



FOR IMMEDIATE RELEASE

19 November, 2010

**Bioquell PLC**  
**Interim Management Statement**

Bioquell PLC ("Bioquell") (LSE symbol: BQE) - provider of specialist bio-decontamination technologies to the Healthcare, Life Sciences and Defence sectors - announces its Interim Management Statement for the period from 1 July, 2010 to 18 November, 2010.

**Financial position and performance of the Company**

Group orders and revenues in the four month period between July 2010 and October 2010 were ahead of the same period for last year and were in line with the Group's projections.

*Healthcare*

Healthcare providers globally are continuing to face increasing difficulties from micro-organisms which lead to Healthcare Associated Infections ("HCAI"). We are continuing to experience higher levels of interest in our bio-decontamination technology from the Healthcare sector as hospitals seek to combat these increasingly problematic micro-organisms. Currently we are experiencing greater demand from the Healthcare sector in service bio-decontamination provision, particularly in relation to outbreak-related emergency deployments, however bio-decontamination equipment sales to hospitals are weaker than anticipated.

The development of the Group's wound-care product – BioxyQuell – continues to progress well, with the Technical file submission now having been made to the UK regulators. This will allow us to place the CE Mark on the product, an essential step in the commercialisation of this technology.

*Life Sciences*

The market for Bioquell's bio-decontamination equipment and service remains satisfactory in the Life Sciences sector and the key US market shows continuing signs of improvement. We are seeing robust growth in Asia - with good opportunities in China where we are in the process of establishing a wholly owned subsidiary in order to provide high quality sales, service and support to our multi-national pharmaceutical clients. In Europe enquiry levels remain encouraging but, in general

terms, there appears to be less funding available for capital investment.

### *Defence*

We have delivered a first tranche of prototypes to the United States Department of Defense's Joint Services Sensitive Equipment Decontamination ("JSSSED") programme. The next stage of the JSSSED programme will depend on the results of the testing and evaluation of these units against chemical and biological warfare agents.

We announced in September the award of a £3.6 million defence contract from a Middle Eastern customer relating to a Chemical, Biological, Radiological and Nuclear ("CBRN") filtration system. Since then significant work has been undertaken on the engineering and production-related activities required for this contract. We believe that there are other good opportunities for further CBRN-related contract wins.

### *TRaC*

TRaC – the Group's specialist testing, regulatory and compliance division – continues to perform strongly in somewhat challenging market conditions. We believe TRaC continues to gain market share and we are planning on investing further in TRaC's facilities as we anticipate more growth from this business.

### *Outlook*

In almost all territories the Group is seeing significantly more robust trading conditions than it experienced at the beginning of the year, although trading in the Life Sciences sector is still subdued in parts. The year-on-year increase in Group revenues in the 4 month period is encouraging. We continue to see interesting opportunities in the Healthcare sector as the threat posed by multi-drug resistant organisms is becoming more complex and increasingly problematic. TRaC is trading well – and we anticipate that this will continue.

The Group continues to have a strong balance sheet with a significant net cash position and an unused overdraft facility.

- Ends -

### **Enquiries**

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### **Notes to editors:**

- Bioquell is a UK-headquartered, international technology company with two divisions:
  - Bio-decon which sells specialist bio-decontamination products and services into the Healthcare, Life Sciences and Defence sectors, with most of its revenues generated from overseas customers; and
  - TRaC which provides specialist Testing, Regulatory and Compliance services, which are largely governed by regulations, principally to UK corporates.
- Bioquell's gas phase bio-decontamination technology is based around hydrogen peroxide vapour – which is highly efficacious at eradicating micro-organisms such as bacteria and viruses at room temperature – and is subsequently broken down using specialist catalysts to water vapour and oxygen at the end of the bio-decontamination process.
- Bioquell's bio-decontamination technology:
  - is used to eradicate "superbugs" – multi-drug resistant organisms as well as problematic viruses - from the hospital environment. Independent scientific research has demonstrated that 'bioquelling' hospital equipment and facilities reduces the rates of hospital acquired infection;
  - is used by bio-pharmaceutical, biotechnology and research institutions to provide sterile equipment and/or sterile working environments;
  - has been selected by the United States Department of Defense for the JSSEED programme to decontaminate sensitive equipment against biological and chemical warfare agents;
  - is used in other sectors where bioburden can create significant problems including, for example, the food industry; and
  - also comprises specialist filtration technology including peroxide catalysis and chemical, biological, radiological and nuclear ("CBRN") filtration systems used principally in the defence sector.
- Bioquell currently has overseas operations in the USA, France, Ireland and Singapore.
- TRaC sells its specialist testing services to the product development departments of a broad range of companies, principally based in the UK, with a particular focus on aerospace, military and telecoms clients.