17 October 2016

TRISTEL plc
("Tristel", "the Company" or "the Group")

Final Results
Audited Results for the year ended 30 June 2016

Tristel plc (AIM: TSTL), the manufacturer of infection prevention and contamination control products, announces its audited results for the year ended 30 June 2016 ahead of market expectations.

Tristel's lead technology is a proprietary chlorine dioxide formulation and the Company addresses three distinct markets:

- The Human Healthcare market (hospital infection prevention – via the Tristel brand)
- The Contamination Control market (control of contamination in critical environments – via the Crystel brand)
- The Animal Healthcare market (veterinary practice infection prevention – via the Anistel brand)

Financial Highlights

- Turnover up 12% to £17.1m (2015: £15.3m).
- Overseas sales up 22% to £6.7m (2015: £5.5m), representing 39% of total sales (2015: 36%).
- EBITDA before share based payments up 26% to £4.3m (2015: £3.4m). Unadjusted £3.7 (2015: £3.4m)
- Pre-tax profit before share based payments up 27% to £3.3m (2015: £2.6m). Unadjusted £2.6m (2015: £2.6m)
- Basic EPS before share based payments of 6.62p, up 20% (2015: 5.53 pence). Unadjusted 5.01p (2015: 5.44p
- Dividend per share for the full year increased by 11% to 6.33p (2015: 5.72p), including a special dividend of 3p per share (2015 special dividend: 3p per share).
- Net cash of £5.7m at year end (2015: £4.0m). Company remains debt free.

Operational Highlights

- All overseas operations are profitable.
- 25 overseas regulatory body approvals, in 7 countries, achieved in the year.
- Acquisition of the business and assets of Australian distributor. Post balance sheet event.
- Business plan to enter North American infection prevention market progressing well.

Paul Swinney, Chief Executive of Tristel plc, said:
"We made very solid progress during the year. International expansion continues to drive revenue growth and we are succeeding in increasing profit margins, even whilst investing in new products and opening up new geographical markets, including North America. The progress we are making with the United States FDA and EPA, and Canada's HPB, is in line with the North American business plan we are developing."

The annual report and financial statements will be available on the Company's website www.tristel.com later today.

For further information:

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Chairman's Statement

We made very solid progress during the year to 30 June 2016, delivering sales of £17.1m (2015: £15.3m) which were ahead of market expectations. Whilst the pace of overall top-line growth slowed slightly to 12% from 14% achieved in 2015, overseas sales once again made excellent progress, increasing by 22% in the year. This increase would have been 25% in constant currency terms. Overseas sales represented 39% of total sales in 2016. As the contribution of overseas sales to total sales continues to increase, we can anticipate global sales growth to remain in the range of 10% to 15% over the medium term. There is still significant growth to come from existing markets as well as the new markets we are preparing to enter.

The operational gearing which exists within the business drove adjusted pre-tax profit up by 27% to £3.3m (2015: £2.6m). Basic earnings per share (EPS), was 5.01 pence, down 8% from the previous year (2015: 5.44 pence). During the year there was an unusually large share-based payment charge of £0.67m (2015: £0.04m) which will not repeat in future years. In this Strategic Report pre-tax profit is adjusted for this share based payment charge. Adjusted Basic EPS is 6.62 pence, up 20% from the previous year's comparable figure (2015: 5.53 pence).

Shortly after the year end we announced a special dividend of 3 pence for the second consecutive year. This was paid in August 2016. In line with the Company's dividend policy, the Board is recommending that the final dividend is 2.19 pence (2015: 2.14 pence), an increase of 3%. Including the interim dividend of 1.14 pence (2015: 0.585 pence), the special dividend of 3 pence (2015: 3 pence), and the proposed final dividend, the total dividend for the year will be 6.33 pence (2015: 5.72 pence), an increase of 11%. If approved, the final dividend will be paid on 16 December 2016 to shareholders on the register at 18 November 2016. The corresponding ex-dividend date is 17 November 2016. For the past two years the Company has generated cash that is surplus to its operational and investment requirements.

We have continued to invest in the business during the year, spending £0.17m on product development and testing and £0.12m on patenting in order to protect our intellectual property, both of which are held in intangible assets. £0.34m was invested in regulatory approval programmes in 22 countries, recognised as an expense in the year. Included in our expenditure on regulatory approvals is an amount of £0.13m, also recognised as an expense in the year, which relates to our initiative to enter the United States market which commenced in 2014. The initiative is progressing satisfactorily and in accordance with our project plan.

During the year David Orr joined our Board as a non-executive director and has made an excellent contribution in his first year.

The strength of Tristel is built upon the hard work and expertise of all the people who work for the Company. I would like to thank them all for their contribution throughout the year.

