



15 June 2010

Byotrol plc

**UNAUDITED PRELIMINARY RESULTS
FOR THE YEAR ENDED 31 MARCH 2010**

Byotrol plc ('Byotrol' or 'the Group'), the leading AIM listed anti-microbial hygiene company, is pleased to announce its preliminary results for the 12 months ended 31 March 2010.

Highlights of the year

- Revenues up threefold from £0.93 million to over £3 million
- Loss after tax reduced to £1.83 million from £2.93 million
- Cash at year end of £0.77 million
- Byotrol technology being chosen and co-branded by Boots plc for their own brand anti-viral hand mousse
- An exploratory agreement with a major multinational consumer products company for potential exploitation of several markets with products containing Byotrol
- Acquisition of pet care specialist ByoFresh in February 2010
- First ever Halal hand hygiene system approved by the European Halal Development Association
- Byotrol awarded 'product of the year' by the Society of Food Hygiene and Technology

Post year end

- Grant of £0.44 million awarded by North West Development Agency
- Appointment of Gary Millar as Chief Executive in April 2010

Commenting on the results, Gary Millar, Chief Executive of Byotrol, said:

"2009/2010 was a year of significant achievement against the backdrop of a testing trading environment. Progress has been made in expanding our commercial agreements and our distribution network, with notable successes seen in consumer products joint venture, food and beverage supply chain agreements and the pet care market.

The hard work to date in establishing the Byotrol technology, its hygiene credentials and its potential markets, ensures the solid platform for growth that we are now able to exploit.”

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Notes to Editors:

Byotrol Plc (BYOT.L), quoted on AIM, is a leading microbial technology hygiene company, operating globally in the Health, Food, Consumer 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'.

Chairman's statement

I am delighted to present my statement covering my first full year as Chairman. The past year has seen the Group make good progress, despite the challenging economic conditions. Sales grew strongly, particularly in the first half year, and the second half exceeded market expectations. We also continued to strengthen the protection of our intellectual property with new patents applied for and existing applications being granted.

Financial results

During the year, the Group achieved revenues of £3,145,157 (2009: £929,847). The loss of £1,825,406 compared with a loss of £2,929,706 in the previous year. The balance sheet reflects a year end net worth of £3,560,529 (2009: £4,229,357) and the cash in hand was £766,215.

Our priority continues to be the acceleration of growth, with existing and new customers, whilst ensuring stringent cost management in the business.

Strategy

We continued to pursue a more focussed strategy concentrating on

- Healthcare: through our agreement with Synergy Health
- Food: through our distributors, Arco, Bunzl and Sorsky
- Consumer Products: through our joint venture, Byotrol Consumer Products. Discussions are advancing with a number of potential partners.
- Agriculture: through a network of niche distributors

People

I am delighted to welcome Gary Millar as our new Chief Executive Officer. Gary is an experienced senior executive with many years' experience in sales and marketing. David McRobbie has become the CEO of Byotrol Inc, and will focus on developing our business in the US, utilising his many years of experience in that market. Iain Duncan Smith stood down from the Board in May 2010, as his appointment to the Cabinet of the new Government required him to relinquish all outside interests. I would like to thank him for his contribution to the Group during the past twelve months.

On behalf of the Board, I would like to record our sincere thanks to all of the Byotrol team for their efforts during the past year. We are proud of the significant progress they have achieved, despite the challenging external conditions.

Current trading outlook

Since the year end we have been:

- awarded a prestigious NWDA GRAND award aimed at funding the next generation Byotrol technology
- granted further UK/European patents broadening the coverage of our technology protection

The Board believes that the Group is in a much stronger position than it was a year ago. A number of new business opportunities are in development and the timing of these will affect the Group's cash requirements which are constantly closely monitored by the Board. The current outlook is promising, despite the continuing general economic uncertainty.

Ralph Kugler
Chairman

Chief Executive's report

In assessing the highlights for the year under review, I must start by paying tribute to the outgoing CEO, David McRobbie, who has steered the company he co-founded from a start-up business into a global enterprise. David has been an unswerving advocate of Byotrol technology and the company he has helped to shape. The successes of the past year are due to his leadership of the Byotrol team.

