PuriCore
Pure Science. Pure Life.

2014 Interim Financial Results

Endoscopy Business Sold; Strategic Review Underway; Presentation to Market Q4

8 August 2014 – PuriCore plc (LSE: PURI), a global company focused on safe and effective protection against the spread of infectious pathogens, today announces its interim financial results for the six months ended 30 June 2014.

Financial Highlights for the Continuing Operations*

As indicated in the Trading Update on 11 July 2014, the rebalancing of Supermarket Retail product mix, the absence of milestone payments, and higher service costs resulting from rapid concentrate roll-out affected period results.

- Group revenue decreased 30.5% to $8.6m (H1 2013: $12.3m)
  - Supermarket Retail revenue decreased 27.3% to $7.7m (H1 2013: $10.6m) due to a planned shift in product mix from capital to consumables as compared with prior period
  - Wound Care and Dermatology revenue constant at $0.9m, excluding milestones (H1 2013: $1.7m, which benefited from milestone payments of $0.8m)
- Gross margin: 28.2% (H1 2013: 33.1%) primarily due to a lack of all-margin milestone payments as well as higher service costs
- Operating expenses maintained at $6.1m (H1 2013: $6.1m)
- EBITDA** loss: $2.2m (H1 2013: loss of $1.1m) due to the decline in revenue
- Gross cash proceeds from sale of Endoscopy business: $28.0m received in July 2014; net proceeds: approximately $25.7m after purchase price adjustments and deal expenses
- Cash and cash equivalents
  - As at 30 June 2014: $1.2m (31 December 2013: $3.4m, including $1.9m Endoscopy cash)
  - As at 1 July 2014 following receipt of sale proceeds, pay-down of line of credit, and payment of certain deal related expenses: $26.8m
- Loans and borrowings as at 30 June 2014: $2.2m, of which $2.0m was repaid in July (31 December 2013: nil)

Operational Highlights

Food and Agriculture

- Produce market share increased to 26% of the target Supermarket Retail sector (the conversion of existing customers from equipment to concentrate created new recurring revenue but had no impact on market share as these Sterilox customers were previously counted)
- Floral market share increased to 13% of the target Supermarket Retail sector

Health Sciences

- Sold the Endoscopy business, PuriCore International Limited (PIL), to Cantel Medical for $28.0m in cash (gross)
- Initiated shipments under a Wound Care marketing and distribution agreement with Ueno Corporation for Vashe® in 15 Middle East and North African countries
- Launched NovaZo™ Wound Hydrogel Dressing, a complementary Animal Health product
- Developed two new products expected to launch in Q3 2014 in the Middle East and North Africa: Vashe Wound Hydrogel, a complementary Wound Care product, and PURICIDE™ hospital-grade hard-surface disinfectant

Strategic Review

- Initiated a strategic and operational review of the business to optimise the use of PIL sale proceeds to build shareholder value, the results of which will be communicated to the market in Q4 2014

* Continuing Operations comprises Supermarket Retail and Wound Care and Dermatology.
** Earnings before interest, tax, depreciation, amortisation, and non-cash equity-related charges.

Michael Ashton, Chief Executive, said:

"As we enter a new era for PuriCore, we continue to see strong market opportunities for our products and significant prospects for sustainable growth within and around our refocused businesses. Meeting the increased demand for our new Supermarket Retail business model emphasising recurring revenue through new concentrate products at such a rapid pace presented some challenges that we are addressing. The sale of the Endoscopy business provides the resources to enable us to capitalise on strategic opportunities to grow the Company in a targeted and disciplined manner. Our planning process is underway, and we look forward to reporting the outcome to the market later this year."

PuriCore will host a conference call for investors and analysts today at 2pm BST (9am EST). To participate, dial +44 (0)20 3139 4830 from the UK or +1 718.873.9077 from the US using pin code 67258174#. A recording of the call will be archived on the Company's website at investor.puricore.com/events.

