PuriCore plc

Final Results for the Year Ended 31 December 2008

Sales Increase 80.9% and Cashflow Significantly Improved

MALVERN, PENNSYLVANIA, AND STAFFORD, UK, 28 April 2009 — PuriCore (LSE: PURI), the life sciences company focused on developing and commercialising proprietary, green solutions that safely, effectively and naturally kill infectious pathogens without causing harm to human health or the environment, announces its Final Results for the year ended 31 December 2008 and the availability of its 2008 annual report on its website. PuriCore also announced today its Interim Management Statement for Q1 2009 (see separate release).

Financial Highlights

- Revenues up 80.9% to $33.7 million (2007: $18.6 million)
    - Food Safety sales up 147% to $19.4 million (2007: $7.9 million)
    - Endoscopy sales up 34.9% to $13.8 million (2007: $10.3 million)
- Operational cash outflow halved to $6.6 million (2007: $14.1 million)
- SG&A expenses down 10% (net of depreciation, amortisation, and non-cash share option expense)

Operational Highlights

- Sterilox Food Safety Systems installed in more than 2,400 retail stores (with two of the top-five chains implementing full network rollouts)
- Won Food Safety contracts totaling $35 million including all Safeway's North American stores
- Sterilox Systems used in a quarter of UK NHS endoscopy departments
- More than 4,000 wound therapy patients treated: clinicians report no adverse side effects
- New Sterilox Food Safety System Model 2200 launched
- Completed fundraisings
    - £8.4 million in equity
    - $9.7 million in debt
- Sterilox Solution found effective against H5N1 avian influenza
- Sterilox System approved for organic food processing by the Organic Materials Review Institute

Greg Bosch, Chief Executive of PuriCore, said:

"PuriCore delivered a strong performance in 2008, resulting in record revenues in both the US Food Safety and UK Endoscopy core businesses whilst operating expenses were more than halved. In the current year, we have continued to see increasing revenues and remain focused on improving gross margins whilst leveraging our operating expenses. We believe we are well-positioned to deliver another strong year of revenue growth and achieve profitability for both our core businesses during 2009."

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About PuriCore

PuriCore plc (LSE: PURI) is a life sciences company focused on developing and commercialising proprietary green solutions that safely, effectively, and naturally kill infectious pathogens without causing harm to human health or the environment. PuriCore's patented, proprietary technology mimics the human body's production of the natural antimicrobial hypochlorous acid, offering a safe and non-hazardous approach to disinfection and sanitisation. The Company's products are used in a broad range of markets that depend upon controlling contamination, including food retail and foodservice, medical device disinfection, and wound care. Hypochlorous acid is proven to be safe, environmentally friendly, and fast acting against a broad range of infectious pathogens, including major public health threats of *M.tuberculosis*, *MRSA*, *E.coli*, Norovirus, H5N1 Avian Influenza, HIV, *Salmonella*, Polio Virus, *Helicobater pylori*, and *Legionella*. PuriCore is headquartered in Malvern, Pennsylvania, with offices in Stafford, UK.

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

All 2008 financials are audited. All 2009 financials are unaudited.

Operating & Financial Review

2008 Business Report

We are pleased with PuriCore's 2008 performance with record sales, improving margins, and reduced operating expenses. The result of these efforts halved cash outflow from operations for 2008 compared with 2007, achieving a primary goal of the Company for the year.

As communicated in our Interim Report, we increased our focus on the core businesses—US Food Safety and UK Endoscopy—and initiated marketing efforts in therapeutic Wound Care. With this strategy, PuriCore had an excellent year with record revenues and installations of our Systems. At year end, we achieved 80.9% top-line growth (88.5% on a constant currency basis), total revenue of $33.7 million, and reduced our operating loss to $15.9 million, in line with market estimates.

Despite very challenging financial markets, we also significantly improved our balance sheet by halving operational cash outflow to $6.6 million. During the year, PuriCore completed successful fundraisings through a Placing and Open Offer, raising £8.4 million equity (gross), and the issuance of debt, raising $9.7 million. The Company had $20.7 million in cash at year end (including restricted cash of $2.1 million). We reduced expenses in both core businesses and significantly cut corporate costs, with an overall reduction of 10% in total operating expenses (net of depreciation, amortisation and non-cash share expense) compared with the prior year.

