

28 June 2012

TyraTech, Inc.
(the “Company” or “TyraTech”)

Final Results

TyraTech Inc. (AIM: TYR), a natural life sciences company, today announces its results for the year ended 31 December 2011.

Operational Highlights

- Delivered four new products to Terminix, the largest professional pest control company in North America
- Received registration approvals for our aerosol insecticides in Germany and France and are pending approval in the UK
- Relocated corporate headquarters from Melbourne, FL to Morrisville, NC and brought technology platform in-house from Vanderbilt University
- Initiated development of repellency technology to address a wide range of consumer needs in personal care and animal health
- Initiated development of a natural solution for head lice

Financial Highlights

- Total Revenue increased by 56% to US\$7.2 million (2010: US\$4.6 million).
- Gross Profit Increased by 252% to U.S. \$4.7 million (2010: U.S. \$1.3 million)
- Operating Expenses Reduced by 2% to U.S. \$7.2 million (2010: U.S. \$7.4 million)
- Net loss before and after tax reduced to U.S. \$2.7 million (2010: U.S. \$6.1 million)

Post Period Highlights

- Successfully raised US\$3.8 million in capital through a share placement and subscription

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Chairman's Statement and Operational Review

I am pleased to report the many product development advances which were made during 2011 and have continued into 2012, as well as TyraTech's improved financial performance during 2011. This past year validated our ability to deliver high value products to the market, as evidenced by our product sales, which increased by over 100% from 2010 levels.

Product Development Advances

We have made significant advances in our product development pipeline throughout 2011 and the first half of 2012, with the strategic goal of diversifying our product offering and customer base. This included advancing product development programmes in each of our three key areas of focus - Insect Control, Human Health and Animal Health. We believe our products have the ability to change the way people view the use of pesticides in their home. In the personal care sector we identified that existing solutions are suboptimal as they no longer adequately address the needs of the consumer. We believe our head lice product, VaMousse!™ is one such product that can meet the new demands of consumers in terms of both effectiveness and peace of mind.

Insect Control

In order to further expand our insect control offering, we have two development programmes utilizing our Nature's Technology™ platform. The first is a floor and surface repellent technology for consumer, industrial, and institutional markets. The Company has made significant progress in this area and believes that it has the ability to deliver repellent floor and surface products which will have the ability to repel insects for up to 24 hours.

The second is through TyraChem, our joint venture with Chemplast International. This venture is focused on developing innovative insect control and repellency platforms that integrate TyraTech's Nature's Technology® into Chemplast's plastics technologies. We have met a significant milestone in this venture by successfully incorporating TyraTech's insect control technology into plastic films. We and Chemplast are encouraged with this and other recent successes in the development of this technology. Initial study data on the plastic films the joint venture manufactured is showing strong repellency against flies and other insects. These innovative plastics provide a range of potential applications in the agriculture, commercial, institutional and consumer markets.

Based upon market research we have performed, we believe that our range of products can address a market with an opportunity in excess of US\$1 billion.

Human Health & Wellbeing

We are focused on three areas in this category:

- **Head & Body Lice control:** In the first half of 2012 we initiated a clinical trial of our head lice product, VaMousse!™. The clinical trial is a randomized, parallel study to evaluate two TyraTech formulations to a leading product currently on the market. We are very encouraged by the positive results to date which indicate that our safe formulations are giving results superior to products currently on the market and are effectively controlling synthetic-resistant lice and nits. We expect to complete our clinical trial in the second half of 2012 and will provide a further update to you at that time. We believe our product will address a global market we estimate to be well in excess of \$600 million, a market that has lacked innovation for some time.
- **Personal Insect Repellents:** We are developing a range of personal insect repellents featuring TyraTech Nature's Technology® to meet the global demand for safe and highly effective alternatives to synthetic products. Test results to date have been encouraging and we are confident that our formulation will meet the programme's objectives which are to develop an efficient, safe and cost effective natural insect repellent. We view this as a highly attractive and accessible market opportunity which, following our internal research, we believe to be worth in excess of \$1 billion globally.