Enquiries:

UK	**US**
FTI Consulting	**Sage Strategic Marketing**
Mo Noonan/Simon Conway	Jennifer Guinan
Victoria Foster Mitchell	+1 610.410.8111
+44 203 727 1000	jennifer@sagestrat.com

About PuriCore

PuriCore plc (LSE: PURI) is a global company focused on safe and effective protection against the spread of infectious pathogens without causing harm to human or animal health or to the environment. PuriCore's antimicrobial technology and complementary products are used in a well-established core business and emerging sectors of two broad markets: Food & Agriculture and Health Sciences. In the Food & Agriculture market, PuriCore's portfolio is used by thousands of US supermarket retailers, including three of the top-five, to provide savings in labour costs and improvements in inventory loss and to address cross contamination of pathogens on fresh produce and floral products. In the Health Sciences market, PuriCore's breakthrough wound care technology is used to treat chronic and acute wounds including diabetic ulcers and burns in humans, for atopic dermatitis as private-labelled dermatologic treatments for humans, and to manage wounds in all species of companion and farm animals in the animal health segment. PuriCore is headquartered in Malvern, Pennsylvania. To receive additional information on PuriCore, visit www.puricore.com.

Business Report

The Company remains focused on commercially leveraging its proprietary hypochlorous acid platform technology through its growth strategy of delivering more predictable recurring revenue and improving margins. The first half of 2014 culminated in the successful completion of the sale of PuriCore International Limited (PIL), the UK Endoscopy business, for $28.0 million in gross proceeds and marks the beginning of a significant new chapter for PuriCore. The Board has initiated a strategic and operational review of the business to optimise the use of the net proceeds from the sale of approximately $25.7 million (following purchase price adjustments and deal costs) to build shareholder value. This review covers growth investment strategies, operational efficiency initiatives, R&D programmes, potential strategic acquisitions, and a potential return to shareholders. Following review and approval by the Board, the strategic plan will be communicated to the market in Q4 2014.

As previously indicated in the Trading Update issued 11 July 2014, Group (comprising Continuing Operations) results for H1 2014 were lower than the comparable prior period. Group revenue decreased 30.5% to $8.6 million for the half year (H1 2013: $12.3 million). These results were driven largely by the strategic and planned rebalancing of the Supermarket Retail product portfolio from capital to consumables. In addition, the Wound Care and Dermatology business did not benefit in 2014 from milestone payments that were a significant portion of revenue in the first half of 2013.

Food and Agriculture: Supermarket Retail

In the Supermarket Retail business, the rebalancing of product mix from exclusively capital equipment to more recurring-revenue consumable products is a new business model. Encouragingly, in-market demand for ProduceFresh and FloraFresh implementations has been strong with existing and new customers adopting the new products. Based on ongoing Management analysis, PuriCore's produce market share as at period end increased to 26% of the Supermarket Retail addressable market (24% as at 31 December 2013), of which ProduceFresh represented 4% of the current market share. Whilst there were many successful conversions of existing produce customers from capital equipment to consumable products, thus creating a new recurring revenue stream for the consumable product, these conversions do not add to the market share as they were previously counted. PuriCore's success in floral increased the market share to 13% (8% as at 31 December 2013) of the Supermarket Retail addressable market, all of which is consumable product.

Due to the planned rebalancing of the product mix as customers transitioned to consumable products and capital equipment sales declined, revenue for the period decreased 27.3% to $7.7 million (H1 2013: $10.6 million). The Company is working closely with customers on staff training to optimise the efficient and effective use of the new concentrate delivery systems as they are rolled out. The Board remains confident that with enhanced investment in sales and marketing resources, accelerated market share growth can continue to be achieved. In addition, meeting the high demand for ProduceFresh and FloraFresh implementations in a short timeframe resulted in higher than expected service costs during the period, negatively impacting gross margins. These service issues are being addressed as an operational priority.

Health Sciences: Wound Care and Dermatology

The Wound Care and Dermatology business showed progress in H1 with the addition of new customers including initial shipments under the Company's Wound Care marketing and distribution agreement with Ueno Corporation in 15 Middle East and North African countries. However, without the benefit of comparable milestone payments, revenue decreased 49.9% to $0.9 million (H1 2013: $1.7 million, including $0.8 million in milestone payments). Excluding milestones, underlying revenue was constant between H1 2014 and H1 2013. Based on this flat performance, the Company is currently assessing partnerships to determine the best approach to leverage distribution relationships and manage new product launches.

