

TyraTech, Inc. (the “Company” or “TyraTech”)
10 June 2011

Preliminary Results

TyraTech Inc. (AIM: TYR), a natural life sciences company that harnesses the power of nature to improve human and animal health using a proprietary, novel technology that is both effective against insects and parasites and safe for people and pets, today announces its unaudited preliminary results for the year ended 31 December 2010.

Operational Highlights

- Successful extension to our partnership with Terminix, the largest professional pest control company in North America, through a new product development and supply agreement
- Strengthened management team through the addition of key leaders with significant experience in our key markets

Financial Highlights

- Revenue from continuing operations decreased for the year to US\$4.6 million (2009: US\$6.3 million).
- Deferred revenue at year end increased by \$3.5 million from 2009 and will be recognized in future periods
- Expenses from continuing operations for the year were reduced by 43% to US\$7.4 million (2009: US\$13.0 million)
- Net loss before and after tax for the period attributable to TyraTech reduced significantly to US\$6.1 million, (2009: US\$13.9 million)
- Successfully raised US\$4.8 million in working capital through additional share issues
- Cash and cash equivalents were US\$3.3 million (2009: US\$1.3 million)

Post Period Highlights

- On 1 June 2011, we announced that the New York Supreme Court, Appellate Division of New York County issued a ruling on 26 May 2011 entering judgment in favour of TyraTech and against Molecular Securities, Inc. ("Molecular") and dismissing Molecular's complaint in its entirety. This ruling may be appealed by Molecular
- Subsequent to 31 December 2010, milestone payments were received from Terminix for the successful development of three new products

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Chairman's Statement and Operational Review

As we entered 2010, TyraTech faced a difficult business climate. As I outlined in my Half Year report, we identified three main priorities for the business:

1. Increase our focus on cost control
2. Support our partnerships, with initial emphasis on those with Terminix and Kraft
3. Strengthen our balance sheet, particularly the cash position

I am happy to report to you that significant progress was made during 2010 in each of these areas.

First, on the cost front, we reduced our cash operating expenses to US\$6.3 million in 2010 from US\$10.4 million in 2009, representing a 39% reduction in cash expenditures. This was achieved through a focused effort by all of the employees of TyraTech and I wish to thank them for the sacrifices that were made during this challenging period.

Significant progress was made with Terminix in the period. As announced previously, we successfully extended our partnership with Terminix, the largest professional pest control company in North America, through a new product development and supply agreement. This extension brought with it a significant upfront payment to TyraTech, which was received in October 2010. Under this new Agreement, Terminix and TyraTech are now working together to develop and market new and effective pest control products incorporating TyraTech's Nature's Technology™. The extended strategic relationship enables a development plan to identify further co-branded natural products and market channels for commercialisation. For each of up to six new products developed, TyraTech receives development milestone payments from Terminix. The successful development of three new products was announced in February 2011. The new products, part of a growing pipeline of innovative products, will expand the existing product lines and enable Terminix to continue marketing and branding the TyraTech insecticide product lines in the US, Canada and Mexico.

The Kraft project (functional food) has made excellent progress during the year from both a technical and a market definition standpoint. The board hopes to report further progress on this exciting project in the current financial year.

With regard to our product sales, we experienced a 30% increase in order demand for our primary product supplied to Terminix, Terminix SafeShield™. We believe that our future growth in product sales will be driven by Terminix SafeShield™ and the new professional and institutional products delivered to Terminix in Q4 of 2010 and the first part of 2011. Further, our 2010 results do not include US\$3.5 million in additional Deferred Revenue which was received in 2010 and will be recorded as revenue in future periods. We also had one shipment which was anticipated to occur in December 2010 shift into January 2011, reducing our 2010 product sales by approximately US\$500,000.

During 2010, we successfully raised US\$4.8 million in working capital through additional share issues. This, along with our operating expense reductions, allowed us to finish 2010 with US\$3.3 million in cash, a US\$2.0 million increase from December 2009. While we are still challenged to balance growing our business against a limited level of working capital, we are optimistic that these share issues will provide sufficient capital to the business to fund our working capital needs in 2012.