Our core strategic objective is to achieve consistent and sustainable growth in total shareholder returns (TSR). We consider TSR to be the combination of growth in EPS and the yield from ordinary and special dividends. We have established our second strategic three-year plan, taking us to 30 June 2019, in which we have set a target of growing revenue within a range of 10% to 15% as an annual average over the three-year period, and maintaining a minimum pre-tax profit margin of 17.5%. If we achieve these two key objectives, we will have created the conditions for consistent and sustainable EPS and dividend growth.

The current year promises a number of exciting developments for Tristel. We will pursue them with a disciplined focus, adhering to our core strategy, which is:

1. To deliver long term sustainable growth in shareholder returns;
2. to distribute surplus cash to our shareholders;
3. to invest in gaining regulatory approvals to enable us to enter new geographical markets, and
4. to invest in the design and development of new products, and the improvement of existing ones.

We have long stated that it is our ambition to make Tristel a recognisable force in the world of infection prevention. I have no doubt that we have achieved this. My Board colleagues and I believe we can look forward to Tristel's future with continued confidence**.**

Francisco Soler
Chairman
14 October 2016

Chief Executive's report

Current year - Overview

Group revenue was up 12%, adjusted pre-tax profit was up 27%, and adjusted EPS was up 20%. We ended the year with cash of £5.7m, of which £1.3m was distributed as a special dividend in August 2016. The Company is debt-free.

In our 2014 financial year, when revenue was £13.5m, we set a revenue target of £20m to be achieved in the 2017 financial year – an increase of almost 50% in sales over a three-year period. We are now in the final year of that financial plan.

Whilst setting very explicit and precise goals may be helpful for stakeholders, it can also be a double-edged sword when performance veers slightly off track in any given short term period. We experienced this at the time of our interim results in February 2016 when the share price reacted strongly to a relatively subdued performance in top-line growth during the first half.

We have listened to our shareholders and other observers of the Company and are now setting out our plans for the next three years. We believe that we can grow sales in the range of 10% to 15% per annum as an annual average over the next three years ending 30 June 2019. This is laid down in our strategic plan as a key performance indicator (KPI) of the Company. In our 2014 plan we also set an objective of achieving a pre-tax profit margin of at least 15% even whilst investing in the United States regulatory project which we were about to commence. The pre-tax profit margin in 2014 was 14%, in 2015 17%, and in 2016 19% (adjusted for share based payments). The profitability of our business is increasing due to operational gearing. The plan which will take us to 2019 is going to involve increasing expenditures in regulatory approvals in the United States and other key markets and we have decided that it will be prudent to set a minimum 17.5% pre-tax profit margin as our target. This becomes our second KPI.

We are proposing a final dividend of 2.19 pence per share, making 3.33 pence in total for the year, up 22%. After the year end we also paid a further 3 pence as a special dividend.

Post year end - Acquisition

Shortly after the year end we acquired the business and a number of assets of the distributor that has served the Australian healthcare market with Tristel's Wipe System since 2011. The acquisition was made for a total consideration of £1.1m and was completed on 15 August 2016. We expect the acquisition to increase both the sales and gross margins achieved from our Australian business, in addition to being earnings enhancing.

Our business

What our marketplace looks like

Our entire business is focussed on preventing the transmission of microbes from one object or person to another. We pursue this purpose because some microbes can be a source of infection to humans and animals. They can cause illness and death, and place a heavy cost on individuals and society. We achieve our purpose by applying a very powerful disinfectant – chlorine dioxide – to the target surface or medical instrument.

We are one of a very few companies worldwide that can legitimately claim to be exclusively an infection prevention business. We are unique worldwide in being a business that uses chlorine dioxide as a high-performance disinfectant for medical instruments.

Our mission is most relevant to hospitals, especially acute hospitals, where the risks of infection to individuals are highest. In the human healthcare market, we brand our products Tristel. The risk of cross infection is also relevant to veterinary practices, or animal hospitals, and in the animal healthcare market we brand our products Anistel. Finally, the control of microbial contamination is very relevant in critical manufacturing environments, for example cleanrooms, and in this market our products are branded Crystel.

An acute hospital is a vast, multi-faceted organisation. We are not only unique in providing chlorine dioxide as a high-performance disinfectant within hospitals, but we are also unique in our focus upon specific clinical departments within them. We target clinical departments that carry out diagnostic procedures with small heat-sensitive medical instruments. These would include: the nasendoscope used in Ear, Nose and Throat departments; the laryngoscope blade used in emergency medicine; tonometers used in ophthalmology, and ultrasound probes used in women's health. In these departments, we are the only simple to implement, affordable, high-performance disinfection method available. As a consequence, in geographical markets in which we have been present for some time, we hold truly dominant market positions. Our objective is to be "a very big fish, even if in only a small pond" in all the clinical areas we target.