The Company also continued to focus on new product opportunities in the broader segment to drive sales. In April 2014, PuriCore launched a complementary product for the Animal Health market, NovaZo Wound Hydrogel Dressing. During the period, PuriCore developed two new products in preparation for launch in Q3 in the Middle East and North African market: Vashe Wound Hydrogel, a complementary Wound Care product, and Puricide hospital-grade hard-surface disinfectant.

Income Statement

Group revenue decreased 30.5% to $8.6 million for the half year (H1 2013: $12.3 million) primarily due to the rebalancing of the Supermarket Retail product mix from capital equipment to consumables products and the absence of Health Sciences milestone payments in 2014 compared with those received in the first half of 2013.

Gross profit margin decreased to 28.2% (H1 2013: 33.1%), and EBITDA loss was $2.2 million (H1 2013 loss: $1.1 million). The decline was due to a lack of comparable all-margin milestone payments in Health Sciences and higher than expected service costs arising from the rapid new concentrate implementations. Operating expenses remained flat as planned at $6.1 million (H1 2013: $6.1 million). The Company intends to increase investment in sales and marketing as well as R&D related to the Continuing Operations in the second half of this year.

Balance Sheet

The balance sheet was strong following the Endoscopy business sale. As at 30 June 2014, cash and cash equivalents were $1.2 million (31 December 2013: $3.4 million including $1.9 million Endoscopy cash) and borrowings on the line of credit were $2.2 million (31 December 2013: nil). The Company had a receivable of $28.0 million as at 30 June 2014 representing the proceeds that were transferred the following business day. The net proceeds of the sale were invested upon receipt in July 2014 in cash equivalents and $2.0 million of the outstanding line of credit balance was repaid. The Company continues to maintain the revolving line of credit to support potential future needs. After receipt of the proceeds on 1 July 2014 and following the pay-down of the line of credit and payment of a portion of deal expenses, cash and cash equivalents were $26.8 million.

Cash Flow

PuriCore absorbed $2.3 million in cash flows from operating activities during the period, including $1.6 million absorbed by Continuing Operations and $0.7 million absorbed by Discontinued Operations (H1 2013: cash generation of $0.8 million, comprising $1.6 million absorbed by Continuing Operations and $2.4 million generated by Discontinued Operations), driven by meeting working capital needs of the business. In addition, $2.1 million was used to invest in capital needs, $1.6 million of which related to Continuing Operations, primarily the installation of concentrate delivery systems assets. The Company also borrowed $2.2 million on the line of credit, $2.0 million of which was repaid with the sale proceeds in July.

Discontinued Operations

As previously announced, the Company sold the entire issued share capital of PIL to Cantel Medical International B.V. on 30 June 2014. Gross proceeds were $28.0 million, and net proceeds are approximately $25.7 million after deal costs and purchase price adjustments. The sale of PIL was completed at the close of business on 30 June 2014 with cash held in the Company's solicitor's accounts until transfer the following day; therefore, the proceeds are shown as a receivable as at 30 June 2014.

Net profit from Discontinued Operations totaled $21.8 million comprising a book gain on the sale of $21.1 million in addition to operating profit for the six-month period of $0.7 million (H1 2013: $1.2 million). Delays in orders for capital equipment whilst the market awaited the new endoscope washer as well as management distraction led to an overall reduction in revenue and profit between H1 2014 and H1 2013.

Outlook

PuriCore continues to identify both significant market opportunities and prospects for sustainable growth within and around refocused Continuing Operations. The sale proceeds provide the resources to enable the Company to identify and execute strategic growth opportunities in a targeted and disciplined manner. The strategic planning process is underway, the results of which will be communicated to the market later this year.

Financial Statements

Continuing Operations comprise the Company's Supermarket Retail business and the Wound Care and Dermatology business. PIL's results for all periods presented in the Statement of Comprehensive Income are reflected as Discontinued Operations. The Statement of Changes in Equity and the Statement of Financial Position for the period ended 30 June 2014 reflect PIL as discontinued. The Cash Flow Statement for the period ended 30 June 2014 reflects PIL results and the sale within operating and investing activities. In these three statements, prior periods are as previously presented, inclusive of the now Discontinued Operations.

