



Press Release

23 June 2008

Plant Impact plc

(“Plant Impact” or “the Group”)

Final Results for the year ended 31 March 2008

Plant Impact plc (AIM:PIM), a global developer of plant stress management technologies, today announces its Final Results for the year ended 31 March 2008.

Corporate Highlights

- Placing £1.5m;
- USA distribution agreement – crop nutrients;
- Tanzania distribution agreement – BugOil; and
- Strengthened executive and sales / technical teams.

Research & Development Highlights

- BugOil EU registration - dossier submission Q3 2008;
- BugOil USA registration - dossier submission Q4 2008;
- BugOil EU and South Africa granted patents;
- Speedo UK granted patent;
- Alethea Moroccan patent;
- Further validation of product efficacy; and
- First independent trial on arable crop – soy bean.

Financial Highlights

- Turnover £285k (2007: £377k);
- Improved margins 35.8% (2007: 28.7%);
- Increase in Research & Development and distribution spend £1,257k (2007: £810k);
- Loss before tax £1,847k (2007: £1,822k); and
- Cash £2,980k (2007: £3,078k).

Martin Robinson, Chairman of Plant Impact plc, commented:

"Plant Impact has achieved several planned milestones during the year. This includes a distribution agreement for North America (the world's largest agricultural market), the first commercial agreement for BugOil, BugOil registration dossiers near completion, strengthened intellectual property portfolio, global field trials continue to prove product efficacy and additional equity in difficult market conditions.

Plant Impact is now focused on commercialisation of several unique and what the Company believe are world beating technologies. Field trials with potential global partners are underway with considerable interest from Government, food groups and industry. The interest is in yield enhancing technologies at a time when the world is looking for sustainable solutions to food shortages and a growing population".

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Chairman's Statement

I am very pleased to present Plant Impact's results for the year ended 31 March 2008, the first full year of trading since the flotation of the Group on AIM in October 2006. In my statement that accompanied the results for the six months ended 30 September 2007, I said that the next six months were potentially the most exciting in the Group's history. At that time, we were in discussions with a number of potential partners with a view to entering into distribution and/or licensing deals. Two distribution deals have been signed in the last six months, the first with Miller Chemical & Fertilizer Corporation, of Pennsylvania, USA ("Miller"), is for three of Plant Impact's crop nutrient products. The second, with DVA Agro GmbH ("DVA"), a global crop protection company, is the Group's first commercial agreement for BugOil, under which DVA will distribute BugOil in Tanzania under the name Bionic. These two agreements are major milestones in the development of the Group and come on the back of a series of excellent results from the field trials being conducted around the world.

Financial Review

During the year ended 31 March 2008, we have achieved many important product development, regulatory, IP protection and corporate milestones. Whilst these initiatives have required significant up-front financial commitment, which is reflected in the results for the year, they do represent a strategic investment in Plant Impact's fundamental long term growth drivers. Impressive trial results and strong underlying customer demand across our portfolio of plant stress control technologies also leave us confident about our future prospects.

Turnover for the year was £284,853 compared with £377,237 for the year ended 31 March 2007. The comparative fall in turnover is due to the Group focusing on larger distributors, with increased geographical penetration, and increasing its activity on our licensing and partnering strategy. Although sales for the year are lower than the previous year, the Directors believe that the move to larger distributors and the focus on licensing deals will be beneficial to the Group in the longer term.

The loss before tax was £1,847,001, compared with £1,821,945 for the year ended 31 March 2007. This reflects the expenditure on people, marketing and travel as we move from being a research based business to concentrate on the commercialisation of our products. Research and development tax credits reduced the loss attributable to equity shareholders to £1,664,549 (2007: £1,723,935).

A further £1.425 million, net of expenses, was raised from a placing, of shares at 47 pence per share in February 2008. The Directors were delighted that this placing was completed at a discount to the then market price of approximately 6% when market conditions at the time made any form of fund raising for smaller quoted companies very difficult.

Net assets at 31 March 2008 were £3,458,587 (2007: £3,486,946) and the Group had cash and cash equivalents of £2,979,926 (2007: £3,077,959).

Product Development

Field Trial Programmes

Crop Nutrients

During the year ended 31 March 2008, Plant Impact has extended its field trial programmes to increase the number of crops covered and geographical areas. The main focus to date has been high value fruit and vegetables, however significantly we have seen an independent trial on drought stressed soy bean conducted in the USA. This is Plant Impact's first trial on an arable crop.

The total number of field trials conducted during the year was in excess of 80 covering 10 countries.