Board Changes:

As reported earlier, Dr. Geoffrey Vernon and Dr. Ken Noonan resigned as a non-executive Directors. In August 2010 we also reported that Keith Bigsby had resigned as Chief Financial Officer and Director.

In July 2010, Jim Hills joined the Board as a non-executive Director, bringing invaluable experience in consumer marketing and brand management.

Management Changes:

Throughout 2010 and into the early part of 2011, I have worked to develop a strong management team with significant experience in our key markets.

Kevin T. Schultz, D.V.M., Ph.D. joined TyraTech in November 2010 and holds the position of Chief Scientific Officer (CSO). In addition to his responsibilities as CSO, Dr. Schultz is also leading the Functional Foods and Animal Health Research and Development at TyraTech. Dr. Schultz began his corporate work as Executive Director, World-Wide Animal Science Research & Development at Merck. He was one of the founding executives to combine the Animal Health Division of Merck with Rhone Merieux (forming Merial) and was subsequently appointed Head of Pharmaceutical Research and Development. Following that, Dr. Schultz assumed the role of CSO and Global Head of all Research and Development for Merial.

In February 2011, Peter Jerome joined TyraTech as our Chief Financial Officer. Mr. Jerome is a Certified Public Accountant. For the past 10 years Mr. Jerome has been with Albany Molecular Research, Inc. (AMRI). AMRI is a publicly traded international research and development and manufacturing company focusing on providing a full complement of pharmaceutical services from drug discovery to the commercial manufacturing of active pharmaceutical ingredients. Initially at AMRI, Mr. Jerome held the position of Director of Finance and Corporate Controller, and for the past 3 years he has been Director, Investor Relations / Financial Planning and Analysis. Mr. Jerome also spent 10 years with the audit firm PricewaterhouseCoopers LLP where he was a Senior Audit Manager.

Also in February 2011, Keith Kennedy, Ph.D. joined TyraTech as Vice President Product Development. Dr. Kennedy has more than 22 years of experience in the development of global consumer products. As Director of S.C. Johnson and Son's (SCJ) Insect Control Product Development Division, he led global development teams that successfully introduced over 75 new chemical specialty products worldwide, products that are now being sold in over 100 countries. Dr. Kennedy's key product responsibilities at SCJ included: Raid® and Bagyon® insecticides; Off!® and Autan® insect repellents. Before moving into product development, Dr. Kennedy directed the efforts of SCJ's Entomology Research Center. For the last five years, Dr. Kennedy has worked as a private consultant for new insect control and repellent technology.

Other Business:

As I write this report to you, we are in the process of relocating TyraTech's operations to the Research Triangle Park (RTP) area of North Carolina. We are making this move in order for the business to be located in a hub with other Life Science businesses. We believe this will provide TyraTech with greater access to a talented employment base and other scientific expertise through the vast network of public and private research facilities in the RTP area.

I am also pleased to report the continued development of TyraChem, our innovative Joint Venture with Chemplast International (Chemplast). As part of McNeel International Corporation, Chemplast is a multinational plastics and master batch manufacturer. In 2011, the companies continue working together to develop innovative technology platforms that leverage TyraTech's Nature's Technology™ insecticide platform into novel delivery systems.

Summary and Outlook

We continue to be confident of TyraTech's technology and of our ability to develop and commercialise further products that our partners can commercialise, as evidenced by the new products we have delivered to Terminix. We are also committed to leveraging these products into other markets and to create significant shareholder value over the coming years.

While there is much work left to be done, we are proud of the accomplishments we achieved in 2010 and look forward to similar accomplishments in 2011 and beyond.

Alan Reade

Executive Chairman

June 10, 2011

Financial Review

Revenues

TyraTech continues to develop its product revenues as we mature as a business. Overall revenues from continuing operations decreased for the year to US\$4.6 million (2009: US\$6.3 million). Not included in Revenue is an increase in Deferred Revenue of approximately US\$3.5 million. This increase in Deferred Revenue will be recognized in future periods. Product revenues from continuing operations decreased to US\$2.1 million (2009: US\$2.6 million). Increased product sales related to the Terminix SafeShield™ product, which is sold to the household market, were offset by a decrease in sales of commercial and institutional products. Collaborative revenue reduced to US\$2.5 million (2009: US\$3.7 million) with the impact of the revised Kraft contract. These changes resulted in expenses incurred from September 2009 forward being reflected as revenue and equally offset as cost of goods sold.