- **Human Functional Food** to control the level of harmful intestinal parasites: we have a strategic partnership with Kraft Foods for the development of functional foods. Test results of the technology continue to be promising as the companies continue to work closely together to identify ways in which to accelerate the monetisation of this project.

Animal Health

We have identified several product opportunities in the Animal Health market. Initially, efforts are focused on the flea and tick market for companion animals and the biting fly market for horses and cattle, which we have estimated to have a market size in excess of \$400 million, following our internal research. We believe that the significant advances we have made in our personal and surface repellent projects will accelerate development of high value products for the Animal Health market.

To date, TyraTech has invested in excess of \$50 million to build its technology platform and develop products for high value markets. The Directors believe the Company is in a strong position to progress the commercialization of several products to serve markets that are demanding innovation and increased safety.

2011 Financial Results

Our financial results for 2011 marked a significant milestone for TyraTech. We increased our product revenue by over 100% from 2010 levels and increased our gross margin on product sales by US\$1.7 million. Further, we earned US\$1.4 million in milestone revenue through the delivery of important new products to our primary commercial insect control partner in the US. This, combined with maintaining our lower operating expenses, reduced our net loss to US\$2.7 million, an improvement of US\$3.4 million over 2010 results.

We will continue to focus on controlling our cost structure whilst advancing our product development programs in order to ensure we have high value products to deliver to new markets or partners.

Outlook

While we expect 2012 revenues to decrease from 2011 levels due to lower demand from our primary insect control customer, we continue to remain positive about our medium and long-term prospects due to the potential of the Company's technology, as evidenced by the advances we have made in our product development pipeline and the increasing interest in our products from high caliber global partners, including a major global consumer products company and a major US retailer, both of which we are presently in discussions with. The US\$3.8 million of new capital which we raised in February 2012 provides us with the necessary resources for the near future to continue to advance our products whilst we continue negotiations with our existing and new partners. Although uncertainty remains over the timing and amounts of revenues and cash flows which would be generated from these opportunities, we remain confident that we can deliver a successful result with our current financial resources.

In addition, we are further evaluating each of the markets in which we have developed products or have a development pipeline, in order to focus our resources on those opportunities with the greatest potential returns to shareholders. Accordingly, the Company may seek to obtain value for some areas of application of its technology in order to reinvest in others.

Alan Reade

Executive Chairman

Jun 28, 2012

Financial Review

Revenues

TyraTech continues to develop its product revenues and works to diversify its revenue sources as it matures as a business. Overall revenues increased for the year to US\$7.2 million (2010: US\$4.6 million). Product revenues increased to US\$4.4 million (2010: US\$2.1 million). Increased product sales related to the Terminix SafeShield™ product and a new line of aerosol products, which are sold in the US institutional and commercial markets. Collaborative revenue increased to US\$2.7 million (2010: US\$2.5 million) primarily from the impact of the new product payments under the Terminix Product Supply Agreement.

Cost of Sales and Gross Margin

Cost of sales for the year was US\$2.5 million (2010: US\$3.3 million). This included cost of product sold of US\$1.8 million (2010: US\$1.1 million) reflecting the leverage of our partnered sales programmes, and project costs for collaborative revenue projects of US\$0.7 million (2010: US\$2.2 million). Gross margin from product sales was 59% in 2011 (2010: 46%). The increase in gross margin was primarily driven by higher margins on our household insecticide product.

Operating Expenses

Overall, operating expenses for the year were reduced by 2.4% to US\$7.2 million (2010: US\$7.4 million). The expenses for the year include non-cash stock compensation to employees and non-employees of US\$0.7 million (2010: US\$0.9 million), and depreciation and amortization of US\$0.2 million (2010: US\$0.2million). The decrease in overall operating expenses was driven primarily by the decrease in non-cash stock compensation expense. Since 2009, the company has reduced its cash operating expenses by 39%.