Core Business: US Food Safety

PuriCore's US Sterilox Food Safety business achieved outstanding growth in 2008 of 147%, primarily driven by placement of Sterilox Food Safety Systems by the major national chains. In the second half of the year, we received a contract for the remaining Safeway North American supermarkets, marking the chain-wide implementation for this top-five US supermarket retailer. Additionally, we received contract extensions totaling $11.1 million from our largest existing Sterilox Food Safety customers, including a top-five US supermarket. Late in the year, PuriCore launched its next-generation Sterilox Food Safety System Model 2200.

Overall, PuriCore placed more than 820 new Sterilox Systems in 2008. The total installed base of Sterilox Food Safety Systems was approximately 2,400 Systems at year end, representing about 10% of our target US supermarket sites. Further, we have identified additional sales opportunities for a second System within our active customer base, accounting for nearly 18% of the 44,000 total potential installations in our target market. In 2009, we will expand our efforts to gain more traction with regional supermarket chains, and we plan to enter the Canadian market in the second half of the year, adding another 5,000 stores to our target market.

Our Food Safety business will remain focused on the Retail sector as the Foodservice and Hospitality markets will continue to be impacted by the economic challenges facing US hotel and restaurant operators. We will, however, continue to support our established Foodservice distribution partners in several targeted US regions.

Core Business: UK Endoscopy

PuriCore's Sterilox Endoscopy business in the UK grew 46% in 2008 on a constant currency basis whilst greatly reducing operating expenses throughout the year. This growth was at its fastest pace ever despite an increasingly challenging economic environment. This performance resulted from higher unit placements as well as from a 25% increase in recurring revenue streams from lease contracts, service agreements, and related consumable products.

Margins in the Endoscopy business were lower than expected due to a higher percentage of distributed products but were in part offset by the lower expense base consciously reduced from late 2007 and throughout 2008.

We estimate that we now have 25% of the UK market for NHS hospital endoscope disinfection units and that 45% of these NHS units utilize at least one of our products.

New Market: Wound Care

By mimicking the human body's own immune response to infectious pathogens, the Directors believe that PuriCore's technology has significant commercial potential in therapeutic healthcare applications, including the treatment of chronic and acute wounds. We continued to explore and invest in these therapeutic applications for our core technology with encouraging results in 2008. Following overwhelmingly positive feedback from clinicians in our Wound Care pilot sites, we transitioned from an exclusively clinical development programme to early commercialisation of the Vashe Wound Therapy platform, achieving some initial sales late in the year. At year end, we have treated more than 4,000 patients across 20 clinical sites in the US and initiated targeted marketing programmes.

PuriCore also markets its antimicrobial solutions to Dental practices targeting biofilm remediation and clinically oriented applications for root canal procedures and oral rinses. Revenues from this application remain consistent with prior year and with internal expectations.

2008 Financial Report

Income Statement

PuriCore achieved excellent sales growth in 2008 with revenues of $33.7 million, an increase of 80.9% over 2007 (88.5% growth on a constant currency basis). Recurring revenues, which are generated from rental agreements, service contracts, and the sale of consumables, were $16.8 million and accounted for 50.0% of total revenue for 2008 (2007: $14.6 million, 78.6% of total revenue). Whilst the proportion of recurring revenue to total revenue decreased largely as a result of the $11 million capital Food Retail contract awarded in early 2008, the absolute increase in recurring revenue of approximately 21.1% is continuing validation of the Company's focus to grow recurring revenue.

Gross profit margin in 2008 improved 6.5 points over 2007 to 22.3%. We anticipate that sustained margin growth will continue to be achieved through increased volumes yielding a more effective leverage of the field service organisations and both core businesses selling a more profitable mix of product. In the second half of 2008, the Company began to recognise revenue from the first of two lease extensions announced in July. Totaling approximately $11.1 million, these contracts provide PuriCore with improved gross profit margins as the Company realizes value from continued utilization of these assets.

Operating Expense Controls

Even as PuriCore achieved an 80.9% increase in sales in 2008, the Company was able to reduce operating costs significantly compared with prior year. The result was 2008 operating expenses (comprising sales & marketing, research & development, and general & administrative expenses) totaling $23.4 million, 5% below prior year (2007: $24.6 million). Excluding depreciation, amoritisation, and share option compensation charges, operating expenses totaled $21.1 million, a 10% reduction (2007: $23.4 million). Most notably, general & administrative expenses in 2008 totaled $11.9 million compared with $14.1 million in 2007, a decrease of 16.1% resulting from the Company's growing experience as a public company and prudent cost control.

