



11 August 2010

Byotrol plc

**PROPOSED PLACING OF NEW ORDINARY SHARES AND
NOTICE OF GENERAL MEETING**

Byotrol plc ('Byotrol' or the 'Company'), a leading AIM listed anti-microbial hygiene company, is pleased to announce its intention to raise approximately £3.7 million (net of expenses) by way of a placing of new ordinary shares (the 'Placing').

Summary of the Placing:

- Placing of 26,666,671 Placing Shares at a price of 15p per share to raise approximately £3.7 million (net of expenses).
- The net proceeds of the Placing will be used to fund the Company's working capital requirements and to strengthen the Company's balance sheet.

Gary Millar, Chief Executive at Byotrol plc, said:

"I am delighted that we have successfully managed to conclude our fund raising which will enable us to take the business to the next stage in its development. The funding will provide us with the platform to build on our recent successes and execute a strategy aimed at creating a profitable and cash generative enterprise.

We intend to take the business forward by further developing our technical and marketing capabilities, supporting our innovative product pipeline and funding the working capital requirements of our growth strategy."

A circular containing a notice of general meeting convened for 9.00 a.m. on 31 August 2010 is today being sent to Shareholders outlining the terms of the Placing and seeking Shareholder approval to, inter alia, enable the Directors to allot the Placing Shares in connection with the Placing.

This summary should be read in conjunction with, and is subject to, the full text of the attached announcement.

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Arbutnot Securities Limited, which is regulated by the Financial Services Authority, is acting as nominated adviser and broker to the Company in relation to the Placing and will not be responsible to any person other than the Company for providing the protections afforded to its clients or for advising any other person on the contents of this announcement or any transaction or arrangement referred to herein.

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, shares in any jurisdiction in which such offer or solicitation is unlawful and, in particular, is not for distribution into the United States, Canada, Australia, the Republic of Ireland or Japan.

This announcement contains forward looking statements that involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of Byotrol, or industry results to be materially different from any future results, performance, developments or achievements expressed or implied by such forward looking statements.

PROPOSED PLACING OF NEW ORDINARY SHARES AND NOTICE OF GENERAL MEETING

Introduction

Byotrol is pleased to announce that it has conditionally placed with institutional, other investors and certain Directors in aggregate 26,666,671 Placing Shares at a price of 15p per share. Once completed, the Placing will raise approximately £3.7 million (net of expenses) for the Company. The net proceeds of the Placing will be used to satisfy the Company's anticipated working capital requirements relating to new business opportunities, build the marketing and technical capability to deliver the Company's strategy, strengthen the Company's balance sheet and finance the next generation product research.

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to the allotment of the Placing Shares as well as amending the Company's articles of association to remove references to authorised share capital which might otherwise restrict an issue of new Ordinary Shares. The Placing is also conditional upon the admission of the Placing Shares to trading on AIM.

In order to qualify for VCT/EIS treatment, the Placing is being conducted in two tranches. If the resolutions to be proposed at the General Meeting are approved, it is expected that the VCT/EIS Placing Shares will be admitted to trading on AIM at 8.00 a.m. on 1 September 2010 and the General Placing Shares will be admitted to trading on AIM at 8.00 a.m. on 2 September 2010.

The Placing is being made on a non pre-emptive basis as the time and costs associated with a pre-emptive offer resulting from the introduction of the EU Prospectus Rules

(which came into force in July 2005) are considered by the Directors to be excessive. The making of a pre-emptive offer would require the production of a prospectus which would have to comply with the Prospectus Rules and be pre-vetted and approved by the FSA.

Background and reasons for the Placing

The principal purpose of the Placing is to provide working capital for the Company. The funds will be used to support the Company's strategy set out in the 2010 Annual Report and Accounts. The success of the Company's new strategic direction has been evidenced by the recently announced deals with Tink's, Inc. and Robert McBride Limited. The new funds resulting from the Placing will also be applied to target further strategic opportunities which the Directors anticipate may arise.

The Company's cash resources were depleted during the year to 31 March 2010 due to the Company not breaking even, the effect on working capital caused by the timings of receivables as against payables and the uneven pattern of sales revenue.

The net proceeds of the Placing will, in conjunction with the Company's existing cash resources, be used to cover the working capital gap referred to above and to assist the Company in moving to profitability. In addition, the proceeds of the Placing will be used to further build marketing and technical capability to deliver the Company's strategy and to finance the next generation product research which is also partly funded by the NWDA grant.

