



For immediate release

16 March 2009

TRISTEL plc

INTERIM RESULTS

Tristel plc (“Tristel” or the “Group”), the infection and contamination control business, today announces its interim results for the 26 week period ended 31 December 2008.

Financial highlights

- Revenue up 13.4% to **£3.146 m** (2007: £2.775 m)
- Gross profit up 11.8% to **£2.047 m** (2007: £1.831 m)
- Pre-tax profit up 10.1% to **£0.469 m** (2007: £0.426 m)
- Basic EPS **1.23p** (2007: 1.22p)
- Interim dividend increased by 5.2% to **0.405p** net per share (2007: 0.385p)
- Balance sheet: Total net assets of **£4.354 m** (31.12.2007: £2.699m)

Operational highlights

- Launched Dentel range to address the infection control needs of the dental practise
- Recently appointed distributors in Russia, Poland and Israel
- Export sales increased 28%
- Appointed Hertel UK as the exclusive UK distributor of legionella control dosing systems

Commenting on current trading Paul Swinney, Chief Executive of Tristel, said:

“The first half has seen yet another strong performance from the Group. Sales within our core UK hospital business increased by 16.9%, with products introduced within the past two years fuelling this growth. At the same time we continued to make excellent progress in our export business. Sales in the first half were 28% higher than in the comparable period last year.

“Reflecting our continuing progress we are pleased to announce the payment of an interim dividend of 0.405p per share, a 5.2% increase on last year.”

For further information, please contact:

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Chairman's Statement

During the first half our healthcare subsidiary, Tristel Solutions, achieved a very encouraging increase in turnover of 16.9% to £2.67m. New Tristel products that have been introduced over the past two years have fuelled this growth. These products are targeted at general hospital surfaces; hospital laboratories; ear, nose and throat (ENT) departments; cardiology, and ultrasound departments. With many of these products only now gaining real traction, we can look forward to developing strong momentum with them in the second half. Since the turn of the year we have launched a range of products, branded Dente!, that are targeted at the dental market.

Group turnover growth was held back to 13.4% as a result of a more pedestrian performance in our Tristel Technologies subsidiary, which we acquired in June 2006. The subsidiary's sales, which are into the legionella control and the food growing and processing industries, declined marginally by 3% to £0.476m (2007: £0.491m). We have responded to the more limited growth potential of this segment of our Group's business by combining our medical and non-medical sales teams. At the same time, we have appointed Hertel UK Limited as our primary distribution partner for the non-hospital sector of the United Kingdom legionella control market. Hertel is a global industrial services company with over 10,000 employees. One of its key strengths is in water treatment.

During the first half we experienced a minor decline in gross margin which is largely attributable to the movement in the Euro/Sterling exchange rate. This has raised the import price of the capital equipment that we have added to our product offering to the ENT department.

Group overheads increased in line with turnover growth. Excluding depreciation and amortisation they rose 13.3% to £1.397m from £1.233m.

Operating profits rose by 1.3% to £0.467m and, at the pre-tax level, profits increased by 10.1%

Dividend

We are declaring an interim dividend of 0.405p per share, an increase of 5.2%. The dividend will be paid on 22nd April 2009 to shareholders on the register at the close of business on 25th March 2009.

Current trading

Infection control continues to be a key priority within the National Health Service. This would also be true in the overseas countries in which we sell our products. At present, there is every indication that hospitals' expenditure on the consumable infection control products, that are the mainstay of our business, will be resilient to the difficult conditions in the wider economy.

For sound strategic reasons we commenced selling capital equipment at the start of the current financial year. The equipment is an automated washer for the endoscopes used in ENT departments. Our objective in doing so is to secure for the long term the dominant market position that we have created in ENT with our consumable products. The only cautionary note that needs to be made with respect to current trading is whether NHS capital spending is to be affected by the current economic climate. We sold fewer of the washers than we had budgeted for in the first half of the year. Whilst our ability to make up the shortfall in the second half will be influenced by the level of NHS and private hospital spending on capital items there can be no certainty that this will be the case.

Notwithstanding the above, the first half results are very solid and we look forward to a successful second half of the year.

