For immediate release
12 March 2012

TRISTEL plc
("Tristel" or "the Company")
Unaudited Interim Results for the six months ended 31 December 2011

Tristel plc (AIM: TSTL), the manufacturer of infection control, contamination control and hygiene products, announces its interim results for the six months ended 31 December 2011.

Financial highlights

- Revenue up 10.9% to **£5.061m** (2010: £4.565m)
- Overseas sales up 100.8% to **£0.775m** (2010: £0.386m)
- Gross margin increased to **68.6%** (2010: 65.5%)
- Pre-tax profit of **£0.262m** (2010: £0.433m)
- Basic EPS up 47.3% to **1.37p** (2010: 0.93p) as a result of R&D tax credit
- Interim dividend of 0.27p net per share (2010: 0.435p)
- Cash **£0.408m** (2010: £1.153m) – yet cash neutral over H1 (year end cash: £441k)

Operational highlights

- Manufacture of sterile packed disinfectants in the newly constructed cleanroom commenced in the period
- Tristel China has appointed fifteen regional distributors and sold 35 Stella units in the period
- Launch into the Australian hospital market with a strong reception for the Tristel Wipes System

Commenting on current trading, Paul Swinney, Chief Executive of Tristel, said:
"The revenue growth achieved in the first half augurs well for the future. Our UK hospital infection control business increased sales of instrument disinfectants by 23.2% in the areas that we focus upon today of ENT, urology and cardiology. We managed to slow the pace of decline in sales in our legacy UK business that focussed on digestive endoscopy. The three areas we invested heavily in last year (our own operations in China and Germany and the establishment of a third leg to our activities: the manufacture and sale of contamination control products to pharmaceutical and personal care manufacturers) together generated £396,000 in sales compared to £49,000 in the prior year. Sales in China and Germany – two of the world's largest healthcare markets – helped drive overseas sales as a proportion of group turnover to over 15%. All these new activities are still in their infancy and we can expect substantial contributions from them in the future."

"We have now levelled off our investment in people and overhead and as we continue to grow sales in the areas we invested in last year we will see a significant improvement in profitability".

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Chairman's Statement

After a difficult 2010-11, Tristel's performance in the first half of 2011-12 is very encouraging. We undertook an ambitious expansion programme in 2010-11 which involved a substantial ramp-up in people and overheads which depressed profits. We embarked on the expansion plan to establish a third leg of activity for the group: the pharmaceutical and personal care manufacturing sector, in so doing laying the foundations for continued long term sales growth; and to increase our involvement in the developing healthcare markets in the Middle, Near and Far East.

We were also striving to create a world-class manufacturing facility for the specialist disinfecting and cleaning products that we produce, including the capability to manufacture such products in sterile clean room conditions. We have achieved this goal in the first half of the year. Consequently, Tristel is now fully engaged in the manufacture and sale of disinfectants and cleaning products into three distinct marketplaces:

- hospital infection control;
- animal healthcare (principally veterinary practices) for infection control and general hygiene, and
- manufacturers of pharmaceutical and personal care products for contamination control in their manufacturing processes.

In hospital infection control, worldwide sales growth in the half year was 10%. However, this masks strong sales growth of 23.1% in the UK of our instrument disinfectants that we target at hospital departments such as ear, nose and throat, urology, cardiology and ultrasound. Further, we almost tripled sales of these instrument disinfectant products in overseas markets from £0.221m to £0.629m.

Sales growth in these targeted areas was offset by our declining involvement in digestive endoscopy in the UK, which was Tristel's original core activity. In this sector sales decreased period on period by 8.9%. However, comparing the first half of the current financial year to the second half of the last financial year, sales of the disinfectants used in digestive endoscopy were static, indicating that the pace of decline is slowing from that experienced in the past two years.

Animal healthcare sales increased by 5.4% to £1.047m.

Pharmaceutical sales generated £0.085m – a fraction of the contribution that we expect from this market as our sales activity gears up.

The gross margin increased to 68.6% from 65.5%, aided by the reduction in royalties paid on the sale of Tristel products following the royalty settlement concluded in November 2010.