How We Service Our Market

Over 95% of our revenues are of repeat consumable products that perform a vital function in hospitals. Their use is for the most part non-discretionary. Our products are typically small packaged goods, requiring no after sales service, other than repeat training. Capital sales, service and maintenance revenues do not feature, therefore, in a significant way in our revenue model.

We sell our products directly to end-users in those markets in which we have established a direct operational presence, and through distributors in markets where we have no presence.

Our revenues - by sales channel

£000's			**2015-16**	**2014-15**	**Year on year change**	**Percentage change**
Human Healthcare	Direct sales	UK	8,547	8,232	315	4%
		EU	1,927	1,390	537	39%
		ROW	2,025	1,638	387	24%
	Sales to distributors	EU	1,102	1,214	(112)	(9%)
		ROW	998	615	383	62%
Contamination Control	Direct sales	UK	1,140	987	153	16%
	Sales to distributors	EU	332	387	(55)	(14%)
		ROW	18	0	18	100%
Animal Healthcare	Direct sales	UK	222	78	144	185%
		EU	4	4	0	0%
		ROW	156	140	16	11%
	Sales to distributors	UK	457	536	(79)	(15%)
		EU	176	113	63	56%
	Group sales		**17,104**	**15,334**	**1,770**	**12%**

Our revenues - by technology

The majority of our sales are of chlorine dioxide based products; but we do formulate, manufacture and sell products utilising other disinfectant chemistries. These include quaternary ammonium compounds, peracetic acid and alcohol. In 2016, £3.7m of our sales were of non-chlorine dioxide chemistries, representing 22% of the total. As our chlorine dioxide product sales increase at a faster pace than non-chlorine dioxide product sales, and as we continue to find ways to persuade customers to switch to chlorine dioxide as a superior disinfection technology, we expect this percentage to decline.

£000's			**2015-16**	**2014-15**	**Year on year change**	**Percentage change**
Human Healthcare	Direct sales	ClO2	11,847	10,710	1,137	11%
		Other	652	550	102	19%
	Sales to distributors	ClO2	1,432	1,188	244	21%
		Other	668	641	27	4%
Contamination Control	Direct sales	ClO2	38	27	11	41%
		Other	1,102	960	142	15%
	Sales to distributors	ClO2	43	78	(35)	(45%)
		Other	307	309	(2)	1%
Animal Healthcare	Direct sales	ClO2	7	1	6	600%
		Other	375	221	154	70%
	Sales to distributors	ClO2	3	3	0	0%
		Other	630	646	(16)	2%
	Group sales		**17,104**	**15,334**	**1,770**	**12%**

Our revenues - by portfolio and geographical split

Revenue increased by 12% in the year. UK sales grew by 5% and overseas sales grew by 22%. Overseas sales are made via two channels: through the Company's wholly owned subsidiaries and branches in Germany, Hong Kong, China, New Zealand and Russia; and via third party distributors. Overseas subsidiary and branch sales increased by 30% to £4.1m in the year and overseas sales via distributors grew by 13% to £2.6m. The post year-end acquisition of our Australian distributor will result in a higher ratio of subsidiary sales to distributor sales in 2017.

Our Strategic Assets

We consider the assets that enable the Company to achieve its strategic goals to be:

- Our chlorine dioxide chemistry, about which there are three critically important elements:
    1. The formulation is proprietary;
    2. We remain the only company using chlorine dioxide for the decontamination of medical instruments in the world, which gives us a genuine point of difference from all other infection prevention companies;
    3. The length of time that we have enjoyed this position has allowed us to collate a significant body of knowledge, including published scientific data, the testimony of almost two decades of safe use, a significant global footprint of regulatory approvals and a library of proven compatibility with hundreds of medical instruments, all of which would take a newcomer a significant period of time and cost to match.
- Intellectual property protection – as at 30 June 2016, we held 156 patents granted in 34 countries providing legal protection for our products;

- Our people – who hold an unrivalled body of knowledge relating both to infection prevention and to chlorine dioxide.

These strategic assets drive our success and differentiate us from our competitors.

