

PuriCore plc **Final Results for the Year Ended 31 December 2009**

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 28 May 2010 — PuriCore (LSE: PURI), the water-based clean technology company focused on developing and commercialising proprietary, green solutions that safely, effectively, and naturally kill infectious pathogens, today announces its Final Results for the year ended 31 December 2009 and the availability of its 2009 annual report on its [website](#). PuriCore also announces today the proposed issue of £8.0 million in Convertible Loan Notes, subject to shareholder approval, and its Interim Management Statement for Q1 2010 (see separate [releases](#)). The Company has applied for the suspension of its shares from the Official List of the Financial Services Authority and to trading on the London Stock Exchange to be lifted with immediate effect.

Financial Results

- Revenue up 28% (at constant currency) to \$40.0 million (2008: \$33.7 million)
 - Food Safety sales up 19% to \$23.1 million (2008: \$19.4 million)
 - Endoscopy sales, including Labcaire revenue as at August 2009, up 41% (at constant currency) to \$16.5 million (2008: \$13.8 million)
- Cash of \$5.4 million at period end, including \$1.1 million in restricted cash
 - Net cash flow from financing activities of \$0.4 million
- Operating expenses (net of depreciation, amortisation, and non-cash share option expense)
 - Decreased 20% for legacy business
 - Decreased 10% including Labcaire

Operational Results

- Endoscopy
 - Completed acquisition of Labcaire Systems, a major UK endoscopy provider
 - Launched Endoscopy on Demand, managed service delivery
 - Launched a new pass-through automated endoscope reprocessor (AER)
 - Installed equipment now in more than 350 UK NHS and private hospitals including more than 900 AERs
- Food Safety
 - Completed the installation in all US and Canadian stores of Safeway, a top-five US supermarket retailer
 - Awarded the contract and completed installation for another top-five US supermarket retailer
 - Expanded the customer base from 30 to 53 brands including another top-10 US supermarket and leading regional chains
- Wound Care
 - Achieved positive results for Vashe Wound Therapy in a clinical burn study
 - Received a new FDA 510(k) with expanded shelf-life claims
- Successful Fundraising
 - £2 million equity (gross) raised in a Placing to fund the acquisition of Labcaire Systems
 - \$2.7 million raised through the issuance of debt

Greg Bosch, Chief Executive of PuriCore, said:

“PuriCore has an established track record of driving top-line growth whilst reducing costs. Anticipated sales growth and continued cost control should enable PuriCore to achieve operational leverage of its business model. The Directors are confident the Company can reduce net cash consumption and move the Company towards being cash flow positive.”

2009 Annual Report Availability

PuriCore’s 2009 annual report and accounts will be available today on the PuriCore website at www.puricore.com, will be posted to shareholders, and will be available for inspection shortly at the UKLA's Document Viewing Facility, which is situated at:

UKLA Document Viewing Facility
25 The North Colonnade
Canary Wharf
London E14 5HS

Additionally, the report can be viewed at PuriCore's UK office in Stafford (Wolseley House, Dyson Way, Staffordshire Technology Park, Beaconside, Stafford ST18 OGA) shortly before and during the Annual General Meeting scheduled to commence at 9am on 30 June 2010.

Enquiries:

| | |
|----------------------|-------------------|
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| Susan Quigley | Darren Weiss, CFO |
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About PuriCore

PuriCore plc (LSE: PURI) is a water-based clean technology company focused on developing and commercialising proprietary green solutions that safely, effectively, and naturally kill infectious pathogens without causing harm to human health or the environment. PuriCore’s patented, proprietary technology mimics the human body’s production of the natural antimicrobial hypochlorous acid, offering a safe and non-hazardous approach to disinfection and sanitisation. The Company’s products are used in a broad range of markets that depend upon controlling contamination, including food retail and foodservice, medical device disinfection, and wound care. Hypochlorous acid is proven to be safe, environmentally friendly, and fast acting against a broad range of infectious pathogens, including major public health threats of *C.difficile*, *E.coli*, HIV, Human and Animal Influenza (including H1N1 and H5N1), *Legionella*, *MRSA*, *M.tuberculosis*, Norovirus, and *Salmonella*. PuriCore is headquartered in Malvern, Pennsylvania, with operations in Stafford and Clevedon, UK. To receive additional information on PuriCore, please visit our website at www.puricore.com, which does not form part of this press release.

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 & CEO Report

PuriCore continues to focus on growing its core businesses—North American Food Safety and UK Endoscopy—and has initiated marketing efforts in therapeutic Wound Care and early business development in Water Treatment, endeavouring to create a third core business for the Company's water-based clean technology. With this strategy, PuriCore as a whole and in each business is in a strong position, poised for growth and becoming cash flow positive.