Consolidated Statement of Comprehensive Income
For the six-month periods ended 30 June 2014 and 2013 and the 12-month period ended 31 December 2013

	30 June 2014 $	**30 June 2013 $**	**31 December 2013 $**
CONTINUING OPERATIONS			
Revenue	**8,568,258**	12,325,164	31,455,227
Cost of sales	**(6,151,724)**	(8,244,791)	(21,696,394)
Gross Profit	**2,416,534**	4,080,373	9,758,833
Sales and marketing expenses	**(1,773,049)**	(1,575,092)	(3,872,017)
General and administrative expenses	**(3,259,436)**	(3,626,756)	(6,478,614)
Research and development expenses	**(1,056,993)**	(878,257)	(2,270,257)
Total Operating Expenses	**(6,089,478)**	(6,080,106)	(12,620,887)
Loss from Continuing Operations before Interest and Tax	**(3,672,944)**	(1,999,733)	(2,862,054)
Finance costs	**(36,329)**	(47,053)	(45,644)
Finance income	**206,399**	2,399	84,138
Loss on discount of convertible bond[1]	**-**	(5,800,671)	(5,800,671)
Net Finance Income/(Costs)	**170,070**	(5,845,325)	(5,762,177)
Loss from Continuing Operations before Taxation	**(3,502,874)**	(7,845,058)	(8,624,231)
Taxation	**-**	-	-
Loss from Continuing Operations	**(3,502,874)**	(7,845,058)	(8,624,231)
Profit from Discontinued Operations, net of tax[2]	**21,833,904**	1,152,711	2,234,139
Profit (Loss) Attributable to Equity Holders of the Parent	**18,331,031**	(6,692,347)	(6,390,091)
Other Comprehensive Income/(Loss)			
Items that Will Not Be Reclassified to Profit and Loss	**-**	-	-
Items that Are or May Be Reclassified to Profit and Loss:			
Foreign currency translation differences for foreign operations not recognised in Consolidated Statement of Comprehensive Income	**(70,047)**	(683,753)	(137,552)
Total Comprehensive Profit/(Loss) Attributable to Equity Holders of the Parent	**18,260,984**	(7,376,100)	(6,527,643)
Profit (Loss) per Share, Basic	**0.37**	(0.15)	(0.13)
Profit (Loss) per Share, Diluted	**0.36**	(0.15)	(0.13)
Loss per Share, Continuing Operations, Basic and Diluted	**(0.07)**	(0.16)	(0.17)

1 Exceptional item is the $5.8 million non-cash loss recorded as a result of the discount of the conversion price on the converted loan notes.
2 See Discontinued Operations for details.

Consolidated Statement of Financial Position
As at dates noted

	30 June 2014 $	30 June 2013 $	31 December 2013 $
ASSETS			
Non-Current Assets			
Intangible assets	1,112,572	4,820,825	5,079,009
Property, plant, and equipment	2,702,744	2,802,639	2,336,102
Non-current lease and other receivables	2,690,765	40,664	3,048,459
Deferred tax asset	-	1,855,376	1,950,860
Total Non-Current Assets	6,506,081	9,519,504	12,414,430
Current Assets			
Inventories	1,078,736	4,694,323	3,123,905
Receivable – Sale of subsidiary	28,011,991	-	-
Trade and other receivables	2,869,732	9,145,615	7,089,045
Cash and cash equivalents	1,179,637	4,197,228	3,438,868
Total Current Assets	33,140,096	18,037,166	13,651,818
Total Assets	39,646,177	27,556,670	26,066,248
LIABILITIES			
Current Liabilities			
Trade and other payables	(3,331,683)	(14,269,259)	(12,637,237)
Other payables – Sale of subsidiary	(2,352,447)	-	-
Loans and borrowings	(2,234,475)	(949,009)	-
Provisions	-	(75,919)	(148,928)
Total Current Liabilities	(7,918,605)	(15,294,187)	(12,786,165)
Total Liabilities	(7,918,605)	(15,294,187)	(12,786,165)
Net Assets	31,727,572	12,262,483	13,280,083
EQUITY			
Share capital	8,515,641	8,515,641	8,515,641
Share premium	180,109,315	180,109,315	180,109,315
Other reserves	8,920,034	8,564,384	8,733,527
Retained earnings	(163,343,936)	(181,977,219)	(181,674,963)
Cumulative translation adjustment	(2,473,483)	(2,949,638)	(2,403,436)
Issued Capital and Reserves Attributable to Equity Holders of the Parent	31,727,571	12,262,483	13,280,084
Total Equity	31,727,571	12,262,483	13,280,084