Our proprietary chlorine dioxide chemistry

During the year we launched, or continued the early stage roll-out, of the following products all based on our chlorine dioxide chemistry:

- Tristel Rinse Assure, which is a system for dosing low levels of our chlorine dioxide chemistry into the water used during an endoscopy washer disinfector's decontamination process, ensuring that the rinse water is of the highest quality;
- Tristel Protect, which is a short-term storage and transportation system for clean and contaminated semi-critical medical devices;
- Tristel Pop Wipes, which are wipes that high-level disinfect hard contact surfaces and are also effective against bacterial spores. Tristel Pop Wipes can be packaged for clean room use;
- Tristel Tank, which is a mixing station and distribution point for Tristel's high-level disinfectant for surfaces in human and animal healthcare environments.

In addition to the above, the Company has an exciting product development pipeline.

Our regulatory programme succeeded in attaining approvals for 25 products in seven countries during the year.

Our intellectual property protection

We have 156 patents granted in 34 countries. The progress that the Company has made during the course of the past three years in building its patent portfolio is demonstrated below:

Year to 30 June	ClO2 foam	ClO2 hand disinfectant	Trigger spray technology	ClO2 decontamination device	ClO2 wipes system	Total Granted Cases
2014	10	22	1	21	25	79
2015	11	35	2	23	26	97
2016	12	37	52	29	26	156

Our people

At 30 June 2016 our senior management team, excluding the 2 executive directors, numbered ten individuals, with an average age of forty years and an average length of service of over seven years. Sixty percent of the team are female and the team is drawn from six nationalities. Our technical people perform microbiology, chemistry, regulatory and quality roles, with their key skills centred upon infection prevention and our proprietary chlorine dioxide chemistry. All staff participate in the Company's personal development programme which is designed to stimulate creative thinking and develop good management skills. Additionally, the Company encourages and financially supports the advancement of employees' knowledge through study and further qualification. A diverse, well-educated and international workforce is a hallmark of the Company.

Delivering on our key strategic financial goal

Our key strategic financial goal is to deliver long term sustainable growth in total shareholder returns (TSR). We focus on TSR as a measure and not simply growth in EPS because to do so would not take account of the value created by paying out surplus cash to shareholders. This goal will be achieved by:

1. Consistently growing revenue - during the past four years, revenue has grown from £10.6m to £17.1m – an increase of 62%. The compound annual growth rate in revenue since the Company went public in 2005 has been 17%. **We believe that we can grow sales in the range of 10% to 15% per annum as an annual average over the three years ending 30 June 2019.**

2. Maintaining the profitability of the Company – **we believe that we can operate above a minimum pre-tax margin of 17.5%**

3 Distributing cash that is not required for the operational and investment needs of the business to shareholders in the form of dividends.

We define TSR as growth in EPS added to the total dividend yield. Taking dividends as a percentage of our average share price during the financial year, our TSR is set out in the table below:

Total Shareholder Returns	*2016*	*2015*
Growth in adjusted EPS during year	19.7%	68.6%
Special Dividend Yield	2.6%	3.8%
Ordinary Dividend Yield	2.8%	3.4%
Total Shareholder Returns	**25.1%**	**75.8%**

The inclusion of growth in EPS (adjusted for share based payments) in TSR is grounded in the belief that, over time, share price growth will follow growth in EPS. The table below shows how our share price has tracked EPS over the past three years.

	2014	*2015*	*2016*
Adjusted EPS (pence)	3.28	5.53	6.62
Average share price in year (£)	0.43	0.8	1.17

One year ago we reported that we had embarked upon a United States regulatory approvals programme.

We are currently pursuing a United States FDA approval for two high-level disinfectant products which are both classified as medical devices and require a 510(K) submission. We label the products as Duo for Ophthalmology and Duo for Ultrasound. Both products are liquid chlorine dioxide formulations dispensed in a foam format by specialised packaging.

In our interims statement in February we reported that a pre-submission dossier had been presented to the FDA seeking their guidance on our approach to data generation for the 510(K) submission, and requesting a meeting in Washington. The meeting took place in late April 2016. By mid-June the guidance notes were agreed and we anticipate submitting various scientific protocols for review and comment by the FDA by end October 2016. Whilst it may take until early 2017 for all these protocols to be finalised, we are proceeding to generate much of the data that we anticipate will be required.

As we have explained since we first revealed that we were planning to enter the North American market, our plans are not restricted to FDA regulated medical device products, but will also include United States EPA regulated surface and water disinfection products. In September we made a pre-submission meeting request to the EPA and we will meet the EPA in Washington in the Autumn of 2016. We have presented a pre-submission dossier to the EPA for the products which we label as Fuse for Surfaces, Duo for Surfaces, Jet Gel and Jet Liquid for Surfaces; and Rinse Assure and Filter Shot for endoscope washer-disinfector rinse water management.

We are taking a similar approach for all the products referred to above with Canada's regulatory authority, the Health Protection Board.