In 2009, PuriCore achieved record results for the year in both core businesses with 28% top-line growth (at constant currency) and total revenues of \$40.0 million. The Company significantly improved operating loss compared with the prior year, but earnings were below Directors' expectations due to delays of expected Endoscopy sales into the next period and higher than anticipated field service costs in the Food Safety business during the year. The Company has thoroughly analysed the underlying factors, and the Directors are confident that these issues will be resolved in 2010.

As in previous years, PuriCore continued to reduce operating expenses in 2009 in its legacy businesses (excluding the impact of Labcaire), achieving reductions of 14% over 2008. PuriCore successfully completed fundraisings during the year including an equity Placing that raised £2 million (gross) to fund the acquisition of Labcaire Systems Ltd. and the issuances of debt raising \$2.7 million to fund leases in the Food Safety business.

PuriCore's strategy to maximise recurring revenues (including equipment leases, managed services, maintenance contracts, services, and consumables) continues to be successful. In 2009, recurring revenues accounted for approximately 53% of total revenue, reflecting a 32% increase in recurring revenue over the 2008 figures and a 60% increase over the 2007 figures.

Whilst PuriCore made solid progress on several fronts in 2009, some operational challenges impacted the Company's gross margin and balance sheet. Year-end results were behind the Company's initial targets, resulting from both external pressures affecting PuriCore's sales traction and internal operational challenges in the Food Safety business. The Directors remain keenly focused on advancing the Company to being cash flow positive.

Core Business: Food Safety

The Company continued to grow market acceptance with major customers, including two top-five US supermarket retailers and completed its first international installations. The Company increased revenues in the Food Safety business 19%, totalling \$23.1 million with record shipments of approximately 1,250 new Systems. Many of these Systems were a result of the major contracts from top-five retailers: a second major contract with Safeway for installations throughout all of its stores in the US and Canada and an additional contract with another top-five retailer. In Q4 2009, PuriCore received an additional \$4.7 million in contract awards, including another top-10 US retailer and another leading regional supermarket chain.

As at 31 December 2009, approximately 13% of the target market used Sterilox. As the standard practice today is the use of water only to rinse fresh produce, the Directors believe PuriCore to be the leading fresh produce sanitiser for supermarket retailers in the US. Efforts continue to increase the Company's marketshare and installed base by targeting other leading North American national and regional chains and other stores within current customer brand networks as well as the opportunity to place a second Sterilox System in approximately half of the current installed base for additional applications such as floral and seafood. Looking ahead, the Company has further sales opportunities in the foodservice industry and in the broader agricultural and food processing markets as well as in other international regions that would benefit from the use of Sterilox Solutions for crisping and misting of fresh produce.

Core Business: UK Endoscopy

The acquisition of Labcaire Systems in August represents a significant business development achievement for PuriCore. The Company is now a leading UK provider of endoscopy disinfection equipment and services, with a significant increase in revenue, marketshare, and breadth of products and services.

For the second year in a row, PuriCore achieved growth in this business of more than 40%. 2009 revenues were up 41% to \$16.5 million (including Labcaire revenues as at August 2009), despite a clearly challenging economic environment and NHS budgetary pressures. The Company continues to focus on increasing recurring revenues, reporting a 32% increase in leases, maintenance contracts, services, consumables, and its new Endoscopy on Demand managed service.

The newly broadened portfolio—including multiple automated endoscope reprocessors (AERs), disinfectant chemistries, drying cabinets, and consumables—offers the full range of products and services required by endoscopy units in UK NHS hospitals, private hospitals, and primary care networks. Now approximately 350 NHS and private hospitals with endoscopy departments use PuriCore Endoscopy equipment including more than 900 AERs. The acquisition also expands PuriCore's international market opportunities for its portfolio.

New Market: Wound Care

Another medical market with significant opportunity for the Company is Wound Care. By mimicking the human body's own immune response to infectious pathogens, the Directors believe that PuriCore's technology has substantial commercial potential in therapeutic healthcare applications, including the treatment of chronic and acute wounds.

PuriCore initiated commercialisation of the Vashe Wound Therapy platform in 2009, focusing on targeting key accounts, completing additional clinical research, and gaining favour with key opinion leaders. The early results were \$0.5 million in revenues for the year, including sales to dental practitioners, and more than 160,000 successful Vashe treatments to date. In March 2010, the Company received regulatory clearances for an antimicrobial preservative claim for Vashe Wound Therapy. In April 2010, PuriCore received an additional regulatory clearance for over-the-counter marketing. This clearance, combined with extended shelf-life clearances, allows PuriCore diverse packaging options including bottled Vashe Wound Therapy and market expansion into the over-the-counter consumer market.

