16465231
Expenses	(25328489)	(19717134)
Results from operating activities	(188231)	(3251903)
Income tax	-	-
Results from operating activities, net of tax	(188231)	(3251903)
Loss for the year	(188231)	(3251903)
Basic and Diluted earnings (loss) per share	(0.01)	(0.15)

The loss from discontinued operations of \$188,231 is attributable entirely to owners of the Company.

	\$2010	\$2009
Cash flows from (used in) discontinued operation		
Net cash from/(used in) operating activities	1007108	(3274959)
Net cash used in investing activities	(1679521)	(1559444)
Net cash from financing activities	1907356	4325358
Net cash flows for the year	1234943	(509045)

Non-current assets held for sale

The Endoscopy segment is presented as a disposal group held for sale following the commitment of the Group's management, in December 2010, to a plan to sell this segment. Efforts to sell the disposal group have commenced, and a sale is expected pending contract negotiations, due diligence, and shareholder approval in the second quarter. At 31 December 2010, the disposal group comprised assets of \$18.8 million less liabilities of \$9.4 million.

Assets classified as held for sale

	\$2010
Property, plant and equipment	2094380
Inventories	4248883
Intangible assets	4615050
Trade and other receivables	6276582
Cash and cash equivalents	1602132
	18837027

Liabilities classified as held for sale

	\$2010
Trade and other payables	(9437511)
	(9437511)

Loss per Share

The calculation of basic and diluted earnings per share is based on the following data:

Group	\$2010	2009 Restated \$
Loss		
Loss for the purpose of basic and diluted loss per share	(9694697)	(10936288)
Group		
	2010 Number	2009 Number
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	22731043	22091281

During 2010, the 1 pence ordinary shares of the Company were redesignated as 10 pence ordinary shares on the basis of ten 1 pence ordinary shares being consolidated into one 10 pence ordinary share. The Company's issued share capital at 31 December 2010 consists of 22,371,043 10 pence ordinary shares. The weighted average number of shares outstanding has been recalculated as if the share consolidation had occurred at 1 January 2009 in accordance with IAS 33.

Group	2010 \$/share	2009 Restated \$/share
Loss per Share		
Basic and diluted		
From continuing operations:	(0.42)	(0.35)
From discontinued operations:	(0.01)	(0.15)
	(0.43)	(0.50)

The calculation for diluted loss per share is identical to that used for basic loss per share. This is because the exercise of share options would have the effect of reducing the loss per share and is therefore not dilutive under the terms of IAS 33 'Earnings per share.'