In summary, we have developed a broadly-based business strategy for the North American market, which is built around the regulatory processes in the United States and Canada. We are confident that our plan is proceeding very satisfactorily, and that we are on track to generate revenues in North America during the financial year commencing July 2018.

Through on-the-ground research, discussion with prospective commercial partners, analysis of the very few competitor peer companies that are in the ophthalmology and ultrasound markets in North America, collaboration with the professional bodies that preside over the clinical areas we are targeting, and from our experiences in markets such as the United Kingdom, France, Germany and Australia where we are successfully penetrating these markets, we have developed an assessment of the potential value of the North American ophthalmology and ultrasound markets.

This assessment has been arrived using the same methodology that we have employed in all the geographical markets where we have entered the ophthalmic and ultrasound imaging sector: the driver for the consumption of our products is the number of clinical procedures that are undertaken in hospital departments where ophthalmic and ultrasound medical devices are used. The devices must be re-usable (not disposable after single-use), be heat sensitive, and require high-level disinfection. They are likely to be used in clinical settings in which the principal alternative disinfection method to Tristel – automated disinfection requiring investment in capital equipment and maintenance – is not easy to implement, economically justifiable, or affordable by healthcare systems which globally are under extreme financial stress.

Our estimate of the potential value of the North American ophthalmology market is approximately £8m and the North American ultrasound market approximately £10m. We have made no assessment of how much of this potential market we can penetrate, or of the timeframe. We have not yet attempted to value the potential market opportunity in surface disinfection and rinse water management.

Focus

The Company has a dual focus: on infection prevention and on our proprietary chlorine dioxide chemistry. The achievements that we have made have come from sticking to what we know and do well and we believe there remains an enormous opportunity to continue this success.

We have set objectives which are visible to everyone inside the Company, and we make them equally visible to all other stakeholders. The measures against which our progress will be judged are simple and clear, and I believe that the Company is capable of delivering upon them – and our ambition will always be to over achieve them. We will do this by being focussed and disciplined. We have a mantra within the Company *“The most important thing is to keep the most important thing the most important thing”*

The most important thing for Tristel is to deliver sustainable growth to its shareholders.

Paul Swinney
Chief Executive Officer
14 October 2016

Tristel plc
Consolidated Income Statement
For the year ended 30 June 2016

	Note	**Year ended 30 June 2016 £'000**	Year ended 30 June 2015 £'000
Revenue	3	**17,104**	15,334
Cost of sales	3	**(4,549)**	(4,673)
Gross profit		**12,555**	10,661
Administrative expenses:	3		
Share-based payments		**(674)**	(35)
Depreciation, amortisation and impairments	3	**(1,071)**	(844)
Other	3	**(8,242)**	(7,241)
Total administrative expenses		**(9,987)**	(8,120)
Operating profit		**2,568**	2,541
Finance income		**12**	12
Finance costs		**-**	(9)
Results from equity accounted associate		**13**	8
Profit before tax		**2,593**	2,552
Taxation	4	**(491)**	(337)
Profit after tax		**2,102**	2,215
Attributable to:			
Equity holders of parent		**2,102**	2,215
		2,102	2,215
Earnings per share from total and continuing operations attributable to equity holders of the parent			
Basic – pence	6	**5.01**	5.44
Diluted – pence	6	**4.81**	5.23

All amounts relate to continuing operations.

Tristel plc
Consolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	Year ended 30 June 2016 £'000	Year ended 30 June 2015 £'000
Profit for the period	**2,102**	2,215
Items that will be reclassified subsequently to profit and loss		
Exchange differences on translation of foreign operations	**146**	(57)
Other comprehensive income for the period	**146**	(57)
Total comprehensive income for the period	**2,248**	2,158
Attributable to:		
Equity holders of the parent	**2,248**	2,158
	2,248	2,158