Outlook

PuriCore has a strong pipeline and anticipated order flow in both core markets. As the Company starts 2010, PuriCore has sales opportunities with Food Safety customers in negotiations, trials, or discussions representing an additional 40% of the US and Canadian Food Safety market, including several additional top-10 retailers. The order book of PuriCore Endoscopy for the integrated Sterilox and Labcaire business includes sales opportunities for the now expanded product portfolio and the new Endoscopy on Demand managed service.

At the date of approval of the financial statements, PuriCore is in the advanced stages of finalising the issue of Convertible Loan Notes and has received commitments, subject to obtaining shareholder approval, for £8.0 million.

Looking ahead, PuriCore remains keenly focused on continuing to increase revenues, improve gross margins, and leverage operating expenses in the core businesses whilst developing a third business franchise for the Company's water-based clean technology. In 2010, the Company anticipates being cash flow positive in PuriCore's UK Endoscopy business and expects continued significant progress in the Food Safety business in both the US and Canada. PuriCore will continue to focus on growth in its two core businesses, North American Food Safety and UK Endoscopy, and further establish its Wound Care market presence.

PuriCore expects further increases in gross margins through continued leveraging of the fixed costs across the Company, including the field service departments in both the US and the UK. Anticipated sales growth and improving gross margins, achieved in conjunction with continued cost-control, should enable PuriCore to achieve operational leverage of the business model thereby reducing net cash consumption.

PuriCore has an established track record of driving top-line growth whilst reducing costs. The Directors recognise and are fully focused on continuing this trend line and moving the Company to being cash flow positive, capitalising on the Company's core technology, and seeking to maximise shareholder value.

Christopher P.J. Wightman
Chairman
27 May 2010

Gregory T. Bosch
Chief Executive Officer

CFO Report

Income Statement

PuriCore achieved strong sales growth in 2009 with revenues up \$6.3 million to \$40.0 million, an increase of 28% (at constant currency) over 2008 (\$33.7 million). This growth was driven by a 19% (\$3.7 million) increase in Food Safety sales with record shipments of Systems as well as by record sales in the Endoscopy business with revenue growth of more than 40% (at constant currency) for the second year. Recurring revenues, which are generated from rental agreements, service contracts, and the sale of consumables, continued to increase to \$21.9 million and accounted for 53% of total revenue for 2009 (2008: \$16.8 million, 50% of total revenue).

PuriCore improved gross margin 3.0 points over 2008 to 25.2%, resulting in top-line sales growth leading to fixed field-service cost leverage, continued reduction in Food Safety System standard cost, and the full-year impact of certain Food Safety lease renewals. Gross margins were slightly lower than expected due to higher than anticipated field service costs during this record-installation year. Corrective action has been taken to address this issue.

Operating Expense Controls

PuriCore continued its diligent efforts to reduce operating expenses, resulting in further reductions again this year even with increasing sales. Operating expenses (comprising sales & marketing, research & development, and general & administrative expenses but excluding Labcaire expenses) decreased a further 21% to \$18.4 million (2008: \$23.4 million, 5% below 2007). The synergies between PuriCore's UK Endoscopy business and Labcaire Systems (as at August 2009) will result in annualised savings of more than £1 million. Further, excluding depreciation, amortisation, and non-cash share option charges, operating expenses totalled \$17.0 million, a 20% reduction (2008: \$21.1 million).

General & administrative expenses in 2009 totalled \$9.3 million compared with \$11.9 million in 2008, a decrease of 22% resulting from the Company's continued prudent cost control. Sales & marketing expenses in 2009 totalled \$8.3 million (2008: \$7.6 million), an increase of 9%. Research & development (R&D) costs for the year decreased by 24% to \$3.0 million (2008: \$3.9 million). PuriCore continued to lower cash expenditures, appropriately reflecting the Company being predominantly in a commercialisation phase and focusing its investments in core areas. The Company will continue to focus its 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

In particularly challenging financial markets, PuriCore successfully completed fundraisings during the year including an equity Placing that raised £2 million (gross) to fund the acquisition of Labcaire Systems Ltd. Consistent with its strategy to fund Food Safety System leases, PuriCore also completed issuances of debt raising \$2.7 million in promissory notes with terms of approximately 36 months and interest rates ranging from 5.9% to 7%. The Directors expect Food Safety volumes to shift 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; therefore, the Company will continue 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.