Consolidated Cash Flow Statement
For the six-month periods ended 30 June 2014 and 2013 and the 12-month period ended 31 December 2013

	30 June 2014 $	30 June 2013 $	31 December 2013 $
Cash Flows from Operating Activities			
Profit/(Loss) for the period	18,331,031	(6,692,347)	(6,390,093)
Adjustments for non-cash:			
Finance costs	36,329	47,053	45,644
Finance income	(205,681)	(2,399)	(84,138)
Loss on Discount of Convertible Bond	-	5,800,671	5,800,671
Taxation	-	-	(100,581)
Depreciation and amortisation	2,612,284	1,344,402	2,891,544
Share based payment and warrant expense	186,504	33,106	202,251
Loss on disposal of property, plant, and equipment	9,207	63,605	183,152
Operating Profit before Movement in Working Capital	20,969,674	594,091	2,548,450
Increase in Receivable for Sale of PIL	(28,011,991)	-	-
Increase in other payables related to Sale of PIL[1]	2,352,447	-	-
Decrease in PIL Net Assets upon Sale	1,118,371	-	-
Decrease/(Increase) in trade and other receivables	1,025,323	(2,469,336)	(3,285,258)
(Increase)/Decrease in inventories	(473,696)	564,520	2,303,250
Increase/(Decrease) in trade and other payables	519,779	2,136,496	(496,506)
Cash (Absorbed by)/Generated from Operations	(2,500,093)	825,771	1,069,936
Finance income	205,681	2,399	84,138
Taxes received	-	-	380,339
Net Cash Flows from Operating Activities	(2,294,412)	828,170	1,534,413
Cash Flows from Investing Activities			
Purchases of property, plant, and equipment	(1,607,028)	(346,836)	(1,013,044)
Purchases of Intangible Assets	(539,931)	(702,792)	(1,226,537)
Net Cash Flows from Investing Activities	(2,146,959)	(1,049,628)	(2,239,581)
Cash Flows from Financing Activities			
Proceeds from borrowings	2,234,475	-	-
Interest paid on borrowings	(36,329)	(47,053)	(45,644)
Issue of shares and options, net of costs	-	2,452,829	2,520,606
Repayment of borrowings	-	(210,764)	(797,378)
Net Cash Flows from Financing Activities	2,198,146	2,195,012	1,677,584
Net (Decrease)/Increase in Cash and Cash Equivalents	(2,243,225)	1,973,554	972,416
Cash and Cash Equivalents at Beginning of Year	3,438,868	2,537,145	2,537,145
Effect of Foreign Exchange Rate Changes on Cash Held	(16,006)	(313,471)	(70,693)
Total Cash and Cash Equivalents Held at End of Period	1,179,637	4,197,228	3,438,868

[1] Represents deal expenses and purchase price adjustments.

Condensed Consolidated Statement of Changes in Equity
For the six-month periods ended 30 June 2014 and 2013 and the 12-month period ended 31 December 2013

	30 June 2014 $	**30 June 2013** $	**31 December 2013** $
Balance at beginning of year	13,280,084	(1,408,885)	(1,408,885)
Total recognised income and expense	18,331,031	(6,692,347)	(6,390,091)
Other comprehensive profit (loss)			
Foreign currency translation for foreign operations	(70,047)	(683,753)	(137,552)
Total other comprehensive loss	(70,047)	(683,753)	(137,552)
Total comprehensive profit (loss) for the period	18,260,984	(7,376,100)	(6,527,643)
Transactions with owners, recorded directly in equity			
Shares issued, net of costs	-	21,014,361	21,014,361
Share-based payment and warrant movement	186,504	33,106	202,251
Total contributions by and distributions to owners	186,504	21,047,467	21,216,612
Balance end of period	31,727,572	12,262,483	13,280,084

Basis of Preparation
PuriCore plc (the "Company") is domiciled in the United Kingdom. The consolidated interim financial statements of the Company as at and for the six months ended 30 June 2014 and 2013 and the consolidated financial statements as at and for the 12 months ended 31 December 2013 comprise the Company and its subsidiaries (together referred to as the “Group”).