Strategy

I have joined the company as CEO to transform the size and profitability of the business. In my first few weeks I have reviewed the significant progress made to date and I am confident that the potential for growth is realisable on the timescales we envisage. I am very impressed with the breadth of application for this remarkably powerful technology which, uniquely, combines superior anti-microbial impact, superior residual performance, an ability to be used in the most sensitive of applications due to its non corrosive characteristics, and significant economic drivers. I believe that this technology is world class - we have the best hand hygiene and surface hygiene systems in the world. I am hugely motivated by these facts and determined to realise the business success that this potential offers.

My first priority is to build on the success of last year and to quickly turn the business into a profitable, cash generative enterprise. Having reviewed our sector strategy and routes to market I believe we are well positioned to achieve that goal, but to do so we must be relentless in our execution.

Our overarching strategy is ultimately to make Byotrol a globally recognised ingredient brand. This will be achieved by building on recent success and the focused execution of our strategy of delivering growth in our Core areas. These will be developed in partnership with significant businesses already supplying into, or with the large scale capability to supply, these niche markets.

Our Core markets are:

- Healthcare
- Food and Beverage supply chain
- Consumer Products
- Agriculture

Central to our strategy is our belief that Byotrol's technological strengths, coupled with the potential for very wide incorporation into everyday products used worldwide, set it apart from other available technologies.

Healthcare

Byotrol signed its initial licensing agreement with Synergy Health plc in 2006 for exclusive access to healthcare markets in certain countries. During the year the Group received a payment of £450,000 under the agreement to extend Synergy's exclusivities in a number of European countries.

Healthcare customers are generally highly conservative, often responding slowly to new technologies. Despite this understanding, I am disappointed with the slow uptake of the technology in healthcare generally and by the NHS in particular. The outlook however is for a healthcare market which will be seeking to achieve improved efficiencies, which Byotrol can provide, as budgets come under pressure.

Against this growing sentiment for better performing and more cost effective solutions, the results released during the year of the very extensive Manchester Royal Infirmary trial are particularly encouraging. These results demonstrated Byotrol as superior to the current NHS Gold Standard for disinfection by outperforming it consistently during a closely supervised independent study that extended to 11 months. This was, we understand, the largest comparative study of disinfectants conducted in the UK for over 20 years. Not only is Byotrol better performing and more cost effective than the existing disinfection standard, further significant benefits accrue from its application to sensitive and expensive equipment routinely corroded by the existing disinfectant regime.

Food and Beverage supply chain

Byotrol's powerful instant killing of germs, *followed by long lasting germ protection after it has dried*, has particular advantages for the food industry. This industry is characterised by routinely high standards of hygiene. Any technology that can ensure and enhance those standards is rigorously scrutinised before being adopted. During this year I was delighted that the prestigious Society of Food Hygiene and Technology (SOFHT) awarded Byotrol its Product of the year for 2009. This is a tremendous recognition of our technology by experts in the field.

During the year we have conducted extensive trials with leading retailer Marks and Spencer which have produced excellent results when used in difficult-to-clean areas, where residual activity and the use of non-aggressive chemicals is required.

Good progress is being made in turning this differentiated offering into products supplying the food production industry via national and international distribution

businesses such as Arco Limited, Bunzl Retail Supplies Limited and Sorsky Limited. Many retailers have influence over the products used throughout their supply chain resulting in adoption of technologies throughout the supply chain at the behest of the ultimate retailer.

In the middle months of 2009 the potential of an H1N1 (the swine flu virus) pandemic created a sudden upswing in interest and demand for our products in this market, especially for hand hygiene. The Group was capable of responding rapidly to increases in demand that took place within days. By having strong arrangements with key contracted suppliers we were able to meet orders that others, constrained by internal capacity, were not.

Consumer Products

This is the largest potential market for our technology and success will be achieved in partnership with some of the world's largest companies and in association with some of the world's best known brands. Engaging with these companies is the task of our joint venture Byotrol Consumer Products Limited (BCP). Good progress has been made this year. Several international businesses are in detailed negotiation with BCP to take Byotrol technology into their markets of personal care, hand hygiene and a variety of household care products.

It was particularly pleasing that Boots chose to use Byotrol in their own brand anti viral hand mousse which is now available throughout the UK and carries the Byotrol brand on the front of its label. This is an indication of the potential for Byotrol to be made available to very large numbers of customers by jointly describing clear consumer benefits supported by outstanding and compelling scientific data.