During the period we put the finishing touches to our expansion programme in terms of factory improvements and increase in personnel. Investment in plant and equipment declined to £0.352m compared to £0.499m in the corresponding period in 2010-11. Headcount of 90 at 30 June 2011 (50 at 30 June 2010) increased only marginally during the half year to 95 at 31 December 2011. The ramp up in costs that we incurred to create a world-class manufacturing facility and to operate to Good Manufacturing Practice (GMP) is now largely behind us.

Overheads increased period-on-period by 25.2% to £2.777m (2010: £2.218m), but only by 12.4% when compared to overheads in the second half of the last financial year.

As a result of a faster rate of increase in overheads in the first half than in revenues, pre-tax profit declined to £0.262m from £0.433m in 2010-11. Benefitting from a tax credit related to R&D expenditure, post-tax profit increased to £0.531m (2010: £0.301m) and basic earnings per share have risen to 1.37p from 0.93p, a 47.3% increase.

The company has adequate cash and banking facilities to continue its growth trajectory.

Dividend

We are declaring an interim dividend of 0.27p, a decrease from the 0.435p paid at the interim stage last year. The interim dividend will be paid on 13 April 2012, to shareholders on the register at the close of business on 23 March 2012. The corresponding ex-dividend date will be 21 March 2012. This reflects the distribution policy that we communicated to shareholders at the time of our final results for 2010-11 (after adjusting the interim pay-out ratio for a full tax charge).

Current trading

Being on the ground daily, as we are in the National Health Service, we see clearly the massive pressure on our hospitals to reduce expenditures on goods and services. Fortunately, the innovations that we have brought to market in instrument decontamination, namely our Wipes System and Stella, whilst challenging orthodox methods of instrument disinfection, avoid the significant capital expenditures associated with them; yet they achieve the same clinical outcomes. We expect hospitals to continue their search for equal, and hopefully better healthcare, for the same or a lower spend, and for Tristel to benefit from such sensible house-keeping within our NHS.

Overseas, the positioning of our Tristel products is the same. They benefit healthcare systems under financial siege, as we witness on the Continent, and they benefit the developing healthcare markets because not only do they save money but they can be more speedily implemented and brought into service.

The investments that we have made since 2009 to enable us to manufacture disinfectants and hygiene products for animal healthcare and now for pharmaceutical and personal care manufacturers have achieved diversification whilst enabling us also to tap into growth markets.

Much of the investment made last year has still to bear fruit in terms of sales contribution but the scale up of our capabilities, both in terms of plant and people, is now behind us. We can look forward to a resumption of the consistent profit growth that marked our first six years on the AIM market.

Francisco A. Soler
Chairman
12 March 2012

CONDENSED CONSOLIDATED INCOME STATEMENT
RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

		6 months ended 31-Dec-11 (unaudited) £'000	6 months ended 31-Dec-10 (unaudited) £'000	Year ended 30-Jun-11 (audited) £'000
Revenue		**5,061**	**4,565**	9,287
Cost of sales		**(1,589)**	**(1,577)**	(3,387)
Gross profit		**3,472**	**2,988**	5,900
Other income		**-**	**3**	3
Administrative expenses – share based payments (IFRS2)		**(2)**	**(13)**	(29)
Administrative expenses – depreciation & amortisation		**(429)**	**(301)**	(663)
Administrative expenses – other		**(2,777)**	**(2,218)**	(4,689)
Total administrative expenses		**(3,208)**	**(2,532)**	(5,381)
Operating profit		**264**	**459**	522
Finance income		**4**	**4**	12
Finance costs		**(4)**	**(30)**	(28)
Results from equity accounted associate		**(2)**	-	2
Net finance (cost) / income		**(2)**	**(26)**	(14)
Profit before taxation		**262**	**433**	508
Taxation		**269**	**(132)**	(71)
Profit for the period		**531**	**301**	437
Attributable to:				
Equity holders of the parent		**546**	**318**	476
Non controlling interests		**(15)**	**(17)**	(39)
		531	**301**	437
Earnings per share from continuing operations				
attributable to equity holders of the parent	Note 4			
Basic (pence)		**1.37p**	**0.93p**	1.27p
Diluted (pence)		**1.30p**	**0.88p**	1.21p