Field trial results this year include:

Tomato

The trial, conducted in Spain (Almeria), using a combination of Plant Impact's CaT and PiNT technologies, demonstrated an increase in marketable tomato yield of between 36% and 48% as well as a reduction in the incidence of blossom end rot from 30% to 8%, when compared to the standard grower practice. Other beneficial trial observations were increased fruit homogeneity and increased fruit setting.

This trial suggests that the use of Plant Impact technologies on fresh tomato crops could result in increases in profitability for the grower of between \$1,500 and \$2,000 per hectare. The global fresh tomato market for Plant Impact's CaT and PiNT technologies has an estimated market size of US\$120m and is expected to grow, due to the increasing demand for fresh tomatoes and the more unpredictable climatic conditions being experienced in the areas where they are grown.

Tomatoes are believed to represent one of the most important horticultural crops in terms of world production and trade. The EU is the biggest single producer of fresh tomatoes, followed by the USA, then Turkey. Within the EU, Italy is the biggest producer by far, followed by Spain, Greece, Portugal and France. Between them Italy and Spain grow almost 9.5 million tonnes of tomatoes a year.

Tomato blossom end rot is a physiological disorder that is caused by a lack of calcium in the fruit. Unlike traditional products, Plant Impact's CaT technology overcomes the problem efficiently and specifically, reducing the amount of agricultural inputs applied to the plants, significantly improving marketable yield to the grower and providing consumers with better quality tomatoes.

Lettuce

In another field trial, carried out in Spain, the use of Plant Impact's CaT and PiNT technologies was demonstrated to significantly improve the marketable yield, shelf life and speed to maturity of lettuce. The trial also demonstrated a reduction in the incidence of tip burn.

After 8 to 9 weeks of storage under ambient conditions the percentage of lettuce hearts in 'good', saleable condition (without browning of leaves and rotting) increased by between 40% and 80% in the treated group compared with between 0% to 40% in the control group. This trial design included storage in extreme conditions and indicates an important value for retailers that sell pre-packed salads, where two days' extra

storage makes a significant impact on profitability by reducing spoilage. Additional shelf life potentially opens global markets to growers. Supermarkets are currently suffering spoilage rates of between 20% and 30% on salads.

Other findings of the trial showed that following lettuce seedling transplantation, plant growth had increased by between 6% and 11% compared to the control group, and yields on harvesting of the crop after transplantation increased by between 5% and 10% compared to the control group. This indicates earlier maturity of the crop through better growth, allowing the grower to cut earlier or harvest a heavier crop. In addition, lettuce tip burn, a calcium deficiency disorder, was reduced from 15% in the control group to 10% in those plants treated with Plant Impact's products. This indicates that calcium uptake by the plant was more effective, leading to improved quality and a reduction in waste.

Tip burn is caused by environmental factors, such as high temperatures and low relative humidity, and agricultural factors such as salinity, calcium-poor soils and water stress. Leaves with tip burn have an unpleasant appearance and the edge of the damaged leaf is weaker and subject to rotting.

The global lettuce market for Plant Impact's CaT and PiNT technologies has an estimated market size of US\$120m per annum, which is expected to grow due to the increasing demand for fresher and better quality lettuce. In the last 10 years, per capita consumption of lettuce has grown by 17% (USDA).

Table Grape

Five trials have been conducted, in Spain (3), in Jordan and in Morocco, on table grapes, using the Group's PiNT, CaT and Speedo technologies. Grapes grown in those and other viticulture regions typically face plant stresses such as drought, high temperatures, poor soil conditions and calcium deficiency – all of which contribute to sub-optimal yield.

The trial groups, treated with the Plant Impact technologies, showed a range of improvements compared with their respective controls:

- marketable yield up by 10–15%;
- shelf life increased by 8%;
- colour improved by 7%; based on measurement of CIRG (colour index for red grapes) which is a standard statistical calculation; and
- sugar content increased by 20%.

As a result of treatment with Plant Impact's solutions the growers' revenues increased by 20–25% and the time-to-harvest was reduced by 10–12 days. In addition, the grapes became less susceptible to heat and drought stress and the vines showed an overall improvement in health, both with regards to colour (of leaf and stem) and strength (thickness of stem).

The global table grape market for Plant Impact's PiNT, CaT and Speedo technologies has an estimated market size of US\$230m.

Apple

Trials conducted in the USA using the Group's InCa technology on apples showed that bitter pit can be prevented, the amount of calcium that needs to be applied to the crop can be reduced, while doubling the calcium levels in the apples and increasing the size and uniformity of the fruit.