In December 2009 BCP and Byotrol plc signed an exploratory agreement with a large USA based multinational corporation. For a consideration of \$250,000 we agreed to work with them exclusively in the fields of surface liquids and treated wipes for an agreed period. Significant effort is being dedicated to achieving a successful outcome from this major commitment by both parties and we expect to be able to update the market on developments in the near future.

In February 2010 we completed the acquisition of the assets of ByoFresh Limited, a small, successful niche user of Byotrol for pet care markets. Benefits have already been gained from this transaction. The acquisition has given us the vehicle to develop our presence in the valuable worldwide pet care market.

Agriculture

Independent testing and growing uptake by dairy farmers shows that Byotrol's gentle skin safe activity can bring real benefits to farmers who need to maintain high standards of cleanliness, without compromising animal welfare, whilst also operating in agricultural conditions with well known cost pressures.

Technical and Intellectual Property

Byotrol is a technology business and we work to ensure that we understand in detail the scientific bases for our lead over existing technology as well as ensuring that the proper patent protections are in place.

During the year our technology team, led by Dr Trevor Francis, has been strengthened by the addition of a number of experts in both microbiology and formulation chemistry. They are based at the I-TAC centre in the world renowned Daresbury Science Park in Cheshire, which provides us with modern laboratories and equipment at competitive rates. This provides us with a world class facility.

In the year several new patent applications were made to further protect our intellectual property and several existing applications were granted. Most importantly, the USA patent was granted in December 2009 providing David McRobbie, who is returning to the USA to oversee the development of Byotrol in one of the largest single potential markets for our products, with a platform to grow our presence there.

Byotrol Team

I would like to acknowledge the continued professionalism and dedication of the wider Byotrol team. They are already rising to the challenge of delivering a step change in the operational execution of our focussed strategy.

Gary Millar
Chief Executive

UNAUDITED CONSOLIDATED INCOME STATEMENT
for the year ended 31 March 2010

	2010	2009
	£	£
REVENUE	3,145,157	929,847
Cost of sales	(1,527,263)	(220,851)
GROSS PROFIT	1,617,894	708,996
Administrative expenses excluding depreciation and amortisation	(2,926,581)	(3,217,979)
Share based payments	(298,993)	(291,780)
Share of joint venture loss	(162,156)	(175,475)
LOSS BEFORE INTEREST, DEPRECIATION, AMORTISATION AND TAX	(1,769,836)	(2,976,238)
Amortisation	(18,659)	(21,872)
Depreciation	(40,026)	(20,537)
Finance income	3,217	36,662
Finance costs	(102)	(804)
LOSS BEFORE TAX CREDIT	(1,825,406)	(2,982,789)
Income tax credit	-	53,083
LOSS FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	(1,825,406)	(2,929,706)
Basic and fully diluted loss per share – pence	(2.18)	(4.92)

The loss before income tax credit arises from the Group's continuing operations.

UNAUDITED CONSOLIDATED BALANCE SHEET
As at 31 March 2010

	2010 £	2009 £
ASSETS		
Non-current assets		
Property, plant and equipment	159,519	63,184
Intangible assets	354,495	108,733
	<u>514,014</u>	<u>171,917</u>
Current assets		
Inventory	682,418	190,926
Trade and other receivables	1,597,882	1,002,605
Cash and cash equivalents	766,215	2,863,909
	<u>3,046,515</u>	<u>4,057,440</u>
TOTAL ASSETS	<u><u>3,560,529</u></u>	<u><u>4,229,357</u></u>
LIABILITIES		
Current liabilities		
Trade and other payables	1,135,703	400,684
Joint venture	115,199	100,907
Equity		
Share capital	210,290	209,290
Share premium account	12,290,897	12,163,897
Merger reserve	1,064,712	1,064,712
Retained deficit	(11,256,272)	(9,710,133)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	<u>2,309,627</u>	<u>3,727,766</u>
TOTAL EQUITY AND LIABILITIES	<u><u>3,560,529</u></u>	<u><u>4,229,357</u></u>