All amounts relate to continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	6 months ended 31-Dec-11 (unaudited) £'000	6 months ended 31-Dec-10 (unaudited) £'000	Year ended 30-Jun-11 (audited) £'000
Profit for the period	**531**	**301**	437
Other comprehensive income			
Exchange differences on translating foreign operations	**6**	**(8)**	(73)
Other comprehensive income, net of tax	**6**	**(8)**	(73)
Total comprehensive income for the period	**537**	**293**	**364**
Attributable to:			
Equity holders of the parent	**552**	**310**	403
Non controlling interests	**(15)**	**(17)**	(39)
	537	**293**	364

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

	Share capital £'000	Share premium account £'000	Merger reserve £'000	Foreign exchange reserve £'000	Retained earnings £'000	Total £'000	Non controlling interests £'000	Total equity £'000
1-Jul-10	332	5,550	478	-	2,142	8,502	(8)	8,494
Transactions with owners:-								
Dividends paid	-	-	-	-	(464)	(464)	-	(464)
Share based payments – IFRS 2	-	-	-	-	13	13	-	13
Shares issued	68	3,601	-	-	-	3,669	-	3,669
	400	9,151	478	-	1,691	11,720	(8)	11,712
Profit for the period ended 31 December 2010	-	-	-	-	318	318	(17)	301
Other comprehensive income:-								
Exchange differences on translating foreign operations	-	-	-	(8)	-	(8)	-	(8)
Total comprehensive income	-	-	-	(8)	318	310	(17)	293
31-Dec-10	400	9,151	478	(8)	2,009	12,030	(25)	12,005
Transactions with owners:-								
Dividends paid	-	-	-	-	(174)	(174)	-	(174)
Share based payments – IFRS 2	-	-	-	-	16	16	-	16
	400	9,151	478	(8)	1,851	11,872	(25)	11,847
Profit for the period ended 30 June 2011	-	-	-	-	158	158	(22)	136
Other comprehensive income:-								
Exchange differences on translating foreign operations	-	-	-	(65)	-	(65)	-	(65)
Total comprehensive income	-	-	-	(65)	158	93	(22)	71
30-Jun-11	400	9,151	478	(73)	2,009	11,965	(47)	11,918
Transactions with owners:-								
Dividends paid	-	-	-	-	(48)	(48)	-	(48)
Share based payments – IFRS 2	-	-	-	-	2	2	-	2
	400	**9,151**	**478**	**(73)**	**1,963**	**11,919**	**(47)**	**11,872**
Profit for the period ended 31 December 2011	**-**	**-**	**-**	**-**	**546**	**546**	**(15)**	**531**
Other comprehensive income:-								
Exchange differences on translating foreign operations	**-**	**-**	**-**	**3**	**3**	**6**	**-**	**6**
Total comprehensive income	**-**	**-**	**-**	**3**	**549**	**552**	**(15)**	**537**
31-Dec-11	**400**	**9,151**	**478**	**(70)**	**2,512**	**12,471**	**(62)**	**12,409**

CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	6 months ended 31-Dec-11 (unaudited) £'000	6 months ended 31-Dec-10 (unaudited) £'000	Year ended 30-Jun-11 (audited) £'000
Non-current assets			
Goodwill	779	779	779
Intangible assets	6,951	5,983	6,843
Property, plant and equipment	1,591	1,335	1,496
Investments accounted for using the equity method	45	85	45
Deferred tax	4	127	11
	9,370	8,309	9,174
Current assets			
Inventories	1,890	1,587	1,613
Trade and other receivables	2,861	3,057	2,685
Cash and cash equivalents	408	1,153	441
	5,159	5,797	4,739
Total assets	**14,529**	14,106	13,913
Capital and reserves attributable to the Company's equity holders			
Called up share capital	400	400	400
Share premium account	9,151	9,151	9,151
Merger reserve	478	478	478
Foreign exchange reserves	(70)	(8)	(73)
Retained earnings	2,512	2,009	2,009
Equity attributable to equity holders of parent	**12,471**	12,030	11,965
Minority interest	**(62)**	(25)	(47)
Total Equity	**12,409**	12,005	11,918
Current liabilities			
Trade and other payables	1,901	1,513	1,879
Interest bearing loans and borrowings	64	38	49
Current tax liabilities	76	487	-
Total current liabilities	**2,041**	2,038	1,928
Non-current liabilities			
Interest bearing loans and borrowings	79	63	67
Total liabilities	**2,120**	2,101	1,995
Total equity and liabilities	**14,529**	14,106	13,913