As at 31 December 2009, cash equivalents (including restricted cash of \$1.1 million) were \$5.4 million (as at 31 December 2008: \$20.7 million including restricted cash of \$2.1 million). The Company reduced debt by \$4.1 million (including exiting a \$2.2 million factored-receivable facility related to Labcaire Systems). PuriCore's focus on improving its operating income and continued diligent management of the operating expenses reduced operating loss to \$10.9 million (2008: \$15.9 million).

Outlook

Whilst the Company is pleased with the improvement in its income statement on a year-to-year basis, additional funding sources will be required to execute its business strategies.

At the date of approval of the financial statements, PuriCore is in the advanced stages of finalising the issue of Convertible Loan Notes and has received commitments, subject to obtaining shareholder approval, for £8.0 million. Should 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 the proceeds from the issue of Convertible Loan Notes are received as planned, that the Group continues to secure lease monetisation arrangements, 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
27 May 2010

Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2009

| | \$2009 | \$2008 |
|---|-------------------|------------|
| CONTINUING OPERATIONS | | |
| Revenue | 40034561 | 33717650 |
| Cost of sales | (29956684) | (26207658) |
| Gross Profit | 10077877 | 7509992 |
| Sales and marketing expenses | (8279480) | (7614128) |
| General and administrative expenses | (9308617) | (11871858) |
| Research and development expenses | (2969644) | (3907489) |
| Loss before Interest and Tax | (10479864) | (15883483) |
| Finance costs | (654437) | (635235) |
| Finance income | 198013 | 420963 |
| Net finance costs | (456424) | (214272) |
| Loss before Taxation | (10936288) | (16097755) |
| Taxation | - | 305539 |
| Loss for the Year | (10936288) | (15792216) |
| Attributable to: | | |
| Equity Holders of the Parent | (10936288) | (15792216) |
| Other Comprehensive Income | | |
| Foreign currency translation differences for foreign operations | 467966 | (3929298) |
| Total Comprehensive Loss for the Period Attributable to Equity Holders of the Parent | (10468322) | (19721514) |
| Loss per share | \$/share | \$/share |
| Continuing operations | | |
| Basic and diluted | (0.05) | (0.09) |

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2009

| Group | Share capital | Share premium | Other reserves | Retained earnings | Cumulative translation adjustment | Total |
|-------------------------------------|----------------|------------------|----------------|--------------------|-----------------------------------|-----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| At 31 December 2007 | 2777795 | 145455962 | 6204404 | (128804935) | 1204474 | 26837700 |
| Total recognised income and expense | - | - | - | (15792216) | (3929298) | (19721514) |
| Shares issued | 1155726 | 12781912 | | | | 13937638 |
| Warrants issued | - | 17297 | - | - | - | 17297 |
| Share based payment movement | | | 1112759 | | | 1112759 |
| 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 |

Consolidated Statement of Financial Position
At 31 December 2009

| | \$2009 | \$2008 |
|---|-------------------|-------------------|
| ASSETS | | |
| Non-Current Assets | | |
| Intangible assets | 9195919 | 5587558 |
| Property, plant, and equipment | 5063126 | 4421771 |
| Restricted cash | 700825 | 980607 |
| Trade and other receivables | 391836 | 203535 |
| Total Non-Current Assets | 15351706 | 11193471 |
| Current Assets | | |
| Inventories | 6358070 | 3627095 |
| Trade and other receivables | 8680894 | 4310886 |
| Restricted cash | 350413 | 1085489 |
| Cash and cash equivalents | 4300195 | 18584364 |
| Total Current Assets | 19689572 | 27607834 |
| Total Assets | 35041278 | 38801305 |
| LIABILITIES | | |
| Current Liabilities | | |
| Trade and other payables | (10650876) | (6486069) |
| Loans and borrowings | (4980089) | (5024778) |
| Provisions | (95999) | (93872) |
| Total Current Liabilities | (15726964) | (11604719) |
| Non-Current Liabilities | | |
| Loans and borrowings | (3600097) | (5012706) |
| Total Non-Current Liabilities | (3600097) | (5012706) |
| Total Liabilities | (19327061) | (16617425) |
| Net Assets | 15714217 | 22183880 |
| EQUITY | | |
| Share capital | 4114288 | 3933521 |
| Share premium | 161418604 | 158255171 |
| Other reserves | 7971622 | 7317163 |
| Retained earnings | (155533439) | (144597151) |
| Cumulative translation adjustment | (2256858) | (2724824) |
| Issued Capital and Reserves Attributable to Equity Holders of the Parent | 15714217 | 22183880 |
| Total Equity | 15714217 | 22183880 |