Francisco A. Soler
Chairman

16 March 2009

CONDENSED CONSOLIDATED INCOME STATEMENT
RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	6 months ended 31 December 2008 (unaudited)	6 months ended 31 December 2007 (unaudited)	Year ended 30 June 2008 (audited)
Note	£'000	£'000	£'000
Revenue	3,146	2,775	5,961
Cost of sales	(1,099)	(944)	(1,950)
Gross profit	2,047	1,831	4,011
Other income	10	10	20
Administrative expenses – share based payments (IFRS2)	(20)	(15)	(37)
Administrative expenses – depreciation and amortisation	(193)	(147)	(309)
Administrative expenses – other	(1,377)	(1,218)	(2,417)
Total administrative expenses	(1,590)	(1,380)	(2,763)
Operating profit	467	461	1,268
Finance income	6	-	8
Finance costs	(4)	(35)	(59)
Net finance income	2	(35)	(51)
Profit before taxation	469	426	1,217
Taxation	(137)	(128)	(168)
Profit for the period	332	298	1,049
Attributable to:			
Equity holders of the parent	332	298	1,049
Profit per share from continuing operations	4		
Basic (pence)	1.23	1.22	4.17
Diluted (pence)	1.19	1.20	4.06

All amounts relate to continuing operations

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

	Share capital	Share premium account	Merger reserve	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000
1 July 2006	238	1,456	478	(166)	2,006
Profit for the period ended 31 December 2006				283	283
Dividends paid				(83)	(83)
Total recognised income and expense for the period	-	-	-	200	200
31 December 2006	<u>238</u>	<u>1,456</u>	<u>478</u>	<u>34</u>	<u>2,206</u>
Profit for the period ended 30 June 2007				268	268
Dividends paid				(174)	(174)
Shares issued	6	294	-	-	300
Share based payments – IFRS 2				30	30
30 June 2007	<u>244</u>	<u>1,750</u>	<u>478</u>	<u>158</u>	<u>2,630</u>
Profit for the period ended 31 December 2007				298	298
Dividends paid				(244)	(244)
Share based payments – IFRS 2				15	15
Total recognised income and expense for the period	-	-	-	69	69
31 December 2007	<u>244</u>	<u>1,750</u>	<u>478</u>	<u>227</u>	<u>2,699</u>
Profit for the period ended 30 June 2008				751	751
Dividends paid				(95)	(95)
Shares issued	25	913	-	-	938
Share based payments – IFRS 2				22	22
30 June 2008	<u>269</u>	<u>2,663</u>	<u>478</u>	<u>905</u>	<u>4,315</u>
Profit for the period ended 31 December 2008				332	332
Share based payments – IFRS 2				20	20
Dividends paid				(313)	(313)
Total recognised income and expense for the period	-	-	-	39	39
31 December 2008	<u>269</u>	<u>2,663</u>	<u>478</u>	<u>944</u>	<u>4,354</u>

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008

	6 months ended 31 December 2008 (unaudited) £'000	6 months ended 31 December 2007 (unaudited) £'000	Year ended 30 June 2008 (audited) £'000
Non-current assets			
Goodwill	779	774	779
Intangible assets	2,107	1,565	1,996
Property, plant and equipment	848	789	844
Investments	17	-	17
Deferred tax	33	-	33
	3,784	3,128	3,669
Current assets			
Inventories	874	528	638
Trade and other receivables	1,342	1,234	1,367
Cash and cash equivalents	-	248	81
	2,216	2,010	2,086
Total assets	6,000	5,138	5,755
Capital and reserves attributable to the company's equity holders			
Called up share capital	269	244	269
Share premium account	2,663	1,750	2,663
Merger reserve	478	478	478
Retained earnings	944	227	905
Equity attributable to equity holders of parent	4,354	2,699	4,315
Current liabilities			
Trade and other payables	1,046	1,543	958
Bank overdraft	11	269	5
Interest bearing loans and borrowings	48	79	46
Current tax liabilities	510	323	376
Total current liabilities	1,615	2,214	1,385
Non-current liabilities			
Deferred tax liabilities	-	182	-
Interest bearing loans and borrowings	31	43	55
Total non-current liabilities	31	225	55
Total liabilities	1,646	2,439	1,440
Total equity and liabilities	6,000	5,138	5,755

