

FOR IMMEDIATE RELEASE



19 May, 2009

## **BIOQUELL PLC**

### **Interim Management Statement**

BIOQUELL PLC (“BIOQUELL”) (LSE symbol: BQE) - provider of specialist decontamination technologies to the healthcare, life sciences and defence sectors - announces its Interim Management Statement for the period from 1 January, 2009 to 18 May, 2009.

#### **Financial position and performance of the Company**

Group revenues in the four month period between January 2009 and April 2009 were in line with the Board’s forecasts and were ahead of the same period last year.

During 2009 BIOQUELL has been investing, in line with plans established at the beginning of the year, in the expansion of its sales and marketing resources, taking advantage of the significant reductions in employment and location costs internationally as a result of the global recession. BIOQUELL has incorporated companies in Singapore (BIOQUELL Asia Pacific Pte. Limited) and Ireland (BIOQUELL Ireland Limited). The Group has also been investing substantially in new product development – and will launch a number of new products during this year.

In addition, BIOQUELL has purchased another building, next to its new headquarters in Andover, at an attractive price. This will enable the Group to satisfy increased demand for its products and services without encountering space constraints, improve the size and quality of its research & development facilities and provide improved product and service training to its employees and clients.

#### *Healthcare*

The Group continues to see increasing demand for its unique decontamination equipment and services in the international healthcare sector. In the US BIOQUELL recently won a further “proactive” contract from a major hospital to help drive down the “superbug” infection rate on a preventative basis using hydrogen peroxide vapour (“HPV”) decontamination equipment and BIOQUELL technicians located at the hospital. In the UK the Group is still waiting for the NHS Purchasing and Supplies Agency (PASA) to announce which companies have been awarded the NHS decontamination contract.

Recent global concerns over a Swine Fever pandemic have resulted in increased interest in BIOQUELL’s technology in both the healthcare and life

sciences markets (particularly organisations involved in vaccine production), although it currently appears that concerns over Swine Fever have abated. BIOQUELL has good data supporting the efficacy of its HPV decontamination technology against viruses and notes that its technology was deployed in hospitals in Asia during the SARS pandemic in 2003.

#### *Life Sciences*

The Group continues to see strong demand for its decontamination equipment and services from clients in the international life sciences sector. BIOQUELL typically sells into the biologically active parts of the life sciences market – for example vaccines and bio-pharmaceutical research / production. These markets tend to comprise higher margin products which, BIOQUELL believes, have not experienced a significant reduction in investment budgets. The Group is also seeing strong interest in its products and services from the Asia Pacific region, and the establishment of a regional office in Singapore should help BIOQUELL take increased market share during the year.

#### *Defence*

BIOQUELL has experienced high levels of defence-related activities so far this year. The Group's research & development, engineering and production teams are spending increasing amounts of time on work relating to the US Department of Defense's Joint Materials Decontamination System (JMDS) programme, which uses BIOQUELL's unique HPV technology to decontaminate biological and chemical weapons. Demand has also been strong for the Group's defence-related environmental control equipment.

#### *Other*

Trading in TRaC, the Group's specialist testing division, remains satisfactory despite the challenging economic climate in the UK.

Notwithstanding the investment in sales & marketing, new product development and the expansion of the Group's manufacturing facilities described above, the Group retains its strong balance sheet with a significant net cash position and unused overdraft facilities.

The Board remains confident of a satisfactory outcome for the first half.

- Ends -

#### **Enquiries**

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BIOQUELL PLC

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