Cost of Sales and Gross Margin

Cost of sales for the year from continuing operations was US\$3.3 million (2009: US\$4.5 million). This included project costs for collaborative revenue projects of US\$2.2 million (2009: US\$2.6 million), cost of product sold of US\$1.1 million, (2009: US\$1.9 million). Gross margin from product sales was 46% in 2010 (2009: 27%). The increase in gross margin was driven by product mix, with higher margins on our household product driving the overall increase in product margin.

Operating Expenses

Overall, operating expenses from continuing operations for the year were reduced by 43% to US\$7.4 million (2009: US\$13.0 million). The expenses for the year include non-cash stock compensation to employees and non-employees of US\$0.9 million (2009: US\$3.3 million), depreciation and amortization of US\$0.2 million (2009: US\$0.5million) and provision for doubtful debts of US\$0.0 million (2009: US\$0.1 million). The decrease in overall operating expenses was driven by a decrease in stock compensation expense of US\$2.4 million, a decrease in employee compensation costs of US\$2.0 million (due to headcount reductions conducted during 2010), and a decrease in discretionary spending (Legal, Travel, Facilities and Materials and Supplies) of US\$1.2 million.

The table below analyses the net cash operating expense by financial line item for the twelve months ended December 21, 2010 and 2009.

(in millions)

	31 December 2010	31 December 2009
General and Administrative	\$2.9	\$ 3.8
Business development	0.6	2.8
Research and product development	2.8	3.8
Total	\$6.3	\$10.4

Liquidity and Cash Flow

Cash flow used in operations for 2010 was US\$(2.7 million) compared to US\$(7.7 million) for 2009, a US\$5.0 million improvement. This improvement was driven by several significant factors. As previously mentioned, cash operating expenses for the year decreased by US\$4.1 million, the receipt of the upfront payment from Terminix upon the execution of our expanded product development agreement contributed an additional US\$2.5 million in improvement, with these items offset by an increase in working capital (excluding deferred revenue) of US\$1.4 million and other items of US\$0.2 million.

Cash flow from financing activities in 2010 was US\$4.8 million, compared to nil in 2009. The Company raised US\$4.8 million in additional share capital, net of offering expenses, in 2010 through the issuance of an additional 30.0 million shares of its common stock.

Cash and cash equivalents were US\$3.3 million at the end of 2010 (2009: US\$1.3 million). We invest our cash resources in deposits with banks with the highest credit ratings, putting security before absolute levels of return.

In October 2008, Molecular Securities, Inc. (Molecular) filed a complaint against the Company asserting claims for breach of contract. Molecular alleges that it is owed US\$ 2.7 million for services that it allegedly provided to TyraTech plus interest, attorneys' fees and costs. The Company strongly refutes this claim and is vigorously defending itself in the lawsuit. After taking advice on the merits and demerits of the lawsuit the Company does not intend to provide any liability for the lawsuit. On May 26, 2011, the New York Supreme Court, Appellate Division of New York County issued a ruling entering judgment in favour of the Company and against Molecular and dismissing Molecular's complaint in its entirety. Molecular may choose to appeal the ruling with the Court of Appeals (New York's highest court) in which case the Company will continue to defend itself and continues to believe that the recording of any liability is inappropriate as Molecular's claims are meritless. If Molecular were to prevail in the litigation there could be a material adverse effect upon the Group's working capital which could in turn significantly delay the development of the Group's business and the Company achieving profitability.

Currency Effects

The Group has no significant overseas currency exposures and does not use financial derivatives to manage currency risk.