The financial statements were approved by the Board of Directors on 16 March 2009, and were signed on its behalf by:

Paul Barnes
Finance Director

16 March 2009

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR SIX MONTHS ENDED 31 DECEMBER 2008

	Note	6 months ended 31 December 2008 (unaudited) £'000	6 months ended 31 December 2007 (unaudited) £'000	Year ended 30 June 2008 (audited) £'000
Cash flows from operating activities				
Cash generated from operating activities	5	558	670	831
Interest paid		(4)	(35)	(59)
Corporation tax paid		-	(35)	(237)
		<u>554</u>	<u>600</u>	<u>535</u>
Cash flows from Investing activities				
Interest received		6	-	8
Purchases of intangible assets		(186)	(127)	(616)
Purchases of property, plant and equipment		(126)	(154)	(365)
Acquisition of investments		-	-	(17)
Proceeds on sale of property, plant and equipment		4	9	58
Net cash (used in) investing activities		<u>(302)</u>	<u>(272)</u>	<u>(932)</u>
Cash flows from Financing activities				
Loans received		-	-	140
Loans repaid		(26)	-	(139)
Share issues		-	-	1,000
Cost of share issues		-	-	(62)
Equity dividends paid		(313)	(244)	(339)
Net cash used in financing activities		<u>(339)</u>	<u>(244)</u>	<u>600</u>
Increase/(decrease) in cash and cash equivalents		<u>(87)</u>	<u>84</u>	<u>203</u>
Cash and cash equivalents at the beginning of the period		<u>76</u>	<u>(227)</u>	<u>(127)</u>
Cash and cash equivalents at the end of the period		<u>(11)</u>	<u>(143)</u>	<u>76</u>

NOTES TO THE ACCOUNTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2008

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

For the year ending 30 June 2008, the Group prepared consolidated financial statements under International Financial Reporting Standards ('IFRS') as adopted by the European Commission. These will be those International Accounting Standards, International Financial Reporting Standards and related interpretations (SIC-IFRIC interpretations), subsequent amendments to those standards and related interpretations, future standards and related interpretations issued or adopted by the IASB that have been endorsed by the European Commission. This process is ongoing and the Commission has yet to endorse certain standards issued by the IASB.

These condensed consolidated interim financial statements have been prepared under the historical cost convention. They are based on the recognition and measurement principles of IFRS in issue as adopted by the European Union (EU) and which are, or are expected to be, effective at 30 June 2009. 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 30 June 2008. These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 30 June 2008. The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

Accounting Policies

The interim report is unaudited and has been prepared on the basis of IFRS accounting policies.

The accounting policies adopted in the preparation of this unaudited interim financial report are the same as the most recent annual financial statements being those for the year ended 30 June 2008.

Segments

The Group has adopted IFRS 8 and reports its entire activities as one business. Accordingly, the Directors consider currently there to be only one reportable segment, being the development, manufacture and supply of products which utilise the group's chlorine dioxide technologies.

2. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information for the six months ended 31 December 2008 and 31 December 2007 has not been audited and does not constitute full financial statements within the meaning of Section 240 of the Companies Act 1985.

The financial information relating to year ended 30 June 2008 does not constitute full financial statements within the meaning of Section 240 of the Companies Act 1985. This information is based on the Group's statutory accounts for that period. The statutory accounts were prepared in accordance with International Financial Reporting Standards

("IFRS") and received an unqualified audit report and did not contain statements under section 237(2) or (3) of the Companies Act 1985. These financial statements have been filed with the Registrar of Companies.