Sales & marketing expenses in 2008 totaled $7.6 million (2007: $8.0 million), a decrease of 4.8%.

Research & development costs in 2008 increased by 62% to $3.9 million (2007: $2.4 million), primarily as amortisation of development costs. Cash expenditures have been reduced, appropriately reflecting the Company being predominantly in a commercialisation phase and focusing its investments in core areas. The Company will continue to balance its investment in engineering, clinical development, chemistry, and microbiology with a focus on projects with near-term revenue and profitability.

Balance Sheet and Cashflow

As at 31 December 2008, PuriCore had cash equivalents (including restricted cash) of $20.7 million (compared with $18.9 million as at 31 December 2007). The completed Placing and Open Offer in late summer raised £8.4 million (£7.3 million net of expenses). Additionally, the Company raised $9.7 million to increase its working capital through the monetisation of cash flows from certain Food Retail lease contracts.

The Company also reduced inventory by $2.1 million to $3.6 million in 2008 (from $5.7 million at 31 December 2007), resulting from improved supply chain processes and a higher visibility of the sales pipeline that enabled more accurate inventory forecasting.

The result of this focus on improving our net loss and our continued diligent management of the critical balance sheet items was a reduction in cash outflow from operations to $6.6 million (2007: $14.1 million).

Outlook: Reducing Operating Expenses and Increasing Shareholder Value

With a strong current order book and anticipated order flow in both our core markets, we foresee solid top-line organic growth and profitability in our two core businesses in 2009. Operationally, we anticipate improving gross margins and continuing diligent cost controls to reduce further our cash burn rate.

Based on actions taken in both the US and UK, we plan continued operating cost reductions in 2009, leveraging expenses in the business units as well as reducing general and administrative expenses. Already, we have lowered general and administrative expenses by reducing the size of the Board of Directors by three members. These actions also specifically include compensation expenses: the Non-Executive Directors have implemented a 10% fee reduction for themselves for 2009, and employee salaries have been held firm for 2009.

Our entire organisation is committed to delivering value to our shareholders, and we have made it a clear objective to all team members. As such, we recently announced the award of performance-based share options. Vesting of these options is contingent upon two performance conditions to be achieved by 31 December 2011: half of the options will vest if the Company achieves a closing share price of 20p sustained for 90 trading days, and the remaining half will vest upon achieving earnings per share (EPS) of $0.05 in any given fiscal year.

The Directors firmly believe that the purpose of share options is both to provide an incentive toward exceptional performance and to align individual interests with shareholders. We grant options to both employees as well as Non-Executive Directors, as the Board disagrees with the Combined Code's recommendation against granting stock options to Non-Executive Directors.

2009 Key Strategies:

- Achieve cash-flow profitability and extend leadership in core businesses: US Food Safety and UK Endoscopy
- Focus on revenue growth, gross margin improvement, and further reduction of operational costs
- Establish solid traction and a revenue base in our Wound Care segment

Summary

We know that the world economy will continue to face serious challenges in 2009. However, we assure shareholders that throughout our organisation, we will continue to strive for excellence in the execution of our business processes to create a profitable, world-class company. We look forward to executing on our 2009 strategies and delivering excellent returns for our shareholders.

Christopher P.J. Wightman
Chairman

Gregory T. Bosch
Chief Executive Officer

28 April 2009

Consolidated Income Statement
For the Year Ended 31 December 2008

	2008 $	2007 $
CONTINUING OPERATIONS		
Revenue	33,717,650	18,642,124
Cost of sales	(26,207,658)	(15,703,628)
Gross Profit	7,509,992	2,938,496
Sales and marketing expenses	(7,614,128)	(7,997,289)
General and administrative expenses	(11,871,858)	(14,148,836)
Research and development expenses	(3,907,489)	(2,405,930)
Loss before Interest and Tax	(15,883,483)	(21,613,559)
Finance costs	(635,235)	(1,190,501)
Finance income	420,963	1,372,962
Net finance income	(214,272)	182,461
Loss before Taxation	(16,097,755)	(21,431,098)
Taxation	305,539	116,434
Loss for the Year	(15,792,216)	(21,314,664)
Attributable to:		
Equity Holders of the Parent	(15,892,535)	(21,314,664)
Loss per share	**$/share**	**$/share**
Continuing operations		
Basic and diluted	(0.09)	(0.14)

Consolidated Statement of Recognised Income and Expense
For the Year Ended 31 December 2008