Details of the Placing

The Company proposes to raise approximately £3.7 million (net of expenses) through the issue of the Placing Shares at the Placing Price. The Placing Price represents a discount of 25 per cent. to the closing middle market price of 20p on 10 August 2010. The Placing Shares will represent approximately 24.1 per cent. of the Company's enlarged issued share capital immediately following the Admission of both tranches of the Placing Shares.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Arbuthnot has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares at the Placing Price with certain institutional and other investors and certain Directors. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the GM, Admission of the VCT/EIS Placing Shares becoming effective on or before 8.00 a.m. on 1 September 2010 (or such later time and/or date as the Company and Arbuthnot may agree, but in any event by no later than 8.00 a.m. on 15 September 2010) and Admission of the General Placing Shares becoming effective on or before 8.00 a.m. on 2 September 2010 (or such later time and/or date as the Company and Arbuthnot may agree, but in any event by no later than 8.00 a.m. on 16 September 2010).

The Placing Agreement contains warranties from the Company in favour of Arbuthnot in relation to, *inter alia*, the accuracy of the information contained in the circular to Shareholders and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Arbuthnot in relation to certain liabilities it may incur in respect of the Placing. Arbuthnot has the right to terminate the Placing Agreement in certain circumstances prior to VCT/EIS Admission or General Admission

(as appropriate), including for an event of *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement.

Admission and dealings

Application will be made to London Stock Exchange plc for all of the Placing Shares to be admitted to trading on AIM. Subject to the fulfilment of the conditions of the Placing Agreement, it is expected that VCT/EIS Admission will become effective and that dealings in the VCT/EIS Placing Shares will commence at 8.00 a.m. on 1 September 2010 and that General Admission will become effective and that dealings in the General Placing Shares will commence at 8.00 a.m. on 2 September 2010 (or such later dates as the Company and Arbuthnot may agree, not being later than 8.00 a.m. on 15 September 2010 in the case of VCT/EIS Admission or 8.00 a.m. on 16 September 2010 in the case of General Admission).

Related Party Transaction

Arbuthnot has conditionally placed the Placing Shares at the Placing Price with various institutional and other investors and certain Directors, including the Ruffer Placing Shares placed with Ruffer. The issue of the Ruffer Placing Shares to Ruffer, a substantial shareholder of the Company, is classified as a transaction with a related party for the purposes of the AIM Rules. In accordance with the AIM Rules, the Directors, having consulted with the Company's AIM nominated adviser Arbuthnot, consider that the terms of the transaction (namely the subscription by Ruffer for the Ruffer Placing Shares at the Placing Price) are fair and reasonable insofar as the Shareholders are concerned.

Directors' Interests

The interests of the Directors who are participating in the Placing at the Placing Price (and their immediate families and or persons connected with them) in the enlarged issued share capital of the Company following the Placing will be as follows:

<i>Director</i>	<i>Number of General Placing Shares subscribed for in the General Placing</i>	<i>Resulting number of Ordinary Shares held after General Admission</i>	<i>Resulting holding as a percentage of the Company share capital in issue immediately after General Admission</i>
Ralph Kugler	206,000	923,333	0.83%
Gary Millar*	67,000	317,000	0.29%
Richard Bell	30,000	50,000	0.05%
Stephen Falder	60,000	5,095,854	4.60%
David McRobbie	60,000	4,234,887	3.82%
Till Medinger	91,000	206,000	0.19%

*Gary Millar's interest in the General Placing Shares will be held via A.K. Business Management Limited, in which he holds a beneficial interest of 70 per cent. of the share capital with his wife holding a 30 per cent. interest.

General Meeting

The circular to be sent to Shareholders today contains a notice convening the GM to be held at the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London, EC2Y 9AR on 31 August 2010 at 9.00 a.m. at which the Resolutions will be proposed for the purposes of implementing the Placing.

Copies of the circular incorporating the notice convening the GM will be available for collection from the offices of Arbuthnot Securities Limited, Arbuthnot House, 20 Ropemaker Street, London EC2Y 9AR for a period of one month from the date of this announcement and will also be available at the Company's website, www.byotrol.co.uk

PLACING STATISTICS

Placing Price	15p
Number of existing issued Ordinary Shares	84,116,411
Number of Placing Shares being placed on behalf of the Company	26,666,671
Estimated proceeds receivable by the Company, net of expenses	c.£3.7million
Number of Ordinary Shares in issue following the VCT/EIS Admission and the General Admission	110,783,082
Number of Placing Shares as a percentage of the enlarged issued share capital	24.1 per cent.

EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy	9.00 a.m. on 26 August 2010
General Meeting	9.00 a.m. on 31 August 2010
Admission and dealings in the VCT/EIS Placing Shares expected to commence on AIM	8.00 a.m. on 1 September 2010
Admission and dealings in the General Placing Shares expected to commence on AIM	8.00 a.m. on 2 September 2010

DEFINITIONS

The following definitions apply throughout this announcement, unless the context requires otherwise:

“Act”	the Companies Act 2006
“Admission”	the VCT/EIS Admission or the General Admission, together the “Admissions”, as appropriate
“AIM”	the AIM market of the London Stock Exchange plc
“AIM Rules”	the AIM Rules for Companies and the AIM Rules for Nominated Advisers published by the London Stock Exchange plc
“Arbuthnot”	Arbuthnot Securities Limited, the Company’s nominated adviser, broker and placing agent
“Byotrol” or “the Company”	Byotrol plc
“Board” or “Directors”	the board of directors of Byotrol
“General Admission”	admission of the General Placing Shares to trading on AIM
“General Meeting” or “GM”	the general meeting of the Company convened for 9.00 a.m. on 31 August 2010 (or any adjournment thereof)
“General Placing”	the conditional placing to be undertaken by Arbuthnot as agent for the Company of the General Placing Shares at the Placing Price
“General Placing Shares”	up to 21,840,998, but together with the VCT/EIS Placing Shares not exceeding 26,666,671, new Ordinary Shares which are to be conditionally placed in accordance with the terms of the Placing Agreement pursuant to the General Placing
“Form of Proxy”	the accompanying Form of Proxy for use by Shareholders in relation to the GM
“Group”	Byotrol and its subsidiaries and associated companies: Byotrol Technology Limited, Byotrol Consumer Products Limited and Byotrol, Inc.
“Notice of GM”	the notice of GM, set out at the end of the circular being posted to Shareholders today
“NWDA”	Northwest Regional Development Agency
“Ordinary Shares”	ordinary shares of 0.25 pence each in the share capital of the Company
“Placing”	the VCT/EIS Placing and the General Placing
“Placing Agreement”	the conditional agreement dated 10 August 2010 made between Arbuthnot and the Company pursuant to which the Placing Shares will be conditionally placed at the Placing Price
“Placing Price”	15 p per Placing Share
“Placing Shares”	the VCT/EIS Placing Shares and the General Placing Shares

“Prospectus Rules”	the Prospectus Rules of the Financial Services Authority
“Resolutions”	the resolutions set out in the Notice of GM
“Ruffer”	Ruffer LLP
“Ruffer Placing Shares”	the 6,766,700 new Ordinary Shares which are to be conditionally placed with Ruffer in accordance with the terms of the Placing Agreement
“Shareholders”	the persons who are registered as the holders of Ordinary Shares
“VCT/EIS Admission”	admission of the VCT/EIS Placing Shares to trading on AIM
“VCT/EIS Placing”	the conditional placing to be undertaken by Arbuthnot as agent for the Company of the VCT/EIS Placing Shares at the Placing Price
“VCT/EIS Placing Shares”	up to 13,333,333, but together with the General Placing Shares not exceeding 26,666,671, new Ordinary Shares which are to be conditionally placed in accordance with the terms of the Placing Agreement pursuant to the VCT/EIS Placing

Notes to Editors:

Byotrol plc (BYOT.L), quoted on AIM, is a leading microbial technology hygiene company, operating globally in the Health, Food, Leisure, Consumer, Industrial and Agriculture sectors, providing a low toxicity product with a broad-based and long lasting efficacy across all microbial classes; bacteria, viruses, fungi, moulds, microbacteria and algae.

The Byotrol product can be used as a stand alone product or as a complementary biocide additive to existing products to improve their performance in personal hygiene, domestic and industrial disinfection, odour control, food production and food management.

Founded in 2005, the Company has prioritised the development of a technology that creates easier, safer and cleaner lives through partnering with providers of essential goods and services. Byotrol is the catalyst behind the aptly named global ‘Hygiene Revolution’.