A trial conducted by Miller using InCa, demonstrated excellent control of bitter pit on the apple variety Honeycrisp, a high value crop with known susceptibility to this problem. Not only was InCa as good as the standard treatment but it offered the unique advantage of using 8 times less calcium than standard treatments, of considerable environmental benefit. In addition, InCa application increased calcium levels in the fruit by over two-fold, improving nutritional benefits and storage life.

Trials on Golden Delicious apples demonstrated that treatment with InCa increased fruit size compared to standard treatments and significantly reduced variability of apple diameter, with 80% of the fruit on treated plants fitting into a single size class. Maintaining a regular apple size is an important commercial consideration for the grower to ensure consistency of quality fruit. The amount of calcium applied to the crop was nearly 4.5 times lower with InCa compared to the standard treatment, offering real environmental gains to the grower.

Pear

A trial on Anjou pears, commonly susceptible to severe physiological disorders due to calcium and nitrogen imbalance, showed that InCa significantly reduced Alfalfa Greening by up to 4 times at each harvest compared to the standard treatment. Cork Spot was almost totally eliminated through treatment with InCa.

Soy bean

A field trial conducted by Miller on soy bean, a crop suffering from drought stress, proved the efficacy of InCa in reducing the negative effects of drought stress on a soya crop by increasing the yield by 17.5% from 2.69 tonnes per hectare to 3.16 tonnes per hectare. This is the first trial to be conducted using a Plant Impact technology on a mainstream arable crop.

Other Crops

Other trials have shown improvements in marketable yield in squash (62.5% improvement), cucumber (50% improvement) and olives (10% improvement). The third year of trials on cocoa has confirmed earlier years' results, showing a 69% increase in marketable yield and demonstrating control of pests by increasing the number of healthy pods by 30%.

Future trials

The strategy for future field trials is to:

- Continue with the high value fruit and vegetables;
- Increase the geographical spread; and
- Commence further trials on arable crops.

The Group has already commissioned further trials on apples, grapes (table and wine), potatoes, melons, pears, peaches, olives, strawberries, blackberries, blueberries, raspberries, artichokes, pistachios, almonds, lettuce, tomatoes, cherries, cucumber and sugar beet. In addition to these, planning has commenced on trials of arable crops, for example barley, wheat and soy bean. These trials are being conducted in Europe, the Middle East, East Africa, South and Central America and the USA. A total of 170 field trials have already commenced, the majority of which are sponsored by independent third parties.

Furthermore, a number of potential commercial partners are conducting their own trials on the Group's products and have agreed to share the results of those trials with the Group.

Pest Control

BugOil

During the year, the Group conducted 25 concurrent field trials on its proprietary, benign insect and mite control agent, BugOil in the USA, Europe, Africa and the UK. These results highlighted BugOil's pest control abilities, which are at least equal to those of commonly used pesticides, in addition to its significant environmental and safety benefits.

These field trials, conducted by third parties, including contract research organisations, to regulatory standards (Good Experimental Practice), on high-value crops such as ornamentals, fruit and vegetables, demonstrated that BugOil has the following benefits when compared with standard treatments:

- Significant pest-repellent properties when applied ahead of crop planting, reflected in an increased average crop yield in tomatoes of 42% against standard;
- Broad-spectrum pest coverage, particularly for ornamentals such as cut flowers; and
- Several trials indicated increasing evidence of efficacy, suggesting that BugOil is at least equal to, if not better than current industry standards. An example of efficacy when measured against standard is in the control of mites on chrysanthemums, BugOil showed 100% control of mites three days after application, whereas the standard achieved this level only 14 days after application. Similar results were evidenced on other pests such as whitefly, thrips and aphids.

The global ornamental plant market alone has an estimated value of US\$540 million a year with an anticipated growth rate of 4% to 5%.

In addition, BugOil offers a number of important safety and environmental benefits. As a benign agent it leaves no harmful residues and offers pesticide operators a safe way to minimize the risk of pesticide poisoning. Harmful residues on crops and operator safety are key regulatory and consumer concerns. Finding a safe and effective method of pest control without so many of the associated health and environmental side effects remains a key target for food producers.

Future trials

The Group has already commissioned further trials on ornamentals (roses) in East Africa. In addition to these planning is for commencement of trials on fruit and vegetables.

These trials are being conducted in Europe, East Africa, South and Central America and the USA.

Furthermore, a number of potential commercial partners are conducting their own trials on BugOil and have agreed to share the results of those trials with the Group.

Product Registrations

Crop Nutrients

Until recently there was no requirement to register Plant Impact crop nutrient products. However, recent developments in the regulatory environment means registrations could be required in the future. Plant Impact has already begun planning for such an eventuality. Registration work has commenced in France and Spain; both these countries are leading proponents of new registration requirements.