	2008 $	2007 $
Exchange differences on translation of foreign operations	(3,929,297)	86,124
Net Income Recognised in Equity	(3,929,297)	86,124
Loss for the financial year	(15,792,216)	(21,314,664)

Total Recognised Income and Expense	(19,721,513)	(21,228,540)
Total Recognised Income and Expense Is Attributable to:		
Equity holders of the parent	(19,721,513)	(21,228,540)

Consolidated Balance Sheet
At 31 December 2008

	2008 **$**	**2007** **$**
ASSETS		
Non-Current Assets		
Intangible assets	5,587,558	6,042,265
Property, plant, and equipment	4,421,771	8,002,124
Restricted cash	980,607	-
Trade and other receivables	203,535	487,039
Total Non-Current Assets	11,193,471	14,531,428
Current Assets		
Inventories	3,627,095	5,683,726
Trade and other receivables	4,310,887	4,689,389
Restricted cash	1,085,489	3,033,000
Cash and cash equivalents	18,584,364	15,861,207
Total Current Assets	27,607,835	29,267,322
Total Assets	38,801,306	43,798,750
LIABILITIES		
Current Liabilities		
Trade and other payables	(6,486,069)	(7,326,745)
Loans and borrowings	(5,024,778)	(7,991,371)
Provisions	(93,872)	(93,870)
Total Current Liabilities	(11,604,719)	(15,411,986)
Non-Current Liabilities		
Loans and borrowings	(5,012,706)	(1,549,064)
Total Non-Current Liabilities	(5,012,706)	(1,549,064)
Total Liabilities	(16,617,425)	(16,961,050)
Net Assets	22,183,881	26,837,700

Consolidated Balance Sheet Continued
At 31 December 2008

	2008 **$**	**2007** **$**
EQUITY		
Share capital	3,933,521	2,777,795

Share premium	158,255,171	145,455,962
Other reserves	7,317,163	6,204,404
Retained earnings	(144,597,151)	(128,804,935)
Cumulative translation adjustment	(2,724,824)	1,204,474
Issued Capital and Reserves Attributable to Equity Holders of the Parent	22,183,881	26,837,700
Total Equity	22,183,881	26,837,700

Consolidated Cash Flow Statement
For the Year Ended 31 December 2008

	2008 $	**2007 $**
Cash Flows from Operating Activities		
Loss for the year	**(15,792,216)**	(21,314, 664)
Adjustments for:		
Taxation	**(305,539)**	(116,434)
Finance costs	**635,235**	1,190,501
Finance income	**(420,963)**	(1,372,962)
Depreciation, amortisation, and impairment	**5,611,893**	4,937,879
Share based payment expense	**1,112,759**	817,103
Loss on disposal of property, plant, and equipment	**143,581**	270,211
Operating Loss before Movement in Working Capital	**(9,015,250)**	(15,588,366)
Decrease/(increase) in inventories	**2,056,631**	(2,011,345)
Decrease in trade and other receivables	**497,752**	1,015,595
Decrease/(increase) in trade and other payables	**(840,678)**	1,031,617
Increase in provisions	**2**	1,881
Cash Absorbed by Operations	**(7,301,543)**	(15,550,618)
Interest received	**420,963**	1,372,962
Income tax credit received	**305,539**	116,434
Net Cash Flow from Operating Activities	**(6,575,041)**	(14,061,222)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	**(1,444,715)**	(3,294,420)
Cash paid for internally generated intangibles	**(779,936)**	(1,787,122)
Net Cash Flow from Investing Activities	**(2,224,651)**	(5,081,542)
Cash Flows from Financing Activities		
Issue of shares, options, and warrants	**13,954,935**	544,036
Proceeds from new bank loans	**9,737,997**	4,500,000
Repayment of borrowings	**(9,013,862)**	(9,519,069)
Interest paid on borrowings	**(470,981)**	(885,748)

Repayments of obligations under finance leases	**(50,467)**	(64,246)
Decrease in overdraft	**(176,617)**	(72,451)
Net Cash Flow from Financing Activities	**13,981,005**	(5,497,478)
Net Increase/(Decrease) in Cash and Cash Equivalents	**5,181,313**	(24,640,242)
Cash and cash equivalents at beginning of year	**18,894,207**	42,966,515
Effect of foreign exchange rate changes on cash held	**(3,425,060)**	567,934
Cash and cash equivalents	**18,584,364**	15,861,207
Restricted cash	**2,066,096**	3,033,000
Total Cash Held at End of Year	**20,650,460**	18,894,207

Basis of Preparation

PuriCore plc (the "Company") is incorporated in the UK. PuriCore, Inc., is incorporated under the laws of Delaware in the USA.