As at 30 June 2014, the Company sold the entire issued share capital of PuriCore International Limited (PIL), the Company’s UK Endoscopy business. Accordingly, PIL’s operational results have been included as a discontinued operation for all periods presented. A discontinued operation is a component of the Group’s business that represents a separate major line of business that has been disposed. Classifications as a discontinued operation occurred upon disposal and the comparative income statements have been re-presented as if the operation had been discontinued from the start of the comparative period.

The consolidated interim financial statements are the responsibility of the Directors and were authorised and approved by the Board of Directors for issuance on 8 August 2014.

The interim financial statements for the periods ended 30 June 2014 and 2013 are unaudited and do not comprise statutory accounts within the meaning of Sections 434 and 435 of the Companies Act of 2006.

Statement of Compliance
These interim financial statements have been prepared in accordance with IAS 34, ‘Interim Financial Reporting,’ as adopted by the EU. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the group for the year ended 31 December 2013.

The comparative figures for the financial year ended 31 December 2013 are not the Company's statutory accounts for the financial year. The statutory accounts for the year ended 31 December 2013, which were prepared under International Financial Reporting Standards adopted by the EU ("Adopted IFRS"), have been reported on by the Company's auditors and delivered to the Registrar of Companies. The report of the auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.
The accounting policies set out in the annual report and accounts for the year ended 31 December 2013 have been applied consistently throughout the Group for the purpose of these consolidated interim financial statements.

For the purposes of Rule 4.2.9(2) of the Disclosure and Transparency Rules, this report has not been audited or reviewed by the auditors pursuant to the Auditing Practices Board Guidance on Review of Interim Financial Information.

Significant Accounting Policies
As required by the Disclosure and Transparency Rules of the Financial Services Authority, this condensed set of financial statements has been prepared by the Group by applying the same accounting policies as were applied by the Group in its published consolidated financial statements as at and for the year ended 31 December 2013.

Use of Estimates and Judgments
The preparation of interim financial statements required management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2013.

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 balances and bank revolving line of credit secured on the Group's accounts receivables, inventory, equipment, general intangibles, intellectual property, and other personal property assets. As at 30 June 2014 the Group, which excludes the Endoscopy business, had $1.2 million of cash and cash equivalents and $2.2 million of outstanding loans and borrowings. Cash proceeds from the sale of the Endoscopy business were received on 1 July 2014, a portion of which was used to repay $2.0 million of the outstanding line of credit balance and satisfy a portion of deal expenses leaving cash of $26.8 million as at 1 July 2014. The Board considers that the Group will continue to operate with sufficient funding and within its debt covenants, and accordingly these interim financial statements have been prepared 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. Within Wound Care and Dermatology, the Group has classified certain businesses including Animal Health, Dental, and other business development activities.

An analysis of the Group's business segments is as follows.

	For the six months ended 30 June 2014			
	Supermarket Retail $	**Wound Care & Dermatology $**	**Corporate & unallocated[1] $**	**Total $**
Revenue	7,694,704	873,554	-	8,568,258
Gross Profit	1,926,026	490,508	-	2,416,534
Loss before Interest, Tax, Depreciation & Amortisation, and share-based payment and warrant expense	(563,471)	(590,089)	(1,037,261)	(2,190,821)
Share-based payment and warrant expense	-	-	(186,507)	(186,507)
Depreciation and amortisation	(528,868)	(68,088)	(698,660)	(1,295,616)
Loss before Interest and Tax	(1,092,339)	(658,177)	(1,922,428)	(3,672,944)
Total Segment Assets as at 30 June 2014	9,315,626	1,312,966	29,017,585	39,646,177

	For the six months ended 30 June 2013			
	Supermarket Retail $	Wound Care & Dermatology $	Corporate & unallocated[1] $	Total $
Revenue	10,581,817	1,743,348	-	12,325,165
Gross Profit	2,811,195	1,269,179	-	4,080,373
Profit / (Loss) before Interest, Tax, Depreciation & Amortisation, and share-based payment and warrant expense	298,451	94,178	(1,474,060)	(1,081,431)
Share-based payment and warrant expense	-	-	(33,108)	(33,108)
Depreciation and amortisation	(570,854)	(121,354)	(192,986)	(885,194)
Loss before Interest and Tax	(272,403)	(27,176)	(1,700,154)	(1,999,733)
Total Segment Assets as at 30 June 2013	4,499,842	1,100,722	6,786,869	12,387,433

