



29 June 2010

Pursuit Dynamics PLC

("PDX" or the "Company")

Interim Results for the six months to 31 March 2010

PDX (AIM: PDX), the developer of the PDX® Atomiser and Reactor products and technology, is pleased to announce its results for the six months to 31 March 2010 and to update shareholders on the commercialisation of its products and technology.

Operational highlights

- PDX successfully launched its Line of Business structure ("LOB") for four of its divisions; fire suppression, decontamination, brewing/food and bio-fuels operations
- Each LOB evaluates its product market opportunities, determines the best and most appropriate market strategy and selects the optimal partner(s).
- Each LOB will evolve going forwards and grow its business, leading to possible spin off, sale or joint venture transactions.
- The Intellectual Property and know-how of the underlying PDX technologies has been maintained and strengthened with new patent applications.

Financial highlights

- Cash operating loss for the period of £2.7m (2009: £2.7m) reflects continuing strong controls over expenditure despite increased investments in the business since the arrival of the new CEO, Roel Pieper on 1st September 2009.
- Cash at period end of £3.7m (2009: £4.5m) reflects a fundraising of £4m (gross) on 9th September 2009 which enabled a thorough strategic review of the business.

Post period end

- In early May 2010 PDX successfully raised £10m (gross) by placing 4 million shares at £2.50 each - a premium to the market price.
- Signed an agreement to enter into a joint venture with Kaecher Futuretech GmbH ("Kaercher"), a wholly-owned subsidiary of Alfred Kaercher GmbH, the world's leading manufacturer of high-pressure cleaning equipment, to jointly develop, produce and market civilian and military decontamination and disinfection products for a global market.
- Brewing Line of Business launched subsequent to successful quality tests at one of the largest global brewing companies. The commercial launch of this LOB has progressed to include active commercial discussions with five of the top six global leaders.

Commenting on the results, Roel Pieper, CEO of PDX, said:

"The PDX Atomiser and Reactor products are genuinely exciting and unique technologies that, when fully commercialised, will drive significant shareholder value. This has been a busy and successful period for the Company. We have signed an agreement to enter into a joint venture with Kaercher to develop and market disinfection and decontamination products. We have re-entered the food and brewing market and signed a marketing agreement with Brewing Research International and we are continuing to make good progress with Tyco in the fire suppression line of business. All of these developments will deliver material revenue streams over the medium term.

In September 2009 and May 2010 we successfully raised equity funds and the Company now has significant cash reserves in place to support our strategy for the foreseeable future. Our strong financial footing combined with our new strategy positions us well to deliver on the very exciting opportunities that the PDX technology has opened up.”

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Notes to Editors

- PDX (AIM: PDX) owns and commercialises the PDX Atomiser and Reactor technologies that enable significant reductions in energy usage, process acceleration and result enhancement for a wide range of industrial processes and applications.
- The PDX business model is now organised into four Lines of Business – bio-fuels, food and brewing, decontamination and fire suppression.
- PDX is headquartered in Huntingdon, UK with an office in Norwalk, Connecticut, USA.
- Further information is available at the Company's website: www.pdx.biz
- Publication quality photographs are available from FD.

CONSOLIDATED INCOME STATEMENT

for the six months ended 31 March 2010

		Six months ended 31 March 2010 Unaudited £	Year ended 30 September 2009 £	Six months ended 31 March 2009 £
Continuing operations:				
Revenue		79,080	45,225	7,286
Operating expenses	4	(2,768,482)	(5,845,014)	(2,670,747)
Operating loss before non-cash expenses		(2,689,402)	(5,799,789)	(2,663,461)
Operating non-cash expenses				
Depreciation of tangible fixed assets		(83,490)	(291,534)	(99,242)
Amortisation of intangible fixed assets		(295,888)	(591,266)	(294,401)
Share option compensation charge		(588,278)	(323,223)	(98,693)
Total non-cash operating expenses		(967,656)	(1,206,023)	(492,336)
Total operating expenses		(3,736,138)	(7,051,037)	(3,163,083)
Operating loss		(3,657,058)	(7,005,812)	(3,155,797)
Finance income		20,832	83,166	71,752
Finance costs		-	(2,407)	(2,015)
Loss before taxation		(3,636,226)	(6,925,053)	(3,086,060)
Income tax credit		158,200	400,685	85,000
Loss from continuing operations		(3,478,026)	(6,524,368)	(3,001,060)
Discontinued operations:				
Loss from discontinued operations		-	(550,138)	(312,930)
Loss for the period		(3,478,026)	(7,074,506)	(3,313,990)
Loss per share for loss attributable to the equity holders of the company				
Loss per 1p share				
- Basic and fully diluted	2	5.33 p	11.5 p	5.54 p