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2011

		6 months ended 31-Dec-11 (unaudited) £'000	6 months ended 31-Dec-10 (unaudited) £'000	Year ended 30-Jun-11 (audited) £'000
Cash flows generated from / (used in) operating activities				
Cash generated from operating activities	Note 6	**213**	(114)	589
Corporation tax received / (paid)		**352**	(281)	(591)
		565	(395)	(2)
Cash flows used in investing activities				
Interest received		**4**	4	12
Purchase of intangible assets		**(243)**	(959)	(1,533)
Purchase of property, plant and equipment		**(352)**	(499)	(880)
Acquisition of investments		-	(13)	(4)
Proceeds on sale of property, plant and equipment		**8**	15	20
		(583)	(1,452)	(2,385)
Cash flows (used in) / generated from financing activities				
Loans issued / (repaid)		**27**	(1,155)	(1,140)
Interest paid		**(4)**	(30)	(28)
Share issue		**-**	3,900	3,900
Cost of share issue		**-**	(229)	(231)
Equity dividends paid		**(48)**	(464)	(638)
		(25)	2,022	1,863
(Decrease) / increase in cash and cash equivalents		**(43)**	175	(524)
Cash and cash equivalents at the beginning of the period		**441**	986	986
Exchange difference on cash and cash equivalents		**10**	(8)	(21)
Cash and cash equivalents at the end of the period		**408**	1,153	441

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

For the year ended 30 June 2011, 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 (the 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 2012. 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 2011. 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 2011. 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 2011.

2. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information for the six months ended 31 December 2011 and 31 December 2010 has not been audited and does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006.

The financial information relating to the year ended 30 June 2011 does not constitute full financial statements within the meaning of Section 434 of the Companies Act 2006. 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 498(2) or (3) of the Companies Act 2006. These financial statements have been filed with the Registrar of Companies.

3 SEGMENTAL ANALYSIS

The Group's operating segments are identified initially from the information which is reported to the chief decision maker. The operating segments are considered further based upon the nature of the product sold, the nature of production, the class of customer and the method of distribution. Management considers the Groups revenue lines to be split into three operating segments, which span the different Group entities.

3 SEGMENTAL ANALYSIS – continued

The first segment concerns the manufacture, development and sale of infection control and hygiene products which incorporate the Group's chlorine dioxide chemistry, and are used primarily for infection control in hospitals ("Hospital infection control"). This segment generates approximately 77% of Group revenues.

The second segment, which constitutes 21% of the business activity, relates to the contract manufacture of disinfection and cleaning products for sale to one entity, and onward distribution by that entity, principally into veterinary and animal welfare sectors ("Animal healthcare").

The third segment addresses the pharmaceutical and personal care product manufacturing industries ("Pharmaceutical") and constitutes less than 2% of Group revenues.

Within the hospital community, different aspects of infection control can be categorised into "vectors" or "routes of transmission" of infection. References to these "vectors" are made within the Chairman's Report. However, the Group does not report separately upon the vectors within its internal management information, and does not consider them to be separate sectors for the purposes of IFRS 8.

The operation is monitored and measured on the basis of the key performance indicators of each segment, and strategic decisions are made on the basis of turnover and gross profit generating from each segment.

The Group's centrally incurred administrative expenses, operating income, assets and liabilities cannot be allocated to individual segments.