Tristel plc
Consolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Share Capital	Share premium account	Merger reserve	Foreign exchange reserve	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
30 June 2014	402	9,284	478	(93)	2,167	12,238	(162)	12,076
Transactions with owners								
Dividends paid	-	-	-	-	(752)	(752)	-	(752)
Shares Issued	12	636	-	-	-	648	-	648
Adjustment for change of controlling interest	-	-	-	3	(172)	(169)	169	-
Share-based payments – IFRS 2	-	-	-	-	35	35	-	35
Total transactions with owners	12	636	-	3	(889)	(238)	169	(69)
Profit for the year ended 30 June 2015	-	-	-	-	2,215	2,215	-	2,215
Other comprehensive income: - Exchange differences on translation of foreign operations	-	-	-	(57)	-	(57)	-	(57)
Total comprehensive income	-	-	-	(57)	2,215	2,158	-	2,158
30 June 2015	414	9,920	478	(147)	3,493	14,158	7	14,165
Transactions with owners								
Dividends paid	**-**	**-**	**-**	**-**	**(2,621)**	**(2,621)**	**-**	**(2,621)**
Shares Issued	**7**	**491**	**-**	**-**	**-**	**498**	**-**	**498**
Share-based payments – IFRS 2	**-**	**-**	**-**	**-**	**674**	**674**	**-**	**674**
Total transactions with owners	**7**	**491**	**-**	**-**	**(1,947)**	**(1,449)**	**-**	**(1,449)**
Profit for the year ended 30 June 2016	**-**	**-**	**-**	**-**	**2,102**	**2,102**	**-**	**2,102**
Other comprehensive income:- Exchange differences on translation of foreign operations	**-**	**-**	**-**	**146**	**-**	**146**	**-**	**146**
Total comprehensive income	**-**	**-**	**-**	**146**	**2,102**	**2,248**	**-**	**2,248**
30 June 2016	**421**	**10,411**	**478**	**(1)**	**3,648**	**14,957**	**7**	**14,964**

Tristel plc
Consolidated Balance Sheet
As at 30 June 2016

	Note	2016 £'000	2015 £'000
Non-current assets			
Goodwill		**667**	667
Intangible assets		**5,380**	5,631
Property, plant and equipment		**1,416**	1,347
		7,463	7,645
Current assets			
Inventories		**1,875**	2,061
Trade and other receivables		**3,735**	3,194
Cash and cash equivalents		**5,715**	4,045
		11,325	9,300
Total assets		**18,788**	16,945
Capital and reserves			
Share capital	7	**421**	414
Share premium account		**10,411**	9,920
Merger reserve		**478**	478
Foreign exchange reserve		**(1)**	(147)
Retained earnings		**3,648**	3,493
Equity attributable to owners of the parent		**14,957**	14,158
Non-controlling interests		**7**	7
Total equity		**14,964**	14,165
Current liabilities			
Trade and other payables		**3,256**	2,434
Current tax		**432**	247
		3,688	2,681
Non-current liabilities			
Deferred tax		**136**	99
Total liabilities		**3,824**	2,780
Total equity and liabilities		**18,788**	16,945

The financial statements were approved and authorised for issue by the Board of Directors on 14 October 2016, and were signed on its behalf by:

Elizabeth Dixon
Director

Tristel plc
Consolidated Cash Flow Statement
For the year ended 30 June 2016

	Note	**2016 £'000**	2015 £'000
Cash flows from operating activities			
Cash generated from operating activities	i	**4,819**	2,936
Corporation tax paid		**(269)**	(324)
		4,550	2,612
Cash flows used in investing activities			
Interest received		**12**	12
Purchase of intangible assets		**(406)**	(567)
Purchases of property, plant and equipment		**(499)**	(496)
Proceeds from sale of property, plant and equipment		**16**	18
Net cash used in investing activities		**(877)**	(1,033)
Cash flows from financing activities			
Loans repaid		**-**	(52)
Interest paid		**-**	(9)
Share issues		**498**	648
Dividends paid		**(2,621)**	(752)
Net cash used in financing activities		**(2,123)**	(165)
Net increase in cash and cash equivalents		**1,550**	1,414
Cash and cash equivalents at the beginning of the period	ii	**4,045**	2,664
Exchange differences on cash and cash equivalents		**120**	(33)
Cash and cash equivalents at the end of the period	ii	**5,715**	4,045

i. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	2016 £'000	2015 £'000
Profit before tax	**2,593**	2,552
Depreciation of plant, property & equipment	**442**	397
Amortisation of intangible assets	**524**	447
Impairment of intangible asset	**125**	-
Results from associates	**-**	(8)
Share-based payments – IFRS2	**674**	35
Profit- on disposal of property, plant and equipment	**(2)**	(3)
Loss on disposal of intangible asset	**8**	125
Finance costs	**-**	9
Finance income	**(12)**	(12)
	4,352	3,542
Decrease/(increase) in inventories	**186**	2
Increase in trade and other receivables	**(541)**	(504)
Increase/(decrease) in trade and other payables	**822**	(104)
Cash generated from operations	**4,819**	2,936

ii. CASH AND CASH EQUIVALENTS

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts.

Year ended 30 June 2016	**30 June 2016 £'000**	30 June 2015 £'000
Cash and cash equivalents	**5,715**	4,045
	5,715	4,045

Year ended 30 June 2015	**30 June 2015 £'000**	30 June 2014 £'000
Cash and cash equivalents	**4,045**	2,664
	4,045	2,664

1. ACCOUNTING POLICIES

Basis of accounting
These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

There have been no new financial reporting standards effective for the year which have impacted the accounting policies stated below. Tristel plc, the Group's ultimate parent company, is a limited liability company incorporated and domiciled in the United Kingdom.