3. RECONCILIATION OF OPERATING PROFIT TO ADJUSTED OPERATING PROFIT

	6 months ended 31 December 2008 (unaudited) £'000	6 months ended 31 December 2007 (unaudited) £'000	Year ended 30 June 2008 (audited) £'000
Reported operating profits before taxation	469	426	1,217
Add back			
share based payments (IFRS2)	20	15	37
amortisation of other intangibles	75	57	115
Adjusted operating profit	<u>564</u>	<u>498</u>	<u>1,369</u>

4. EARNINGS PER SHARE

The calculation of earnings per share is based on the following profits and number of shares:

	6 months ended 31 December 2008 (unaudited)			6 months ended 31 December 2007 (unaudited)			Yearended 30 June 2008 (audited)		
	Profit £'000	Number of shares '000	Pence per share	Profit £'000	Number of shares '000	Pence per share	Profit £'000	Number of shares '000	Pence per share
Adjusted earnings per share*	564	26,883	2.10	498	24,443	2.04	1,369	25,138	5.45
Reconciliation to reported earnings (net of tax at 30%):									
amortisation of other intangibles	(75)	-	-	(57)	-	-	(115)	-	-
share based payments (IFRS 2)	(20)	-	-	(15)	-	-	(37)	-	-
corporation tax provision	(137)	-	-	(128)	-	-	(168)	-	-
Basic earnings per share	<u>332</u>	<u>26,883</u>	<u>1.23</u>	<u>298</u>	<u>24,443</u>	<u>1.22</u>	<u>1,049</u>	<u>25,138</u>	<u>4.17</u>
Diluted earnings per share	<u>332</u>	<u>27,963</u>	<u>1.19</u>	<u>298</u>	<u>24,798</u>	<u>1.20</u>	<u>1,049</u>	<u>25,820</u>	<u>4.06</u>

* Adjusted earnings per share, excluding non-cash share based payments and amortisation of other intangibles, have been included as the Directors consider that this figure provides a more useful measure of the ongoing business, as it is a more accurate reflection of cash utilisation.

5. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	6 months ended 31 December 2008 (unaudited) £'000	6 months ended 31 December 2007 (unaudited) £'000	Year ended 30 June 2008 (audited) £'000
Prof it before taxation	469	426	1,217
Adjustments for:			
Depreciation and impairment	122	95	193
Amortisation – other intangibles	75	57	115
Share based payments expense (IFRS2)	20	15	37
(Profit)/Loss on disposal of property plant and equipment	(4)	5	(4)
Government grants	(10)	(10)	(20)
Finance costs	4	35	59
Loan charges	-	-	1
Finance income	(6)	-	(8)
Operating cash flows before movement in working capital	670	623	1,590
Increase in inventories	(236)	(40)	(150)
(Decrease)/Increase in trade and other receivables	25	(87)	(220)
Increase/(Decrease) in trade and other payables	99	174	(389)
Cash generated from operating activities	558	670	831

6. RELATED PARTY TRANSACTIONS

Transactions between the Group and Bruce Green

Under the terms of a technology licence agreement between the Group and Bruce Green, a director and shareholder in the Company, royalties of £122,452 (31 December 2007 £106,128) were paid during the period to Bruce Green Limited, a private company incorporated in England and Wales, owned by Mr Green.

Transactions between the Group and Tom Allsworth

Under the terms of a supply agreement between the Group and Medichem Limited, a private company incorporated in England and Wales, in which Mr Tom Allsworth, a shareholder in the Company, is a director and shareholder, monies totalling £102 (31 December 2007 £56,481) were paid during the period.

Transactions between the Group and Francisco Soler

On 20 June 2007 Tristel plc received a short term loan of £100,000 from World Financial Trading Corporation, which was repaid on 20 September 2007. A director and shareholder of Tristel plc, Mr Francisco Soler is a director of World Financial Trading Corporation, a member of the Financial Industry Regulatory Authority (FINRA) in the United States of America.

Transactions between the Group and Peter Clarke

Under the terms of a facilities agreement between the Group and Carolon Europe Limited, a private company incorporated in England & Wales, in which Mr Clarke has a beneficial shareholding and is a director, the Company invoiced £11,667 (31 December 2007 £3,333).

Transactions between the Parent and subsidiary companies

As at 31 December 2008, Tristel plc owed £1,075,266 (was owed £201,747 31 December 2007) by its subsidiary company Tristel Solutions Limited in respect of intra-group transactions.

Also at 31 December 2008, Tristel plc was owed £377,620 (owed £362,608 31 December 2007) to its subsidiary company Tristel Technologies Limited in respect of intra-group transactions.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Company and its subsidiaries will be disclosed in each undertakings statutory financial statements.