Liquidity and Cash Flow

Cash flow used in operations for 2011 was US\$2.3 million compared to US\$2.7 million for 2010, a \$0.4 million improvement. This improvement was primarily the result of our increased gross margin on product sales offset by lower upfront license payments receipts. Also contributing to the improvement was our decrease in accounts receivable and inventory, partially offset by the decrease in our accounts payable and accrued expenses.

Cash flow from financing activities in 2011 were negligible, compared to US\$4.8 million in 2010 when the Company raised US\$4.8 million in equity financing.

Cash and cash equivalents were US\$0.9 million at the end of 2011 (2010: US\$3.3 million). We invest our cash resources in deposits with banks with the highest credit ratings, putting security before absolute levels of return.

Subsequent to December 31, 2011 we raised an additional US\$3.8 million in capital, net of expenses, through the issuance of 52,101,460 common shares to fund our operations while we continue negotiations with our existing and new partners. While we expect 2012 revenues from our primary customer to be below 2011 levels, discussions with potential new partners are progressing well, and although there remains uncertainty as to the timing and amounts of any resulting funds, we believe that existing and potential cash resources should be sufficient for the Company's short-term requirements.

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 28, 2012

TYRATECH, INC.
Unaudited Consolidated Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	\$905,115	\$3,343,581
Accounts receivable, net	11,816	791,423
Inventory	167,897	341,414
Prepaid expenses	72,043	104,528
Current assets from discontinued operations	-	597
Total current assets	1,156,871	4,581,543
Property and equipment, net of accumulated depreciation	380,385	626,397
Long term deposits	65,000	-
Total assets	\$1,602,256	\$5,207,940
Liabilities and Shareholders' Deficit		
Current liabilities		
Accounts payable	\$299,327	\$428,971
Accrued liabilities	448,752	884,099
Current liabilities from discontinued operations	-	2,028
Deferred revenue	668,717	1,951,643
Other current liabilities	-	6
Total current liabilities	1,416,796	3,266,747
Other long-term liabilities	2,341,706	2,102,483
Total liabilities	3,758,502	5,369,230
Shareholders' deficit		
Common stock, \$0.001 par, authorised 100 million; 51.8 million shares issued (2010: 51.8 million shares issued)	51,856	51,837
Additional paid-in capital	69,785,077	69,059,576
Retained deficit	(71,987,811)	(69,267,152)
Treasury stock of 0 (2010: 13,741)	-	(177)
Total shareholders' deficit	(2,150,878)	(155,916)
Non-controlling interest	(5,368)	(5,374)
Total TyraTech Inc. shareholders' deficit	(2,156,246)	(161,290)
Total liabilities and shareholders' deficit	\$1,602,256	\$5,207,940

TYRATECH, INC.
Unaudited Consolidated Statements of Operations
Years ended December 31, 2011 and 2010

	2011	2010
Revenues:		
Product sales	\$4,406,531	\$2,055,612
Collaborative revenue	2,748,635	2,536,401
Total revenues	7,155,166	4,592,013
Costs and expenses related to product sales and collaboration revenue:		
Product costs	1,810,176	1,112,658
Collaborative costs and expenses	686,091	2,156,502
Total costs and expenses	2,496,267	3,269,160
Gross profit	4,658,899	1,322,853
Costs and expenses:		
General and administrative	3,470,414	3,657,560
Business development	987,217	705,004
Research and technical development	2,779,892	3,050,278
Total cost and expenses	7,237,523	7,412,842
Loss from operations	(2,578,624)	(6,089,989)
Other income (expense):		
Interest income	29	683
Interest/other expense	(13,388)	(17,307)
Loss on disposal of fixed assets	(129,517)	-
Total other income	(142,876)	(16,624)
Loss from operations before income taxes	(2,721,500)	(6,106,613)
Income tax expense	-	-
Net loss	\$(2,721,500)	\$(6,106,613)
Discontinued operations:		
Income from discontinued operations		10,070
Income tax expense	-	-
Income from discontinued operations	-	10,070
Consolidated net loss	\$(2,721,500)	(6,096,543)
Net loss attributable to non-controlling interest	841	6,055
Net loss attributable to the Company	\$(2,720,659)	\$(6,090,488)
Net loss per common share from continuing operations		
Basic and diluted	\$(0.05)	\$(0.16)
Net loss per common share from discontinued operations		
Basic and diluted	\$(0.00)	\$(0.00)
Net loss attributable to TyraTech, Inc.	\$(0.05)	\$(0.16)
Weighted average number of common shares		
Basic and diluted	51,843,801	37,116,234

