



FOR IMMEDIATE RELEASE

16 May, 2011

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

Bioquell PLC ("Bioquell") (LSE symbol: BQE) - provider of specialist bio-decontamination technologies to the international Healthcare, Life Sciences & Defence markets and specialist testing services in the UK - announces its Interim Management Statement for the period from 1 January, 2011 to 15 May, 2011.

**Financial position and performance of the Group**

Group revenues in the four month period between January 2011 and April 2011 were ahead of the same period for last year and were in line with the Group's projections. Service revenues continue to grow strongly.

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

**Life Sciences**

We are continuing to see expanding opportunities – in research, clinical trials and production facilities - for Bioquell's bio-decontamination technology in the Life Sciences sector around the world. To support these developing opportunities, a substantial proportion of Bioquell's research & development activities is now focussed on the Life Sciences sector.

We are seeing varying levels of trading internationally with, for example, activity levels in the USA notably stronger than a year ago. We are completing the registration of our company in China; such registration will be important to enable us to build our market position in the fast-expanding Chinese market.

**Healthcare**

Orders have grown in our Healthcare business this year, including both equipment and service provision orders.

Generally we are seeing increasing international prospects for our bio-decontamination technology – which eradicates the germs responsible for hospital acquired infection ("HAI").

We are completing the process of CE marking our wound-care product, BioxyQuell. Once the CE marking process has been completed we will be able to start testing a number of different deployment models and routes to market.

**Defence**

We are continuing to work on activities related to the testing of the prototype equipment developed for the United States Department of Defense's Joint Services Sensitive Equipment Decontamination ("JSSSED") programme. The next stage of this and related programmes will depend on, among other things, the results of the testing and evaluation of the JSSSED prototype units against chemical and biological warfare agents.

We are pursuing a number of potential contracts in the UK and internationally for our chemical, biological, radiological and nuclear (CBRN) filtration and environmental control products, which are used principally in military vehicles. Encouragingly we are seeing increasing opportunities for these products in the key US defence market.

## TRaC

TRaC – the Group’s specialist testing, regulatory and compliance division – continues to perform well. The increasingly diverse number of services which TRaC now offers is helping to increase its revenues and build the business. Development of the new TRaC South facility is ongoing.

## Outlook

Overall we are seeing reasonable levels of activity in the UK and internationally, and there is increasing interest in our bio-decontamination technologies and specialist testing services.

- Ends -

## Enquiries

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## Notes to Editors

- Bioquell is a UK-headquartered, international technology company with two divisions:
  - Bio-decontamination 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 UK corporates with specialist Testing, Regulatory and Compliance services – many of which are required by national and international regulations.
- Bioquell’s gas phase bio-decontamination technology uses hydrogen peroxide vapour – which is highly efficacious at eradicating micro-organisms such as bacteria, viruses and fungi 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 by bio-pharmaceutical, biologics, biotechnology and research institutions to provide sterile equipment and/or sterile working environments – which is of particular interest to organisations working with biologically-derived drugs;
  - is used to eradicate drug resistant organisms associated with Hospital Acquired Infection 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;
  - was selected by the United States Department of Defense for the JSSD programme to decontaminate sensitive equipment against biological and chemical warfare agents;
  - benefits from a number of granted or pending patent filings in the UK and internationally;
  - 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, and is in the process of completing the registration of a company in China in response to demand for its equipment and bio-decontamination services from multi-nationals in the Life Sciences’ sector with facilities in China.
- TRaC sells its specialist testing services to the product development and engineering departments of a broad range of companies and organisations, principally based in the UK, with a particular focus on the aerospace, military and telecoms sectors.