Basis of consolidation
The Group financial statements consolidate those of the Company and all of its subsidiary undertakings drawn up to 30 June 2016. Subsidiaries are entities over which the Group has rights or is exposed to variable returns from its involvement with the investee and has the power to affect those returns by controlling the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights.

Unrealised gains on transactions between the Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Acquisitions of subsidiaries are dealt with by the acquisition method. The acquisition method involves the recognition at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. These fair values are also used as the basis for subsequent measurement in accordance with the Group accounting policies. Goodwill is stated after separating out identifiable intangible assets. Goodwill represents the excess of the aggregate of the consideration transferred and the amount of non-controlling interest over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition.

Non-controlling interests, presented as part of equity, represent a proportion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the assets of the parent and the non-controlling interests based on their respective ownership interests.

There was a change in the prior year in the controlling interest related to the Group's ownership of Tristel Asia and Tristel Medical Equipment Co Ltd, the step acquisition makes both entities wholly owned. There was an immaterial amount of consideration arising upon acquisition. The difference between the non-controlling interest and the fair value of the consideration paid was recognised directly in equity attributable to the parent.

EU adopted IFRSs not yet applied
As of 30 June 2016, the following Standards and Interpretations are in issue but not yet effective and have not been adopted early by the Group:

- IFRS 9 Financial Instruments (IASB effective date 1 January 2018)
- IFRS 15 Revenue from Contracts with Customers (effective 1 January 2017)
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 (IASB effective date 1 January 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle (effective 1 January 2016)
- IFRS 16 Leases (effective 1 January 2019)
- Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses (effective 1 January 2017)
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (effective 1 January 2018)
- Amendments to IAS 7: Disclosure Initiative (effective 1 January 2017)

The Directors anticipate that the adoption of these standards and interpretations in future periods will have no material effect on the financial statements of the Group, except for IFRS 16. The impact of IFRS 16 has not yet been assessed.

2. PUBLICATION NON-STATUTORY ACCOUNTS

The financial information set out in this Audited Preliminary Announcement does not constitute the Group's statutory accounts for the years ended 30 June 2016 or 2015, as defined in Section 435 of the Companies Act 2006, but is derived from those accounts. Statutory accounts for the year ended 30 June 2015 have been delivered to the Registrar of Companies, and those for 2016 will be delivered in due course. The auditors Grant Thornton UK LLP have reported on those accounts; their reports were (1) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The Board of Tristel plc approved the release of this audited Preliminary Announcement on 14 October 2016.

3. SEGMENTAL ANLAYSIS

Management considers the Group's revenue lines to be split into three operating segments, which span the different Group entities. The operating segments consider the nature of the product sold, the nature of production, the class of customer and the method of distribution. The Group's operating segments are identified from the information which is reported to the chief operating decision maker.

The first segment concerns the manufacture, development and sale of infection control and hygiene products which includes products that incorporate the Company's chlorine dioxide chemistry, and are used primarily for infection control in hospitals ("Human Healthcare"). This segment generated approximately 85% (2015: 85%) of Group revenues.

The second segment, which constitutes 6% (2015: 5.6%) of the business activity, relates to manufacture and sale of disinfection and cleaning products, into veterinary and animal welfare sectors ("Animal healthcare").

The third segment addresses the pharmaceutical and personal care product manufacturing industries ("Contamination control") and has generated 9% (2015: 9.4%) of the Group's revenues this year.

The operation is monitored and measured on the basis of the key performance indicators of each segment, these being revenue and gross profit, and strategic decisions are made on the basis of revenue and gross profit generating from each segment.

	Human Healthcare	Animal Healthcare	Contamination Control	Group 2016	Human Healthcare	Animal healthcare	Contamination Control	Group 2015
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
Revenue from external customers	**14,599**	**1,015**	**1,490**	**17,104**	13,089	871	1,374	15,334
Segment revenues	**14,599**	**1,015**	**1,490**	**17,104**	13,089	871	1,374	15,334
Cost of material	**3,574**	**333**	**642**	**4,549**	3,663	314	696	4,673
Gross Profit	**11,025**	**682**	**848**	**12,555**	9,426	557	678	10,661
Gross Profit %	**76%**	**67%**	**57%**	**73%**	72%	64%	49%	70%

Centrally incurred income and expenses not attributable to individual segments:

	2016	2015
Other operating income:	**-**	-
Depreciation, amortisation and impairment of non-financial assets	**(1,071)**	(844)
Other administrative expenses	**(8,242)**	(7,241)
Share based payments	**(674)**	(35)
Operating profit	**2,568**	2,541

Operating profit can be reconciled to Group profit before tax as follows:

	2016	2015
Operating profit	**2,568**	2,541
Finance income	**12**	12
Results from equity accounted associate	**13**	8
Finance costs	**-**	(9)
Group profit before tax	**2,593**	2,552

The Group's revenues from external customers are divided into the following geographical areas: -

	Human Healthcare	Animal Healthcare	Contamination Control	Group 2016	Human Healthcare	Animal healthcare	Contamination Control	Group 2015
	£'000	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000	£'000
United Kingdom	**8,547**	**679**	**1,140**	**10,366**	8,232	614	987	9,833
Germany	**1,778**	**-**	**-**	**1,778**	1,390	-	-	1,390
Rest of the World	**4,274**	**336**	**350**	**4,960**	3,467	257	387	4,111
Group revenues	**14,599**	**1,015**	**1,490**	**17,104**	13,089	871	1,374	15,334

4. TAXATION

The taxation charge represents:

	2016	2015
	£'000	£'000
Current taxation-		
Corporation tax	**444**	363
Adjustment in respect of earlier years	**10**	(10)
Double taxation relief	**-**	(113)
Foreign taxation	**-**	119
Total current tax	**454**	359
Deferred tax-		
Origination and reversal of temporary differences	**14**	(22)
Over/(under) provided in respect of prior periods	**23**	-
Total deferred tax	**37**	(22)
Total tax charge in Income Statement	**491**	337

Factors affecting the tax charge:

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below:

	2016	2015
	£'000	£'000
Profit on ordinary activities before tax	**2,593**	2,552
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.75%)	**519**	530
Effects of:		
Expenses not deductible for tax purposes	**31**	52
Tax rate differences	**(11)**	11
Enhanced relief on qualifying scientific research expenditure	**(136)**	(82)
Foreign tax credits	**-**	6
Adjustment in respect of prior years	**33**	-
Tax losses not utilised and other temporary differences	**55**	(180)
Total tax charge for year	**491**	337

5. DIVIDENDS

Amounts recognised as distributions to equity holders in the year:	**2016 £'000**	2015 £'000
Ordinary shares of 1p each		
Final dividend for the year ended 30 June 2015 of 2.14p (2014: 1.26p) per share	**899**	513
Interim dividend for the year ended 30 June 2016 of 1.14p (2015: 0.585p) per share	**480**	239
Special dividend of 3p per share paid on the 8 August 2015	**1,242**	-
	2,621	752
Special dividend of 3p per share paid on the 8 August 2016 (2015: 3 August 2015)	**1,265**	1,242
Proposed final dividend for the year ended 30 June 2016 of 2.19p (2015: 2.14p) per share	**923**	899

The proposed final dividend is subject to approval by shareholders at the forthcoming Annual General Meeting and has not been included as a liability in the financial statements.

6. EARNINGS PER SHARE

The calculations of earnings per share are based on the following profits and numbers of shares:

	2016 £'000	2015 £'000
Retained profit for the financial year attributable to equity holders of the parent	**2,102**	2,215
	Shares '000 Number	Shares '000 Number
Weighted average number of ordinary shares for the purpose of basic earnings per share	**41,945**	40,705
Share options	**1,747**	1,614
	43,692	42,319
Earnings per ordinary share		
Basic	**5.01p**	5.44p
Diluted	**4.81p**	5.23p

A total of 70,000 options of ordinary shares were anti-dilutive at 30 June 2016. All remaining share options are dilutive at 30 June 2016 and were dilutive at 30 June 2015.

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid ordinary shares of 1 pence each	**Number:**	**£'000**
30 June 2015	41,392,201	414
Issued during the year	773,000	7
30 June 2016	42,165,201	421

8. ANNUAL REPORT

The annual report and financial statements will be available on the company's website www.tristel.com from 17 October 2016. Printed copies will be posted to shareholders prior to the Company's Annual General Meeting taking place on 13 December 2016 in Snailwell, Newmarket.

9. POST BALANCE SHEET EVENT

On 15 August 2016 the Group acquired from the Australian company Ashmed PTY Ltd, its customer base, stock, fixed assets and staff, for a total consideration of £1.1m in cash. The customer base and staff were purchased for a consideration of £959k, the amount will be recognised within intangible assets. Stock was acquired for £119k, to be shown within inventory. Transaction costs have been incurred, including an amount of £50k recognised in these financial statements within administration expenses. An estimate of the financial effect of the transaction can be found within the Chief Executive's report, on page 5 of these financial statements.