CONSOLIDATED BALANCE SHEET

as at 31 March 2010

		Six months ended 31 March 2010 Unaudited	Year ended 30 September 2009	Six months ended 31 March 2009
	Note	£	£	£
Non-current assets				
Property, plant and equipment		214,952	283,750	463,621
Intangible fixed assets		511,085	804,370	1,100,038
		726,037	1,088,120	1,563,659
Current assets				
Inventories		64,840	71,787	552,860
Receivables	5	351,946	421,557	498,486
Corporation tax receivable		377,544	522,975	344,426
Cash and cash equivalents		3,686,051	5,666,496	4,479,915
Assets held for sale		-	-	516,369
		4,480,381	6,682,815	6,392,056
Current liabilities	6	(677,937)	(780,572)	(1,042,516)
Liabilities directly associated with non current assets classified as held for sale		-	-	(396,338)
Net current assets		3,802,444	5,902,243	4,953,202
Net assets		4,528,481	6,990,363	6,516,861
Capital and reserves attributed to equity holders of the Company				
Called up share capital		657,995	650,581	613,398
Share premium account		35,668,868	35,256,853	31,342,483
Merger reserve		4,061,185	4,061,185	4,061,185
Foreign exchange reserve		(57,804)	(66,241)	(216,251)
Profit and loss account	8	(35,801,763)	(32,912,015)	(29,283,954)
Total equity		4,528,481	6,990,363	6,516,861

CONSOLIDATED CASH FLOW STATEMENT

for the six months ended 31 March 2010

	Six months ended 31 March 2010 Unaudited £	Year ended 30 September 2009 £	Six months ended 31 March 2009 £
Cash flows from operating activities (see note 7)			
Cash used in operations	(2,735,638)	(6,300,003)	(3,643,082)
Interest element of finance lease payments	-	(2,407)	(2,015)
Taxation received	303,631	137,801	-
Cash used in discontinued operations	-	(308,321)	(10,131)
Net cash used in operating activities	(2,432,007)	(6,472,930)	(3,655,228)
Cash flows from investing activities			
Purchase of property, plant and equipment	(17,295)	(38,248)	(37,019)
Purchase of intangible assets	-	(1,200)	-
Proceeds from sale of fixed assets	-	7,500	7,500
Finance income	20,832	82,501	71,752
Cash used in investing activities on discontinued operations	-	(5,027)	-
Net cash inflow/(outflow) from investing activities	3,537	45,526	42,233
Cash flows from financing activities			
Proceeds of ordinary share issue	-	4,000,000	-
Issuance cost of shares	-	(120,000)	-
Proceeds of options exercised	447,462	43,520	-
Capital element of finance lease payments	-	(31,748)	(20,280)
Net cash inflow/(outflow) from financing activities	447,462	3,891,772	(20,280)
Net (decrease)/increase in cash and cash equivalents.	(1,981,008)	(2,535,632)	(3,633,275)
Cash and cash equivalents at beginning of period	5,666,496	8,202,128	8,202,128
Exchange gains/(losses) on cash balances	563	-	-
Cash and cash equivalents at end of period	3,686,051	5,666,496	4,568,853
Reconciliation of cash and cash equivalents at end of period to position stated in the balance sheet			
Cash and cash equivalents at end of period	3,686,051	5,666,496	4,568,853
Cash and cash equivalents included in Assets held for sale	-	-	(88,938)
Cash and cash equivalents stated in the balance sheet	3,686,051	5,666,496	4,479,915

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 31 March 2010

1 Basis of accounting

The interim financial statements for the period to 31 March 2010 have not been audited or reviewed and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Company's statutory accounts for the year ended 30 September 2009, prepared under IFRS as adopted by the EU, have been delivered to the Registrar of Companies. The report of the Auditors included in these statutory accounts was not qualified and did not contain a statement under Section 498 of the Companies Act 2006.