Peter Jerome
Chief Financial Officer and Group Secretary
June 10, 2011

TYRATECH, INC.
Unaudited Consolidated Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Current assets		
Cash and cash equivalents	\$3,343,581	\$1,264,661
Accounts receivable, net	791,423	528,060
Inventory	341,414	224,004
Prepaid expenses	104,528	214,317
Current assets from discontinued operations	597	464,700
Total current assets	4,581,543	2,695,742
Property and equipment, net of accumulated depreciation	626,397	834,636
Total assets	\$5,207,940	\$3,530,378
Liabilities and Shareholders' (Deficit) Equity		
Current liabilities		
Accounts payable	\$428,971	\$970,150
Accrued liabilities	884,099	1,392,158
Current liabilities from discontinued operations	2,028	552,765
Deferred revenue	1,951,643	476,500
Other current liabilities	6	16,607
Total current liabilities	3,266,747	3,408,180
Other long-term liabilities	2,102,483	104,712
Total liabilities	5,369,230	3,512,892
Shareholders' (deficit) equity		
Common stock, \$0.001 par, authorised 100 million; 51.8 million shares issued (2009: 22.0 million shares issued)	51,837	22,000
Additional paid-in capital	69,059,576	63,177,312
Accumulated deficit	(69,267,152)	(63,176,664)
Treasury stock of 13,741 (2009: 326,241)	(177)	(4,195)
Total TyraTech, Inc. shareholders' (deficit) equity	(155,916)	18,453
Non-controlling interest	(5,374)	(967)
Total (deficit) equity	(161,290)	17,486
Total liabilities and (deficit) equity	\$5,207,940	\$3,530,378

TYRATECH, INC.
Unaudited Consolidated Statements of Operations
Years ended December 31, 2010 and 2009

	2010	2009
Revenues:		
Product sales	\$2,055,612	\$2,590,618
Collaborative revenue	2,536,401	3,740,222
Total revenues	4,592,013	6,330,840
Costs and expenses related to product sales and collaboration revenue:		
Product costs	1,112,658	1,895,052
Collaborative costs and expenses	2,156,502	2,560,368
Total costs and expenses	3,269,160	4,455,420
Gross profit	1,322,853	1,875,420
Costs and expenses:		
General and administrative	3,657,560	6,535,727
Business development	705,004	2,042,435
Research and technical development	3,050,278	4,393,367
Total cost and expenses	7,412,842	12,971,529
Loss from operations	(6,089,989)	(11,096,109)
Other (expense) income:		
Interest income	683	15,271
Interest/other expense	(17,307)	(2,526)
Total other (expense) income	(16,624)	12,745
Loss from continuing operations before income taxes	(6,106,613)	(11,083,364)
Income tax expense	-	-
Net loss from continuing operations	\$(6,106,613)	\$(11,083,364)
Discontinued operations (note 15):		
Income (loss) from discontinued operations before income taxes	10,070	(2,797,950)
Income tax expense	-	-
Income (loss) from discontinued operations	10,070	(2,797,950)
Consolidated net loss	\$(6,096,543)	\$(13,881,314)
Net loss attributable to non-controlling interest	6,055	28,467
Net loss attributable to TyraTech, Inc. including discontinued operations	\$(6,090,488)	\$(13,852,847)
Net loss per common share from continuing operations		
Basic and diluted	\$(0.16)	\$(0.53)
Net loss per common share from discontinued operations		
Basic and diluted	\$0.00	\$(0.13)
Net loss per common share attributable to TyraTech, Inc.		
Basic and diluted	\$(0.16)	\$(0.66)
Weighted average number of common shares		
Basic and diluted	37,116,234	21,068,343

TYRATECH, INC.
Unaudited Consolidated Statements of Shareholders' (Deficit) Equity
Years ended December 31, 2010 and 2009

	Common stock	Additional paid-in capital	Accumulated deficit	Non- controlling interest	Treasury stock	Total (deficit) equity
Balance as of December 31, 2008	\$22,000	\$59,874,782	\$(49,323,817)	\$ -	\$(4,195)	\$10,568,770
Contribution from non- controlling interest	-	-	-	27,500	-	27,500
Stock based compensation	-	3,302,530	-	-	-	3,302,530
Consolidated net loss	-	-	(13,852,847)	(28,467)	-	(13,881,314)
Balance as of December 31, 2009	\$22,000	\$63,177,312	\$(63,176,664)	\$ (967)	\$(4,195)	\$ 17,486
Proceeds from issuance of common stock, net of expenses	29,837	4,793,027	-	-	-	4,822,864
Issuance of treasury shares	-	145,982	-	-	4,018	150,000
Contribution from non- controlling interest	-	-	-	1,648	-	1,648
Stock based compensation	-	943,255	-	-	-	943,255
Consolidated net loss	-	-	(6,090,488)	(6,055)	-	(6,096,543)
Balance as of December 31, 2010	\$51,837	\$69,059,576	\$(69,267,152)	\$ (5,374)	\$(177)	\$ (161,290)