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2009

| | \$2009 | \$2008 |
|---|-------------------|------------------|
| Cash Flows from Operating Activities | | |
| Loss for the year | (10936288) | (15792216) |
| <i>Adjustments for:</i> | | |
| Taxation | - | (305539) |
| Finance costs | 654437 | 635235 |
| Finance income | (198013) | (420963) |
| Depreciation, amortisation, and impairment | 3755101 | 5611893 |
| Share based payment expense | 654459 | 1112759 |
| Loss on disposal of property, plant, and equipment | 302479 | 143581 |
| Operating Loss before Movement in Working Capital | (5767825) | (9015250) |
| (Increase) /Decrease in inventories | (1398888) | 2056631 |
| (Increase) /Decrease in trade and other receivables | (928524) | 497752 |
| Decrease in trade and other payables | (281759) | (840678) |
| Increase in provisions | 2127 | 2 |
| Cash Absorbed by Operations | (8374869) | (7301543) |
| Interest received | 198013 | 420963 |
| Income tax credit received | - | 305539 |
| Net Cash Flow from Operating Activities | (8176856) | (6575041) |
| Cash Flows from Investing Activities | | |
| Purchase of property, plant and equipment | (2990269) | (1444715) |
| Purchase of subsidiary | (3351916) | - |
| Cash paid for internally generated intangibles | (1452707) | (779936) |
| Net Cash Flow from Investing Activities | (7794892) | (2224651) |
| Cash Flows from Financing Activities | | |
| Issue of shares, options, and warrants | 3344200 | 13954935 |
| Proceeds from new loan notes | 2727103 | 9737997 |
| Repayment of borrowings | (5098388) | (9013862) |
| Interest paid on borrowings | (526796) | (470981) |
| Repayments of obligations under finance leases | (81513) | (50467) |
| Decrease in overdraft | - | (176617) |
| Net Cash Flow from Financing Activities | 364606 | 13981005 |
| Net (Decrease)/Increase in Cash and Cash Equivalents | (15607142) | 5181313 |
| Cash and cash equivalents at beginning of year | 20650460 | 18894207 |
| Effect of foreign exchange rate changes on cash held | 308115 | (3425060) |
| Cash and cash equivalents | 4300195 | 18584364 |
| Restricted cash | 1051238 | 2066096 |
| Total Cash Held at End of Year | 5351433 | 20650460 |

Statement of Director's 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 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 |
|-----------------------|---|
| Timothy Anderson | Independent Non-Executive Director |
| Joseph Birkett | Senior Independent Non-Executive Director |
| Gregory Bosch | Chief Executive Officer |
| Michael Sapountzoglou | Non-Executive Director |
| James Walsh | Independent Non-Executive Director |
| Darren Weiss | Chief Financial Officer |
| Christopher Wightman | Non-Executive Chairman |

Joseph William Birkett
Chairman of the Audit Committee
27 May 2010

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 27 May 2010. 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 2009.

The Company has chosen to present its own results under Adopted IFRSs and by publishing the Company financial statements here with the Group financial statements the Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual statements of comprehensive income and related notes.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2009 or 2008 but is derived from those accounts. Statutory accounts for 2008 have been delivered to the registrar of companies, and those for 2009 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report for 2008 and without qualification, but 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 2009 as detailed below, and (iii) did not contain a statement under section 237 (2) or (3) of the Companies Act 1985 in respect of the accounts for 2008 nor a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the accounts for 2009. The annual report and accounts for the year ended 31 December 2009 will be posted to shareholders. The results for the year ended 31 December 2009 were approved by the Board of Directors on 27 May 2010 and are audited.

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.

From 1 January 2009 the Group has changed its accounting policies in the following areas:

- Determination and presentation of operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

- Presentation of financial statements

The Group applies revised IAS1 Presentation of Financial Statements (2007), which became effective as of 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.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects there is no impact on earnings per share.

Going Concern

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, where appropriate, external funding facilities. The cash balance was \$5.4 million at 31 December 2009 (including \$1.1 million restricted cash) and \$4.3 million at 30 April 2010 (including restricted cash of \$0.9 million). The external funding facilities include bank loans and loan notes secured on the Group's leased assets and a small overdraft facility. The bank loan balance was \$4.9 million at 31 December 2009 and is repayable in equal monthly instalments over the period to September 2011. The outstanding loan notes had a balance of \$1.9 million and \$0.7 million at 31 December 2009 and are repayable in equal monthly instalments over the period to September 2012 and December 2012, respectively.