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2010

Group

	Share Capital £	Share Premium Account £	Merger Reserve £	Retained Earnings £	Total £
At 1 April 2008	111,655	7,875,772	1,064,712	(7,108,018)	1,944,121
Conversion of warrants	6,726	612,075	-	-	618,801
Placing of shares	90,909	3,909,091	-	-	4,000,000
Placing costs	-	(233,041)	-	-	(233,041)
Loss for the year	-	-	-	(2,929,706)	(2,929,706)
Exchange difference	-	-	-	35,811	35,811
Share based payments	-	-	-	291,780	291,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	209,290	12,163,897	1,064,712	(9,710,133)	3,727,766
Issue of shares	1,000	127,000	-	-	128,000
Loss for the year	-	-	-	(1,825,406)	(1,825,406)
Exchange difference	-	-	-	(19,726)	(19,726)
Share based payments	-	-	-	298,993	298,993
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2010	<u>210,290</u>	<u>12,290,897</u>	<u>1,064,712</u>	<u>(11,256,272)</u>	<u>2,309,627</u>

UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2010

	2010 £	2009 £
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the year before tax	(1,825,406)	(2,982,789)
Adjustments for:		
Share based payments	298,993	291,780
Depreciation	40,026	20,537
Amortisation	18,659	21,872
Profit on disposal of fixed assets	(4,037)	-
Finance income	(3,115)	(36,662)
Exchange gain or loss	(19,726)	35,811
Changes in working capital		
Increase in inventories	(491,492)	(68,754)
Increase in trade and other receivables	(580,985)	(73,357)
Increase/(decrease) in trade and other payables	735,019	(14,666)
NET CASH USED IN OPERATING ACTIVITIES	(1,832,064)	(2,806,228)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(118,664)	(42,022)
Proceeds from sale of tangible fixed assets	17,347	-
Payments to acquire intangible assets	(98,071)	(76,306)
Payments to acquire trade and assets	(69,357)	-
Interest received	3,115	36,662
NET CASH USED IN INVESTING ACTIVITIES	(265,630)	(81,666)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on issue of ordinary shares	-	4,618,801
Share issue costs	-	(233,041)
Tax credit received	-	53,083
NET CASH INFLOW FROM FINANCING	-	4,438,843
Net (decrease)/increase in cash and cash equivalents	(2,097,694)	1,550,949
Cash & cash equivalents at the beginning of the financial year	2,863,909	1,312,960
Cash & cash equivalents at the end of the financial year	766,215	2,863,909

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2010

1. SEGMENTAL INFORMATION

The Group's risks and rates of return are affected predominantly by the products and services it provides. As a result the Group's primary reporting format is business segments, which forms the basis of the information used by the chief operating decision maker. The Group's revenue, profit before taxation and net assets were all derived from its principal activities.

The joint venture is included in the product sales segment. Segmental information is presented using Group policies.

Primary reporting format: Business segments Year ended 31 March 2010	<i>Continuing operations</i>			Total
	Product sales	Licence fees	Royalties	
	£	£	£	£
REVENUE				
External revenue	2,619,360	502,113	23,684	3,145,157
Inter-segment sales	-	-	-	-
Total revenue	<u>2,619,360</u>	<u>502,113</u>	<u>23,684</u>	<u>3,145,157</u>
RESULT				
Segment result	(2,354,318)	502,113	23,684	(1,828,521)
Investment income	3,217	-	-	3,217
Finance costs	(102)	-	-	(102)
Loss before tax	<u>(2,351,203)</u>	<u>502,113</u>	<u>23,684</u>	<u>(1,825,406)</u>
OTHER INFORMATION				
Capital additions	414,092	-	-	414,092
Depreciation and amortisation	58,685	-	-	58,685
ASSETS				
Segment assets	3,540,884	-	19,645	3,560,529
Associates	-	-	-	-
Total assets	<u>3,540,884</u>	<u>-</u>	<u>19,645</u>	<u>3,560,529</u>
LIABILITIES				
Segment liabilities	1,250,902	-	-	1,250,902
Net assets	<u>2,289,982</u>	<u>-</u>	<u>19,645</u>	<u>2,309,627</u>