2. Loss per share

The calculation of basic and diluted loss per share is based on a loss on ordinary activities after tax of £3,478,026 (year ended 30 September 2009: £7,074,506 and six months ended 31 March 2009 £3,313,900) and a weighted average number of shares of 65,253,975 (30 September 2008: 61,494,124 and 31 March 2009: 59,816,347)

3. Dividend

The directors do not intend to recommend the payment of any dividends until they consider it prudent to do so, having regard to the need to retain sufficient funds to finance the development of the Group's activities.

4. Operating expenses

	Six months ended 31 March 2010 Unaudited £	Year ended 30 September 2009 £	Six months ended 31 March 2009 £
Cost of goods sold	20,980	136,395	154,970
Research and Development	1,360,998	3,290,017	1,366,250
Sales and Marketing	764,067	1,119,510	473,898
Administration	1,590,093	2,505,115	1,167,965
	3,736,138	7,051,037	3,163,083

The following are items included in operating loss

Depreciation of property, plant and equipment

- owned	83,490	260,828	83,889
- held under finance leases	-	30,706	15,353
Amortisation of intangible fixed assets	295,888	591,266	294,401
Share based compensation charge	588,278	323,223	98,693
(Profit)/loss on disposal of fixed assets	-	(7,500)	(7,500)
Operating leases - land & buildings	151,274	296,573	147,867
- plant & machinery	23,766	82,900	26,576

5. Trade and other receivables

	Six months ended 31 March 2009 Unaudited £	Year ended 30 September 2008 £	Six months ended 31 March 2008 £
Trade receivables	29,414	75,922	13,621
Other receivables	165,335	207,734	218,113
Prepayments and accrued income	157,197	137,901	266,752
	351,946	421,557	498,486

6. Trade and other payables

	Six months ended 31 March 2010 Unaudited £	Year ended 30 September 2009 £	Six months ended 31 March 2009 £
Trade payables	436,498	416,766	639,554
Other creditors	2,690	362	34,669
Other taxation and social security	63,405	56,426	87,274
Accruals and deferred income	175,344	307,018	281,019
	677,937	780,572	1,042,516

7. Cash used in operations

for the six months ended 31 March 2010

	Six months ended 31 March 2010 Unaudited £	Year ended 30 September 2009 £	Six months ended 31 March 2009 £
Loss before taxation	(3,636,226)	(6,925,053)	(3,086,060)
Adjustments for:			
- Depreciation of property, plant and equipment	83,490	291,534	99,242
- Amortisation of intangible fixed assets	295,888	591,266	294,401
- (Profit)/loss on disposal of fixed assets	-	(7,500)	(7,500)
- Share Option Compensation Charge	588,278	323,223	98,693
- Currency exchange differences	7,874	(15,789)	(165,798)
- Finance expense	-	2,407	2,015
- Finance income	(20,832)	(83,166)	(71,752)
Changes in working capital:			
- Inventories	6,947	(16,449)	(497,522)
- Trade and other receivables	41,579	55,790	(49,172)
- Trade and other payables	(102,636)	(516,266)	(259,629)
Cash outflow from operations	(2,735,638)	(6,300,003)	(3,643,082)

8. Statement of changes in equity

	31 March 2010 Unaudited	30 September 2009	31 March 2009
Proceeds on Ordinary share issue	-	4,000,000	-
Proceeds on Ordinary shares issued on exercise of options	419,429	71,553	-
Issuance costs of shares	-	(120,000)	-
Currency exchange differences	8,437	(15,789)	(165,799)
Loss for the financial year	(3,478,026)	(7,074,506)	(3,313,990)
Share Option compensation charge	588,278	231,148	98,693
Equity at start of year	6,990,363	9,897,957	9,897,957
Equity at 31 March 2010	4,528,481	6,990,363	6,516,861

9. Copies of report

Copies of the interim report will be sent to shareholders. Further copies will be available from the Company Secretary.