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's Systems, the Group has incurred trading losses of \$10.9 million in the current year. Due to the nature of the Group's operations, income is dependent on securing additional contracts within the markets it currently operates in and on developing new applications for PuriCore Systems and penetrating those related markets, to achieve the critical mass required to become cash positive.

The Directors have prepared cash flow forecasts to 31 December 2011. These forecasts make a number of operational assumptions, the most significant of which relates to the projected level of future revenue.

In addition, the forecasts assume the continued availability of existing funding facilities, together with the successful issue of certain convertible loan notes that is currently in progress and further lease monetisation arrangements.

In terms of the continued availability of existing facilities, the decision by the Company not to file its Annual Report by 30 April 2010 (and subsequent suspension of the Company's shares from the Official List of the Financial Services Authority and to trading on the London Stock Exchange) resulted in the Group being in breach of the covenants attached to its loans and borrowings as detailed in Note 18. The Directors have obtained formal waivers from the loan holders provided that the Company files its Annual Report before 30 June 2010 and an unqualified opinion is provided thereon. As a result of obtaining the formal waivers the Group's loans are not immediately repayable and the terms of repayment as included in Note 18 remain in place.

In addition, a lease monetisation arrangement of \$1.8 million (received in April 2010) is repayable on demand if the Group does not raise £4 million in debt or equity funding on or before 30 June 2010.

In respect of additional funding, the Group is currently seeking to raise £8.0 million from an issue of Secured Convertible Loan Notes, planned to announce on 28 May 2010 (the "Convertible Loan Notes"). The issue of Convertible Loan Notes requires shareholder approval at the General Meeting of the Company on 12 June 2010. At the date of approval of the financial statements, binding commitments for £8.0 million of Convertible Loan Notes have been received, subject to shareholder approval being granted. The Directors are therefore confident that the planned issue of Convertible Loan Notes will be successful.

The forecasts also include cash inflows from further lease monetisation arrangements that the Group hopes to secure over the forecast period. While the Group currently has no new committed lease monetisation facilities, the directors are confident that these additional facilities can be obtained as they are required.

In the absence of the successful issue of the Convertible Loan Notes, the Group's forecasts, which have been stress tested, show a "cash out" date of the end of June 2010. If these funds are not received in line with forecasts, the Directors have considered mitigating actions available to them to extend the cash out date of the Group which may include a group restructuring, reducing/delaying research and development spend, reducing/delaying capital expenditure and reducing/delaying performance based remuneration. However, the ability to extend the period is limited.

The Convertible Loan Notes are required to be redeemed or converted in December 2011. The Group's forecasts indicate that, should the holders of the Convertible Loan Notes choose repayment of the Notes on this date, the Group may need to raise replacement finance from which to repay the Notes. Accordingly the Directors are exploring strategic options and are confident that appropriate funding will be available should it be required.

On the basis that the proceeds from the issue of Convertible Loan Notes is received as planned, that the Group continues to secure lease monetisation arrangements, and 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. However, given the general inherent risk with securing additional funds in the current market, the inherent risk with forecasting revenues in the markets in which the Group operates and the uncertainty inherent in the

development of new applications and penetrating the related markets for the Group's products, there can be no certainty in relation to these matters.

The Directors have concluded that the combination of these circumstances represents a material uncertainty that may cast significant doubt upon the Group and Company's ability to continue 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. Nevertheless, if the issue of Convertible Loan Notes proceeds, the Group and Company will have adequate resources to continue in operational existence for the foreseeable future. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include 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

| | Endoscopy | Food Safety | Other | Corporate & unallocated | Total as reported for the Group |
|--|------------------|------------------|-----------------|-------------------------|---------------------------------|
| For the year ended 31 December 2009 | \$ | \$ | \$ | \$ | \$ |
| Revenue | 16465232 | 23113017 | 456312 | - | 40034561 |
| Gross Profit | 4629627 | 5204441 | 243809 | - | 10077877 |
| Loss before Interest, Tax, Depreciation, and Amortisation | (2199443) | (1042007) | (648167) | (2835146) | (6724763) |
| Depreciation and amortisation | (1028296) | (1338434) | - | (1388371) | (3755101) |
| Segment Results¹ | (3227739) | (2380441) | (648167) | (4223517) | (10479864) |
| Segment Assets¹ | | | | | |
| Non-current assets | 5465365 | 2424458 | - | 7461883 | 15351706 |
| Current assets | 9158750 | 2420749 | 270837 | 7839236 | 19689572 |
| Total assets | 14624115 | 4845207 | 270837 | 15301119 | 35041278 |
| Segment Liabilities | | | | | |
| Current liabilities | (7547736) | (4877271) | - | (3301957) | (15726964) |
| Non-current liabilities | (746625) | (2804802) | - | (48670) | (3600097) |
| Total liabilities | (8294361) | (7682073) | - | (3350627) | (19327061) |
| Other Segment Items | | | | | |
| Capital expenditure: property, plant, and equipment | 1065779 | 1556604 | - | 367886 | 2990269 |
| Capital expenditure: intangible assets | 661406 | 602653 | 188648 | - | 1452707 |