3 SEGMENTAL ANALYSIS - continued

	6 months ended 31 December 2011 (unaudited)				**6 months ended 31 December 2010 (unaudited)**			**Year ended 30 June 2011 (audited)**			
	Hospital infection control	**Animal health care**	**Pharma-ceutical**	**Total**	**Hospital infection control**	**Animal health care**	**Total**	**Hospital infection control**	**Animal health care**	**Pharma-ceutical**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Revenue	**3,929**	**1,047**	**85**	**5,061**	3,572	993	4,565	7,163	2,086	38	9,287
Cost of material	**(1,097)**	**(460)**	**(32)**	**(1,589)**	(1,111)	(466)	(1,577)	(2,370)	(1,004)	(13)	(3,387)
Gross profit	**2,832**	**587**	**53**	**3,472**	2,461	527	2,988	4,793	1,082	25	5,900
Centrally incurred income and expenditure not attributable to individual segments:-											
Other operating income				**-**			3				3
Depreciation & amortisation of non financial assets				**(429)**			(301)				(663)
Other administrative expenses				**(2,777)**			(2,218)				(4,689)
Segment operating profit				**266**			472				551
Segment operating profit can be reconciled to Group profit before tax as follows:-											
Segment operating profit				**266**			472				551
Results from equity accounted associate				**(2)**			-				2
Share based payments				**(2)**			(13)				(29)
Finance income				**4**			4				12
Finance costs				**(4)**			(30)				(28)
Group profit before tax				**262**			433				508

The Group's revenues from external customers are divided into the following geographical areas:

	6 months ended 31 December 2011 (unaudited)				**6 months ended 31 December 2010 (unaudited)**			**Year ended 30 June 2011 (audited)**			
	Hospital infection control	**Animal health care**	**Pharma-ceutical**	**Total**	**Hospital infection control**	**Animal health care**	**Total**	**Hospital infection control**	**Animal health care**	**Pharma-ceutical**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
United Kingdom	**3,154**	**1,047**	**85**	**4,286**	3,186	993	4,179	6,159	2,086	38	8,283
Rest of the World	**775**	**-**	**-**	**775**	386	-	386	1,004	-	-	1,004
	3,929	**1,047**	**85**	**5,061**	3,572	993	4,565	7,163	2,086	38	9,287

4. EARNINGS PER SHARE

The calculations of earnings per share are based on the following profits and numbers of shares:

	6 months ended 31 December 2011 (unaudited)	**6 months ended 31 December 2010 (unaudited)**	**Year ended 30 June 2011 (audited)**
Retained profit for the period attributable to equity holders of the parent	**546**	318	476
	Shares '000 Number	**Shares '000 Number**	**Shares '000 Number**
Weighted average number of ordinary shares for the purpose of basic earnings per share	**39,985**	34,283	37,305
Effect of dilutive potential ordinary shares:			
Share options	**2,187**	1,931	1,985
	42,172	36,214	39,290
Earnings per ordinary share			
Basic	**1.37p**	0.93p	1.27p
Diluted	**1.30p**	0.88p	1.21p

5. DIVIDENDS

	6 months ended 31 December 2011 (unaudited) £'000	**6 months ended 31 December 2010 (unaudited) £'000**	**Year ended 30 June 2011 (audited) £'000**
Amounts recognised as distributions to equity holders in the period:			
Ordinary shares of 1p each			
Final dividend for the year ended 30 June 2011 of 0.12p (2010: 1.4p) per share	**48**	464	464
Interim dividend for the year ended 30 June 2011 of 0.435p (2010: 0.425p) per share	**-**	-	174
	48	464	638
Proposed interim dividend for the year ending 30 June 2012 Of 0.27p (2011: 0.435p) per share	**108**	174	48

The proposed interim dividend has not been included as a liability in the financial statements.

6. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATING ACTIVITIES

	6 months ended	6 months ended	Year ended
	31-Dec-11	**31-Dec-10**	**30-Jun-11**
	(unaudited)	**(unaudited)**	**(audited)**
	£'000	**£'000**	**£'000**
Profit before taxation	**262**	433	508
Adjustments for:			
Depreciation	**243**	175	392
Amortisation of intangibles	**186**	121	271
Impairment of intangibles	**-**	5	-
Results from associates	**2**	-	(2)
Share based payments expense (IFRS2)	**2**	13	29
Loss / (Profit) on disposal of property plant and equipment	**2**	(5)	(5)
Government grants	**-**	(3)	(3)
Finance costs	**4**	30	28
Finance income	**(4)**	(4)	(12)
Operating cash flows before movement in working capital	**697**	765	1,206
(Increase) /Decrease in inventories	**(277)**	(199)	(225)
(Increase) /Decrease in trade and other receivables	**(229)**	(582)	(641)
Increase / (Decrease) in trade and other payables	**22**	(98)	249
Cash generated from operating activities	**213**	(114)	589