TYRATECH, INC.
Unaudited Consolidated Statements of Cash Flows
Years ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Net loss	\$(2,721,500)	\$(6,096,543)
Adjustments to reconcile net loss to net cash used in operating activities:		
Discontinued operations	-	(10,070)
Depreciation and amortization	246,934	238,676
Amortization of stock awards	716,848	943,255
Non-cash performance bonus	-	150,000
Loss on disposal of fixed assets	130,717	7,356
Changes in operating assets and liabilities:		
Accounts receivable	779,607	(263,363)
Inventory	173,517	(117,410)
Prepaid expenses	32,485	109,789
Accounts payable and accrued liabilities	(564,991)	(1,049,238)
Other liabilities	(1,193)	-
Deposits	(65,000)	-
Deferred revenue	(1,044,544)	3,472,914
Net cash (used) provided from discontinued operations	597	(76,564)
Net cash used in operating activities	(2,316,523)	(2,691,198)
Cash flows from investing activities:		
Purchase of property and equipment	(131,639)	(64,193)
Sale of property and equipment	-	26,400
Net cash used in investing activities	(131,639)	(37,793)
Cash flows from financing activities:		
Payments made under a capital lease	-	(16,601)
Contribution from non-controlling interest	847	1,648
Net proceeds from sale of treasury stock	8,830	-
Net proceeds from sale of common stock	19	4,822,864
Net cash provided by financing activities	9,696	4,807,911
Net (decrease) increase in cash	(2,438,466)	2,078,920
Cash and cash equivalents, beginning of year	3,343,581	1,264,661
Cash and cash equivalents, end of year	\$905,115	\$3,343,581
Supplemental disclosures		
Cash paid for interest	-	\$706
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 December 31, 2011 and 2010 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 December 31, 2011 and 2010 but is derived from these accounts.

The preliminary announcement for the year ended December 31, 2011 was approved by the Board for release on June 28, 2012.

2. Liquidity and capital resources

The accompanying unaudited consolidated financial statements contemplate continuation of the Company as a going concern. The Company has incurred a net loss since Inception as it has sought to develop, market and sell its products in its target markets. As of December 31, 2011, the Company had an accumulated deficit of US\$71,987,811 and a cash balance of US\$905,115. During the year ended December 31, 2011, the Company incurred a net loss of US\$2,720,659 and its cash used in operations totaled US\$2,316,523. The Company's operations have been funded through a combination of common stock issuances, sales of the Company's products and proceeds from technology licensing agreements. Subsequent to December 31, 2011, the Company further raised net cash proceeds of US\$3.8 million from the issuance of additional common stock. Until such time as the Company can generate additional revenue from product sales and/or enter into additional licensing arrangements, the Company may require additional capital to continue its operations. The Company is taking several actions, including identifying new markets and customers, and discussing strategic licensing arrangements with existing and new partners. At the same time, the Company is evaluating each of the markets in which the Company has developed products or has a development pipeline, in order to focus the Company's resources on those opportunities with the greatest potential returns to shareholders. However, there is no assurance that such new sources of revenues and/or cash flows will materialize and, as a result, the Company may need to raise additional debt and/or equity capital in the near future. There can be no assurance that additional debt or equity funding can be obtained or that available capital would be on terms acceptable to the Company.

3. Distribution of Annual Report and Financial Statements

The group will distribute copies of the full Annual Report and Financial Statements that comply with US GAAP by June 30, 2012 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 at the offices of the Company at 5151 McCrimmon Parkway, Suite 275, Morrisville, NC USA 27560 on July 25, 2012 at 10:00AM EDT.