The Group financial statements are authorised for issue by the Board of Directors on 28 April 2009. 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 at 31 December 2008.

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 s230 of the Companies Act 1985 not to present its individual income statement and related notes.

The accounting policies set out below have, unless otherwise stated, been applied consistently throughout the year.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 32.

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.

Going Concern

The financial statements are prepared on a going concern basis, which the Directors believe to be appropriate for the reasons set out below.

The Group meets its day-to-day working capital requirements through cash reserves and external funding facilities. At 31 December 2008 cash held was $20.7 million (including $2.1 million restricted cash) and a draw down of $8.9 million had been made against an available line of credit. At 31 March 2009 cash held was $15.7 million.

Given the research and development and sales and marketing phase of the Group's life cycle and the continual work to develop further applications of PuriCore's Systems, the Group has incurred trading losses of $15.9 million in the current year (2007: losses of $21.6 million). In addition given the nature of the Group's operations, future income is dependent on securing additional contracts within the markets in which it currently operates and on developing new applications for PuriCore Systems and penetrating those related markets.

The Board has prepared projected cash flow information for the two years ending 31 December 2010. Given the nature of the business and operating losses incurred to date, management have sensitised these forecasts for a number of stress case scenarios, including a downturn in forecast trading and similar cost structure.

Based on the information above and the projected cash flow information, including the stress case forecasts, the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Segmental Analysis

The 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,' we have 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 2008	Endoscopy $	Food Safety $	Other $
Revenue	13,842,186	19,413,678	461,786
Loss Before Interest, Tax, Depreciation, and Amortisation	(1,193,933)	(522,623)	(1,004,799)
Depreciation and amortisation	(895,104)	(3,102,476)	-
Loss Before Interest and Tax[1]	(2,089,037)	(3,625,099)	(1,004,799)
Segment Assets			
Non-current assets	8,021,422	102,014	-
Current assets	3,303,056	4,544,960	344,801
Total assets	11,324,478	4,646,974	344,801
Segment Liabilities			
Current liabilities	(4,530,368)	(5,193,691)	-
Non-current liabilities	-	(4,904,851)	-
Total liabilities	(4,530,368)	(10,098,542)	-
Other Segment Items			
Capital expenditure: property, plant, and equipment	1,049,775	90,281	-
Capital expenditure: intangible assets	509,668	24,673	245,594

Table continued…

For the year ended 31 December 2008	Corporate & unallocated $	Total as reported for the Group $
Revenue	-	33,717,650

Loss Before Interest, Tax, Depreciation, and Amortisation	(7,550,235)	(10,271,590)
Depreciation and amortisation	(1,614,313)	(5,611,893)
Loss Before Interest and Tax[1]	(9,164,548)	(15,883,483)
Segment Assets		
Non-current assets	3,070,035	11,193,471
Current assets	19,415,019	27,607,835
Total assets	22,485,053	38,801,306
Segment Liabilities		
Current liabilities	(1,880,660)	(11,604,719)
Non-current liabilities	(107,855)	(5,012,706)
Total liabilities	(1,988,515)	(16,617,425)
Other Segment Items		
Capital expenditure: property, plant, and equipment	304,659	1,444,715
Capital expenditure: intangible assets	-	779,936

All business segments shown above are continuing.

For the year ended 31 December 2007	**Endoscopy $**	**Food Safety $**	**Other $**
Revenue	10,263,513	7,861,836	516,775
Loss Before Interest, Tax, Depreciation, and Amortisation	(7,054,985)	(2,802,303)	230,813
Depreciation and amortisation	(280,257)	(2,922,330)	-
Loss Before Interest and Tax [1]	(7,335,242)	(5,724,633)	230,813
Segment Assets			
Non-current assets	1,748,996	415,396	-
Current assets	5,435,474	8,358,745	226,191
Total assets	7,184,470	8,774,141	226,191
Segment Liabilities			
Current liabilities	(4,530,368)	(3,289,460)	-
Non-current liabilities	-	(1,471,006)	-
Total liabilities	(4,530,368)	(4,760,466)	-
Other Segment Items			
Capital expenditure: property, plant, and equipment	330,785	1,153,968	-