| | Endoscopy | Food Safety | Other | Corporate & unallocated | Total as reported for the Group |
|--|------------|-------------|-----------|-------------------------|---------------------------------|
| For the year ended 31 December 2008 | \$ | \$ | \$ | \$ | \$ |
| Revenue | 13,842,186 | 19,413,678 | 461,786 | - | 33,717,650 |
| Gross Profit | 3865570 | 3520909 | 123513 | - | 7509992 |
| Loss before Interest, Tax, Depreciation, and Amortisation | (1193933) | (522623) | (1004799) | (7550235) | (10271590) |
| Depreciation and amortisation | (895104) | (3102476) | - | (1614313) | (5611893) |
| Segment Results¹ | (2089037) | (3625099) | (1004799) | (9164548) | (15883483) |
| Segment Assets¹ | | | | | |
| Non-current assets | 8021422 | 102014 | - | 3070035 | 11193471 |
| Current assets | 3303056 | 4544960 | 344801 | 19415017 | 27607834 |
| Total assets | 11324478 | 4646974 | 344801 | 22485052 | 38801305 |
| Segment Liabilities | | | | | |
| Current liabilities | (3048519) | (5193691) | - | (3362509) | (11604719) |
| Non-current liabilities | - | (4904851) | - | (107855) | (5012706) |
| Total liabilities | (3048519) | (10098542) | - | (3470364) | (16617425) |
| Other Segment Items | | | | | |
| Capital expenditure: property, plant, and equipment | 1049775 | 90281 | - | 304659 | 1444715 |
| Capital expenditure: intangible assets | 509669 | 24673 | 245594 | - | 779936 |

All business segments shown above are continuing.

¹ Loss before Interest and Tax represents the segment result for purposes of IFRS 8. 31 December 2009 and 31 December 2008 loss includes a charge from "Corporate and unallocated" to Food Safety in the amount of \$2.0 million and \$3.6 million, respectively, for General and Administrative services.

Intra-Group sales, which are priced on an 'arm's-length' basis, between both segments and regions are not significant. The analysis of Earnings before Interest and Taxes by business includes an allocation, based on their nature, of costs incurred centrally in the United Kingdom and United States of America. Unallocated costs represent corporate expenses and are included in the information reviewed by the Board. Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year. Corporate and unallocated assets and liabilities include infrastructure and costs associated with executive management and external compliance related to the Company's public listing. Intellectual property and other intangible assets of \$6.0 million are included in this category and not allocated to the business segments.

Information about Geographical Areas

| Continuing Operations | Sales | | Segment assets | | Capital expenditure | |
|-----------------------|----------|----------|----------------|----------|---------------------|---------|
| | \$2009 | \$2008 | \$2009 | \$2008 | \$2009 | \$2008 |
| United Kingdom | 16465232 | 13842186 | 19099898 | 11324478 | 1727185 | 1248092 |
| United States | 23569329 | 19875464 | 15941380 | 27476827 | 2715791 | 976559 |
| | 40034561 | 33717650 | 35041278 | 38801305 | 4442976 | 2224651 |

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—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 2009, 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 2009, two customers made up 54% and 28% 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.

Loss per Share

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

| | Group | |
|--|------------|------------|
| | \$2009 | \$2008 |
| Loss | | |
| Loss for the purpose of basic and diluted loss per share | (10936288) | (15792216) |

| | Group | |
|--|----------------|----------------|
| | 2009 Number | 2008 Number |
| Number of Shares | | |
| Weighted average number of ordinary shares for the purpose of basic and diluted loss per share | 220912808 | 178550685 |

| | Group | |
|-----------------------------|------------------|------------------|
| | 2009 \$/share | 2008 \$/share |
| Loss per Share | | |
| From continuing operations: | | |
| Basic and diluted | (0.05) | (0.09) |

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.'