TYRATECH, INC.
Unaudited Consolidated Statements of Cash Flows
Years ended December 31, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Net loss	\$(6,096,543)	\$(13,881,314)
Adjustments to reconcile net loss to net cash used in operating activities:		
Discontinued operations	(10,070)	2,797,950
Depreciation and amortisation	238,676	453,595
Inventory valuation adjustment	-	496,087
Change in fair value of warrants	-	(612)
Amortization of stock awards	943,255	3,302,530
Non-cash performance bonus	150,000	-
Loss on disposal of property and equipment	7,356	-
Changes in operating assets and liabilities:		
Accounts receivable	(263,363)	(27,412)
Inventory	(117,410)	29,629
Prepaid expenses	109,789	169,468
Accounts payable and accrued liabilities	(1,049,238)	998,409
Deferred revenue	3,472,914	(722,492)
Net cash used in discontinued operations	(76,564)	(1,292,560)
Net cash used in operating activities	(2,691,198)	(7,676,722)
Cash flows from investing activities:		
Purchase of property and equipment	(64,193)	(33,660)
Sale of property and equipment	26,400	-
Net cash used in investing activities	(37,793)	(33,660)
Cash flows from financing activities:		
Payments made under a capital lease	(16,601)	(20,339)
Contribution from non-controlling interest	1,648	27,500
Net proceeds from sale of common stock	4,822,864	-
Net cash provided by financing activities	4,807,911	7,161
Net increase (decrease) in cash	2,078,920	(7,703,221)
Cash and cash equivalents, beginning of year	1,264,661	8,967,882
Cash and cash equivalents, end of year	\$3,343,581	\$1,264,661
Supplemental disclosures		
Cash paid for interest	\$ 706	\$3,138
Cash paid for income taxes	\$ -	\$ -
Non-cash investing and financing activities		
Settlement of Sustainable Solutions, LLC operations	\$342,328	\$ -

Notes

1. Basis of preparation

TyraTech, Inc., a Delaware corporation, is engaged in the development, manufacture, marketing and sale of proprietary natural insecticide and parasiticide products, through the utilization of a proprietary development platform that enables rapid characterization of potent blends of plant oil derived pesticides. TyraTech is focused on developing safer natural products with plant essential oils to be used in a wide variety of pesticidal and parasitic applications. These new synergistic formulations target specific receptors unique to invertebrates.

The unaudited consolidated financial statements of the Company for the year ended 31 December 2010 and 2009 comprise the Company and its subsidiaries (together referred to as the 'Group').

The information contained within this Preliminary Announcement has been extracted from the financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The financial information in this announcement does not constitute statutory accounts for the year ended 31 December 2010 and 2009 but is derived from these accounts.

The preliminary announcement for the year ended 31 December 2010 was approved by the Board for release on 10 June 2011.

2. Discontinued Operations

During 2010, the Company discontinued the Sustainable Solutions segment which is reported as discontinued operations in the consolidated statements of operations for the twelve months ended 31 December 2010 and 2009. The assets and liabilities of discontinued operations have been reclassified and are segregated in the consolidated balance sheets for the years ended 31 December 2010 and 2009.

The Company ceased operations of the Sustainable Solutions, LLC. Subsidiary effective 31 March 2010 and began liquidating the product inventory and settling the remaining liabilities with suppliers. This subsidiary was discontinued because its operations did not align with the Company's strategic plans.

3. Distribution of Annual Report and Financial Statements

The group expects to distribute copies of the full Annual Report and Financial Statements that comply with US GAAP by 30 June 2011 following which copies will be available either from the registered office of the company; The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, USA; or from the company's website; www.tyratech.com

4. Date of Annual General Meeting

The Annual General Meeting (AGM) of the stockholders of TyraTech, Inc., (the Company) will be held on 27 July 2011 at 12.00 noon UK time at the office of Brewin Dolphin, 12 Smithfield Street, London, EC1A 9B.