	For the 12 months ended 31 December 2013			
	Supermarket Retail $	Wound Care & Dermatology $	Corporate & unallocated[1] $	Total $
Revenue	28,862,629	2,592,598	-	31,455,227
Gross Profit	8,698,042	1,060,791	-	9,758,833
Profit / (Loss) before Interest, Tax, Depreciation & Amortisation, and share-based payment and warrant expense	3,705,550	(1,598,727)	(2,676,032)	(569,210)
Share-based payment and warrant expense	-	-	(202,251)	(202,251)
Depreciation and amortisation	(1,416,186)	(262,466)	(411,943)	(2,090,595)
Profit / (Loss) before Interest and Tax	2,289,364	(1,861,193)	(3,290,227)	(2,862,056)
Total Segment Assets as at 31 December 2013	8,470,055	1,268,315	2,115,345	11,853,714

[1] Corporate and unallocated includes costs associated with operating the Company.

Revenue by Geographical Areas

	Revenue		
	For the six months ended		For the year ended
	30 June 2014	30 June 2013	31 December 2013
	$	$	$
US, Continuing Operations	8,568,258	12,325,165	31,455,227
UK, Discontinued Operations	-	11,785,536	23,297,125
	8,568,258	24,110,701	54,752,352

The geographic areas above are segregated based on the location of the respective operating division of the Company.

Products and Services of the Continuing Operations
PuriCore is a global company focused on safe and effective protection against the spread of infectious pathogens without causing harm to human or animal life or to the environment. PuriCore's antimicrobial technology and complementary products are used in well-established core businesses and emerging sectors broad markets: Food and Agriculture and Health Sciences. In the Food and Agriculture market, PuriCore is a provider to US supermarket retailers for use in their produce departments to improve food safety, extend shelf life, and decrease food wastage. In Floral, PuriCore's products protect against fungal growth and extend the salable life of cut flowers in supermarkets. In the Health Sciences market, PuriCore's Wound Care technology is used worldwide to treat chronic and acute wounds including diabetic ulcers and burns in humans, for atopic dermatitis as private-labelled Dermatology treatments for humans, and to manage wounds in all species of companion and farm animals in the Animal Health segment.

PuriCore's products are used in the following areas.

US (and Canadian) Supermarket Retail – PuriCore sells its Sterilox Fresh Systems and ProduceFresh bottled concentrate solution as an intervention that aims to address food safety and to improve shelf life and home life for fresh produce to leading Supermarket Retail customers as well as FloraFresh bottled concentrate solution that aims to improve the shelf life of floral products whilst decreasing labour costs.

Global Wound Care and Dermatology (including Animal Health and Dental) – Vashe Wound Therapy is a US Food and Drug Administration (FDA)-cleared medical device for use in debriding, lubricating, and moistening chronic and acute wounds. PuriCore has marketing partnerships for Vashe Wound Therapy in North America as well as in 15 Middle East and North African countries. In addition, Vashe Skin and Wound Hydrogel is an FDA-cleared medical device for use in the management and relief of pain, burning, and itching experienced with various dermatoses including atopic dermatitis. The Company has a marketing partnership for private-labeled Dermatology products in the US utilising this itch regulatory clearance. PuriCore also sells the NovaZo line of Animal Health wound care products, including a solution and a hydrogel based on the Vashe technology, in the US. In the dental market, Sterilox Solution acts to decontaminate dental unit water lines and maintain acceptable water quality levels providing a safer, healthier work environment for patients and staff.

Discontinued Operations
PuriCore's Discontinued Operations represent its UK Endoscopy (including Surgical and Scientific) business. Management committed to sell the entire Endoscopy segment in June 2014. The Endoscopy business was not classified as held for sale as at 31 December 2013 or as at 30 June 2013; however, the comparative Statement of Comprehensive Income, Summary Statement of Cash Flows, and Statement of Financial Position for the Endoscopy segment are as follows.