Intangible Assets

| Group | 2009 | | | | 2008 | | | |
|---|----------------|--------------------------------|--|-------------|----------------|--------------------------------|--|-------------|
| | Goodwill \$ | Intellectual property \$ | Develop- ment costs & software \$ | Total \$ | Goodwill \$ | Intellectual property \$ | Develop- ment costs & software \$ | Total \$ |
| Cost | | | | | | | | |
| At beginning of year | 4,673,228 | 5,162,475 | 5,231,426 | 15,067,129 | 4,673,228 | 5,162,475 | 4,407,319 | 14,243,022 |
| Acquisitions – internally developed | – | – | 1452707 | 1452707 | – | – | 779936 | 779936 |
| Acquisitions - subsidiary | 1868120 | – | 1354335 | 3222455 | – | – | – | – |
| Effect of movements in foreign exchange | – | – | – | – | – | – | 44171 | 44171 |
| At end of year | 6541348 | 5162475 | 8038468 | 19742291 | 4673228 | 5162475 | 5231426 | 15067129 |
| Amortisation and Impairment | | | | | | | | |
| At beginning of year | 4068017 | 3546054 | 1865500 | 9479571 | 4068017 | 3235782 | 896958 | 8200757 |
| Amortisation for the year | – | 310271 | 756530 | 1066801 | – | 310272 | 457801 | 768073 |
| Impairment loss | – | – | – | – | – | – | 465957 | 465957 |
| Effect of movements in foreign exchange | – | – | – | – | – | – | 44784 | 44784 |
| At end of year | 4068017 | 3856325 | 2622030 | 10546372 | 4068017 | 3546054 | 1865500 | 9479571 |
| Net Book Value | | | | | | | | |
| At end of year | 2473331 | 1306150 | 5416438 | 9195919 | 605211 | 1616421 | 3365926 | 5587558 |
| At beginning of year | 605211 | 1616421 | 3365926 | 5587558 | 605211 | 1926693 | 3510361 | 6042265 |

Operating Lease Rentals

| | Group | |
|--|---------|---------|
| | \$2009 | \$2008 |
| Minimum lease payments under operating leases recognised as income in the year | 8654565 | 9422367 |

At the balance sheet date the Group has total outstanding receivables commitments under non-cancellable operating leases, which fall due as follows:

| | Group | |
|--|-----------------|-----------------|
| | \$2009 | \$2008 |
| Within one year | 6971754 | 6725149 |
| In the second to fifth years inclusive | 5021258 | 8524148 |
| After five years | - | 92346 |
| | 11993012 | 15341643 |

Operating lease receipts represent rentals receivable from customers for the use of certain property, plant, and equipment. Leases have varying terms and renewal rights.

Acquisition of Labcaire Systems Ltd.

On 4 August 2009, PuriCore International Ltd. acquired the entire issued share capital of Labcaire Systems Ltd. in exchange for an upfront payment of \$3.6 million in cash and a further \$1 million to be paid in equal installments 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 will not exceed \$1 million in line with the sale and purchase agreement. The fair value of this consideration is assessed as \$nil.

In the period from 5 August 2009 to 31 December 2009, Labcaire contributed revenue of \$5.6 million and a net loss of \$0.2 million. If the acquisition had occurred on 1 January 2009, management estimates that consolidated revenue would have been \$48.7 million, and consolidated net loss for the period would have been \$11.1 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2009.

Identifiable Assets Acquired and Liabilities Assumed

| | Book value | Fair value adjustments | Fair value (provisional) |
|-----------------------------------|------------|------------------------|--------------------------|
| | \$ | \$ | \$ |
| Property, plant, and equipment | 1457001 | (974988) | 482013 |
| Intangible assets | - | 1354336 | 1354336 |
| Inventories | 2556474 | (1224387) | 1332087 |
| Trade and other receivables | 3757426 | - | 3757426 |
| Cash and cash equivalents | 133846 | - | 133846 |
| Trade and other payables | (4340250) | (106315) | (4446565) |
| Total net assets acquired | 3564497 | (951354) | 2613143 |
| Goodwill | | | 1868120 |
| Consideration of cost acquisition | | | 4481263 |

The goodwill is attributable mainly to synergies expected to be achieved from integrating the company into the Group's existing Endoscopy segment.

Post Balance Sheet Event

On 23 April 2010, PuriCore announced that it has closed on a new \$1.8 million debt facility with Republic First Bank. The debt is secured by Sterilox Food Safety Systems installed in Q1 2010 and is structured as a 36-month promissory note with an imputed interest rate of 6.0%. This financing is consistent with the Company's strategy to utilise debt to fund the installation of leased Sterilox Food Retail Systems.