1 SEGMENTAL INFORMATION (continued)

Primary reporting format: Business segments Year ended 31 March 2009	<i>Continuing operations</i>			Total £
	Product sales £	Licence fees £	Royalties £	
REVENUE				
External revenue	484,801	440,000	5,046	929,847
Inter-segment sales	-	-	-	-
Total revenue	<u>484,801</u>	<u>440,000</u>	<u>5,046</u>	<u>929,847</u>
RESULT				
Segment result	(3,463,693)	440,000	5,046	(3,018,647)
Investment income	36,662	-	-	36,662
Finance costs	(804)	-	-	(804)
Loss before tax	<u>(3,427,835)</u>	<u>440,000</u>	<u>5,046</u>	<u>(2,982,789)</u>
OTHER INFORMATION				
Capital additions	118,328	-	-	118,328
Depreciation and amortisation	42,409	-	-	42,409
ASSETS				
Segment assets	3,952,501	276,000	856	4,229,357
Associates	-	-	-	-
Total assets	<u>3,952,501</u>	<u>276,000</u>	<u>856</u>	<u>4,229,357</u>
LIABILITIES				
Segment liabilities	411,591	-	-	411,591
Net assets	<u>3,540,910</u>	<u>276,000</u>	<u>856</u>	<u>3,817,766</u>

Geographical segments

The Group's operations are located in the United Kingdom and the United States of America.

The following table provides an analysis of the Group's sales by geography based upon location of the Group's customers.

1 SEGMENTAL INFORMATION (continued)

Secondary reporting format: Geographical segments Year ended 31 March 2010	United Kingdom £	North America £	Rest of the World £	Total £
External revenue	1,980,247	213,256	951,654	3,145,157
Carrying amount of segment assets	2,887,691	238,889	433,949	3,560,529
Capital additions	414,092	-	-	414,092
	<u>414,092</u>	<u>-</u>	<u>-</u>	<u>414,092</u>
Year ended 31 March 2009	United Kingdom £	North America £	Rest of the World £	Total £
External revenue	523,666	159,265	246,916	929,847
Segment assets	3,959,992	188,032	81,333	4,229,357
Capital additions	118,328	-	-	118,328
	<u>118,328</u>	<u>-</u>	<u>-</u>	<u>118,328</u>

2. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge as the Group has made losses in both the current and the previous year. At 31 March 2010 the Group had an unrecognised deferred tax asset relating to unutilised trading losses and other timing differences of £2,564,873 (2009: £2,397,932).

3. LOSS PER SHARE

	2010 £	2009 £
Loss on ordinary activities after taxation	<u>(1,825,406)</u>	<u>(2,929,706)</u>
Weighted average number of shares (No) For basic and fully diluted loss per ordinary share	<u>83,777,781</u>	<u>59,593,157</u>
Loss per ordinary share – basic and fully diluted	<u>(2.18)p</u>	<u>(4.92)p</u>

The weighted average number of shares and the loss for the year for the purposes of calculating the fully diluted earnings per share are the same as for the basic loss per share calculation. This is because the outstanding share options and warrants would have the effect of reducing the loss per ordinary share and would, therefore, not be dilutive under the terms of IAS 33.

4. BASIS OF THE ANNOUNCEMENT

The unaudited preliminary results for the year ended 31 March 2010 were approved by the Board of Directors on 15 June 2010. The financial information set out above does not constitute the Company's statutory accounts for the financial year ended 31 March 2010 or the financial year ended 31 March 2009 but is derived from those accounts. Statutory accounts for the financial year ended 31 March 2009 have been filed with the Registrar of Companies. The auditors have reported on those accounts and their report did not contain statements under section 237(2) or (3) of the Companies Act 1985. The statutory accounts for the financial year ended 31 March 2010 will be delivered to the Registrar of Companies following the Company's Annual General Meeting. The audit of the statutory accounts for the year ended 31 March 2010 is not yet complete, but the auditors expect to provide an opinion modified by the possible inclusion of an emphasis of matter paragraph relating to going concern for the reasons more fully set out below.

Going concern

The directors have prepared cash flow forecasts for the Group that reflect the Group's forecast revenues and costs. It is envisaged by the directors that these forecast revenue streams will provide adequate funds for Byotrol plc and all its subsidiary companies for the foreseeable future.

In the event that the Group is unable to achieve its forecast revenues, further funding would be required. The directors have reviewed the availability of debt and equity funding and anticipate being able to raise additional funds should this be necessary. As a result, the directors have formed a view that adequate funds will be available for Byotrol plc and all its subsidiary companies for at least the next year.

The financial statements have therefore been prepared on a going concern basis. The financial statements do not contain any adjustments which would result if the Group does not generate sufficient revenue and free cash flows from its trading activities or if any future fund raising exercise was not successful.

5. REPORT AND FINANCIAL INFORMATION

Copies of the financial statements for the Group for the year ended 31 March 2010 will be available from the Company's registered office and will be posted to shareholders and on the Company's website in due course.