	For the six months ended		For the 12 months ended
	30 June 2014	**30 June 2013**	**31 December 2013**
	$	**$**	**$**
Results of Discontinued Operations			
Revenue	**11,236,694**	11,785,536	23,297,125
Cost of sales	**(7,126,437)**	(7,740,275)	(15,323,827)
Gross Profit	**4,110,257**	4,045,262	7,973,298
Operating Expenses	**(3,270,437)**	(2,892,551)	(5,839,740)
Results from Operating Activities	**839,820**	1,152,711	2,133,558
Taxation (charge)/credit	**(98,325)**	-	100,581
Results from Operating Activities, net of Tax	**741,495**	1,152,711	2,234,139
Gain on Sale of Discontinued Operations	**21,092,409**	-	-
Profit from Discontinued Operations	**21,833,904**	1,152,711	2,234,139
Adjusted basic and diluted Earnings per Share from Discontinued Operations	**0.44**	0.01	0.04

	For the six months ended		For the 12 months ended
	30 June 2014	**30 June 2013**	**31 December 2013**
	$	**$**	**$**
Cash Flows Generated/(Absorbed) by Discontinued Operations			
Net Cash Flow from Operating Activities	(699,989)	2,452,082	3,502,565
Net Cash Flow from Investing Activities	(464,633)	(413,957)	(764,752)
Net Cash Flow from Financing Activities	-	-	-
Net Cash Flows (Absorbed)/Generated by Discontinued Operations	(1,164,622)	2,038,126	2,737,814

	As at		
	30 June 2014 $	30 June 2013 $	31 December 2013 $
ASSETS			
Non-Current Assets			
Intangible assets	2,517,498	3,029,752	3,389,339
Property, plant, and equipment	603,672	666,960	587,960
Deferred tax asset	2,014,753	1,855,376	1,950,860
Total Non-Current Assets	5,135,923	5,552,088	5,928,159
Current Assets			
Inventories	2,595,198	2,154,314	2,018,505
Trade and other receivables	3,680,096	4,383,723	4,398,645
Cash and cash equivalents	2,606,432	3,079,112	1,867,225
Total Current Assets	8,881,726	9,617,149	8,284,375
Total Assets	14,017,649	15,169,237	14,212,534
LIABILITIES			
Current Liabilities			
Trade, other payables and intercompany amounts	(10,292,846)	(22,667,470)	(21,297,005)
Provisions	-	(75,918)	-
Total Current Liabilities	(10,292,846)	(22,743,388)	(21,297,005)
Net Assets/(Liabilities)	3,724,803	(7,574,152)	(7,084,471)
Consideration received	28,011,991		
Expenses and purchase price adjustments	(2,352,447)		
Net Cash Inflow	25,659,544		

Transactions with Key Management Personnel
Key management personnel receive compensation in the form of salary, bonuses, short-term employee benefits, and share-based payment awards. Key management personnel (including those from the discontinued business) received total compensation of approximately $1,062,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: $984,000; 12 months ended 31 December 2013: $2,069,000). The increase during the six-month comparable periods is due to non-cash stock compensation expense related to the Value Creation Plan, for which there have been no share awards.

Risks
The Group continues to be affected by a number of risks. These risks are detailed beginning on page 12 of the Company’s 2013 Annual Report, a copy of which is available on the Company’s website, www.puricore.com. The sale of the UK Endoscopy business and consequent receipt of proceeds decreases risks associated with the Company’s cash position and ability to meet working capital requirements. Further, the sale had an effect on the diversity of revenue sources and customers, which the Company will seek to address as part of the strategic review process.

Responsibility Statement of the Directors in Respect of the Half Yearly Financial Report
We confirm that to the best of our knowledge the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

The interim management report includes a fair review of the information required by:

a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

The Directors of PuriCore plc are listed in the PuriCore plc Annual Report for 31 December 2013. This report is available at PuriCore plc's registered office at: c/o CMS Cameron McKenna LLP, Mitre House, 160 Aldersgate Street, London, EC1A 4DD, UK, and on the Company's website at www.puricore.com.

By order of the Board
Charles Spicer
Non-Executive Chairman

8 August 2014