Capital expenditure: intangible assets	400,531	632,482	-

Table continued…

For the year ended 31 December 2007	**Corporate & unallocated $**	**Total as reported for the Group $**
Revenue	-	18,642,124
Loss Before Interest, Tax, Depreciation, and Amortisation	(7,049,205)	(16,675,680)
Depreciation and amortisation	(1,735,292)	(4,937,879)
Loss Before Interest and Tax [1]	(8,784,497)	(21,613,559)
Segment Assets		
Non-current assets	12,367,036	14,531,428
Current assets	15,246,912	29,267,322
Total assets	27,613,948	43,798,750
Segment Liabilities		
Current liabilities	(7,592,158)	(15,411,986)
Non-current liabilities	(78,058)	(1,549,064)
Total liabilities	(7,670,216)	(16,961,050)
Other Segment Items		
Capital expenditure: property, plant, and equipment	1,809,667	3,294,420
Capital expenditure: intangible assets	754,109	1,787,122

All business segments shown above are continuing.

1 Loss Before Interest and Tax represents the segment result for purposes of IAS 14. 31 December 2008 and 31 December 2007 loss includes a charge from “Corporate and unallocated” to Food Safety in the amount of $3.6 million and $3.3 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. 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.

Secondary Reporting Format – Geographical Segments

	Sales		***Segment assets***		***Capital expenditure***	
	2008 $	**2007 $**	**2008 $**	**2007 $**	**2008 $**	**2007 $**
Continuing Operations						
United Kingdom	13,842,186	10,263,513	11,324,478	7,427,549	1,248,092	1,293,430
United States	19,875,464	8,378,611	27,476,828	36,371,201	976,559	3,788,112
	33,717,650	18,642,124	38,801,306	43,798,750	2,224,651	5,081,542

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

Products and Services Provided

PuriCore's 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 reliable, safe, effective, and user-friendly. Given hypochlorous acid quickly breaks down into salty water, the Systems produce the Solutions on-site for immediate use.

Each System includes a combination of proprietary electrolysis cells, software, and control systems within a custom-designed unit. These proprietary control systems ensure that the optimum concentration of hypochlorous acid is produced consistently and reliably within narrow specification tolerances. The Solution produced is near neutral pH (between 5 and 7) to maximise the levels that are generally recognised to be substantially more biocidal yet safe. The Sterilox Systems can be remotely monitored and incorporate a series of internal controls to ensure that only effective solution is available for use.

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, 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. These processes include a manual cleaning step, automated washing, disinfection with an approved chemical/sterilant, and final wash with a bacteria-free rinse water. Sterilox Solution is a safe and effective method to disinfect these scopes.

US Food Safety—Sterilox Solution is a proven intervention to improve shelf life and home life for fresh produce, floral, and seafood. The patented technology produces a natural, green, food-safe sanitizer at a fraction of the costs of traditional chemicals whilst ensuring a safer product for supermarket consumers.

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.

US Wound Care—Vashe Wound Therapy is an FDA-cleared medical device for use in debriding, lubricating, and moistening chronic and acute wounds. It is a safe and effective alternative to common wound irrigants that inhibit wound healing.

Loss Per Share

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

	Group	
	2008 **$**	**2007** **$**
Loss		
Loss for the purpose of basic and diluted loss per share	(15,792,216)	(21,314,664)

Group

	2008 Number	2007 Number
Number of Shares		
Weighted average number of ordinary shares for the purpose of basic loss per share	178,550,685	151,901,613

	Group 2008 $/share	2007 $/share
Loss per Share		
From continuing operations:		
Basic and diluted	(0.09)	(0.14)

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.'

Operating Lease Rentals

	Group 2008 $	2007 $
Minimum lease payments under operating leases recognised as income in the year	9,398,057	8,212,653

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

	Group 2008 $	2007 $
Within one year	6,725,149	7,471,969
In the second to fifth years inclusive	8,524,148	3,557,356
After five years	92,346	-
	15,341,643	11,029,325

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

Post Balance Sheet Events

The Group granted options over Ordinary Shares in the Company to the Directors and PDMRs under the terms of the PuriCore plc 2006 Executive Omnibus Incentive Plan. The grant was announced 9 February 2009. The options over Ordinary Shares in the Company issued to Directors, PDMRs, and employees will vest upon the achievement of two performance conditions that must be met by 31 December 2011: 50% of the options will vest upon achieving a closing stock price of 20 pence sustained for 90 trading days, and the remaining 50% of the options will vest upon achieving earnings per share of $0.05 in any fiscal year.