

**PuriCore plc**

**Q3 2010 Interim Management Statement**

***Gross Profit Margins Continue to Improve***

**MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 8 November 2010** — PuriCore (LSE: PURI), the life sciences company focused on developing and commercialising proprietary, green solutions that safely, effectively, and naturally kill infectious pathogens, today issues its Interim Management Statement covering the period 1 July 2010 to 30 September 2010.

**Q3 Financial Highlights (unaudited)**

- Q3 sales of \$11.1 million, an increase of 4.9% (7.5% at constant currency) (Q3 2009: \$10.6 million)
  - Food Safety sales of \$4.8 million, a decrease of 18.4% (Q3 2009: \$5.8 million)
  - Endoscopy sales of \$6.2 million, an increase of 34.0% (40.0% at constant currency) (Q3 2009: \$4.6 million); EBITDA profitability for the third sequential quarter
- Sales for the nine months ended 30 September 2010 of \$30.2 million (2009: \$29.6 million), an increase of 1.8% (2.1% at constant currency)
- Gross profit margin for the nine months ended 30 September 2010 exceeded 32% (YTD 2009: 26.1%)
- Cash balance as at period end of \$8.5 million

**Q3 Operational Highlights (unaudited)**

- Installed a record number of 17 ISIS pass-through automated endoscope reprocessors (AERs)
- Secured a purchase order for the first combined ISIS AER-Sterilox System installation
- Began shipping initial orders of Sterilox Food Safety Systems to the number-one supermarket retailer in Canada
- Shipped 142 Sterilox Systems to the second largest US supermarket retailer (YTD: 184)
- Wound care key opinion leaders published one peer-reviewed journal article and presented five posters at medical conferences

**Post Period Highlights**

- Launched bottled Vashe Wound Therapy, providing a convenient treatment option to wound care clinics and their patients for in-clinic and home use in the US

## **Business Report**

Revenues for the third quarter 2010 of \$30.2 million were \$0.5 million higher than in 2009. While the UK Endoscopy growth has been driven by the August 2009 acquisition of Labcaire Systems, the lower volume of Food Safety installations this year results from the overall economic downturn and the delay of one significant contract for which installations are now underway. Gross profit margin for the nine months ended 30 September 2010 exceeded 32% and should remain at these levels for the balance of the year. The increase in the gross profit margin over prior year (YTD 2009: 26.1%) was driven by a marked improvement in Food Safety System quality performance, a reduction in standard costs, and continued leverage of internal field service operations in both the Food Safety and Endoscopy divisions.

During the quarter, the Food Safety business achieved \$4.8 million in revenue, shipped 142 Sterilox Systems (YTD: 184) to the number-two US supermarket retailer as this chain continues to expand its commitment to safety and quality, and initiated installations for the number-one Canadian supermarket retailer. Year to date, PuriCore has shipped 491 Sterilox Systems (2009: 819), of which approximately 228 (or 46%) were under lease contracts (2009: 149 Systems or 15%).

In the UK, PuriCore's Endoscopy business was EBITDA profitable for the third quarter in a row driven by increased volume, improved quality performance, and continued synergies from the Labcaire acquisition. The Company achieved a record quarter for installations of the ISIS pass-through AER with 17 placements and secured its first purchase order for a combined ISIS AER and Sterilox System installation. Additionally, PuriCore won another Endoscopy on Demand managed service contract, bringing the total value of these multiyear contracts to £1.4 million.

In the Wound Care business, PuriCore continues to expand its key opinion leaders network, with an [article](#) published in the journal *Advances in Skin & Wound Care* in August and five posters presented at medical conferences during the quarter. With the recent additional US FDA 510(k) clearances for extended shelf-life and an antimicrobial preservative claim, PuriCore is now able to provide the market with diverse packaging. In October, PuriCore launched its new bottled Vashe Wound Therapy, providing a convenient packaging option for wound care clinics and allowing for home use by patients.

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

*"The Company's Q3 performance continued the progress made through the first half of the year. The Endoscopy division was profitable, for the third quarter in a row, and the acquisition of Labcaire in August 2009 has delivered the scale and product range needed to provide consistent and growing profits. In our Food Safety division, 2010 has been a challenging year as the purchasing decisions made by our customers at the beginning of the year were based upon the negative economic outlook in 2009. As we move into the budget process for 2011, economic confidence in the food retail sector in the US is crucial to the level of our success next year. That said, we continue to build market share, and are delighted to have started to install at the number-one Canadian supermarket retailer during the quarter.*

*“The margin improvement reported in the first half has continued through Q3 as a result of improved product quality, reduced product cost, and enhanced service performance, demonstrating the long-term viability of our business model.*

*“In October we launched our bottled Vashe product, which continues to be very well received in the clinical market. This next step in the evolution of the wound care portfolio enables easier adoption in the wound care setting and allows us to consider larger and more diverse markets for the product in future.”*

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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](http://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.