An example of the changing regulatory environment is the introduction of REACH. This law entered into force on 1 June 2007. REACH is a new European Community Regulation on chemicals and their safe use (EC 1907/2006). It deals with the **R**egistration, **E**valuation, **A**uthorisation and **R**estriction of **C**hemical substances.

The aim of REACH is to improve the protection of human health and the environment through the better and earlier identification of the intrinsic properties of chemical substances. At the same time, innovative capability and competitiveness of the EU chemicals industry should be enhanced. The benefits of the REACH system will come gradually, as more and more substances are phased into REACH.

The REACH Regulation gives greater responsibility to industry to manage the risks from chemicals and to provide safety information on the substances. Manufacturers and importers will be required to gather information on the properties of their chemical substances, which will allow their safe handling, and to register the information in a central database run by the European Chemicals Agency (ECHA).

Pest Control

The Group has continued to work on the registration dossiers for BugOil to be filed with each of the UK Pesticides Safety Directorate ("PSD") and the USA Environment Protection Agency ("EPA"). The dossiers are nearing completion with the toxicology work completed and final report being compiled. The Directors believe that the final dossier will be ready for filing with the PSD by quarter 3 2008 and with the EPA before the end of 2008. BugOil has been registered in Tanzania.

Intellectual Property

The Group continues to file patents for its technologies. During the year the following patents have been granted:

- BugOil – Europe;
- BugOil – South Africa; and
- Alethea – Morocco.

Post 31 March 2008, the UK Intellectual Property Office granted a patent for Plant Impact's Speedo technology.

Commercial Development

In April 2008, the Group signed a significant, five-year agreement with Miller, to market and distribute three of Plant Impact's proprietary products, primarily in the US. Miller is a global manufacturer and distributor of specialty agricultural products and fertilisers. The agreement has already resulted in the Group securing orders worth US\$100,000.

This is Plant Impact's first marketing and distribution agreement in the US and as such represents a significant milestone, increasing the global reach of the Group's technologies and products. Under the agreement, Miller will market, distribute and provide branding support by displaying the Plant Impact logo on all products sold. In addition, this agreement allows for sales in other territories under the "Miller" brand name.

This agreement centres around three of Plant Impact products:

- InCa – improved fruit quality, longer shelf life and resistance to climate stress using Plant Impact's proprietary CaT technology;
- Cocoa Stress Tolerance “CST” – increased marketable yield in cocoa (chocolate) production using the proprietary Alethea technology; and
- Balance – accelerated harvest and improved fruit quality using the proprietary Speedo technology.

Miller has a significant US network with access to over 400 distributors nationwide. It also has international partners outside the US in countries including Canada, several South and Central American countries, South Africa and Australia. In addition to agricultural crops, Miller also supplies growers of commodity row crops such as cotton, corn grains and soybeans. Miller boasts a strong sales and technical team including 26 full-time sales representatives in the US.

This agreement follows the successful completion of field trials conducted by Miller during the year ended 31 March 2008 on apples, pears and soybeans, the results of which are described above, following a evaluation agreement that was entered into in February 2006.

In May 2008, the Group announced that it had signed an exclusive agreement with DVA, a global crop protection business, to distribute the benign insecticide Bionic in Tanzania, East Africa. Bionic is the trademark of Plant Impact's unique insect control agent BugOil and, in this application, will be targeted specifically at ornamental rose production in Tanzania.

This is the first commercial agreement for Plant Impact's BugOil technology and demonstrates the proven commercial benefits of its use. Plant Impact and DVA anticipate strong market acceptance of the Bionic product in Tanzania and beyond. East Africa produces more than £200 million worth of roses per year, requiring US\$32 million per year in pesticides, or six per cent. of the global pesticide market for ornamentals (US\$540 million per annum).

Roses in Tanzania suffer from a pest known as spider mite, which can rapidly devastate rose crops by puncturing plant cells and causing leaf tissues to collapse. During severe infestations the plant may turn yellow and decay. Mite damage may also appear as shortened stem (internodes) and leafstalk (petioles), failure to bloom, and twisted or distorted new growth.

BugOil-based Bionic is highly effective in controlling spider mite, as verified by independent trials conducted on roses. These trials were conducted to regulatory standard (Good Experimental Practice) and demonstrated that BugOil showed 100% control of mites three days after application, whereas the control used in the trials achieved this level only 14 days after application, similar results were achieved on other pests such as whitefly, thrips and aphids. Moreover, BugOil has the proven ability to control the insecticide-resistant populations of mites, making it a highly suitable product for the East African market. BugOil is also safe for operators to apply and is benign to the environment as it leaves no harmful residues.

The Group continues to work with a number of other potential strategic partners with a view to entering into more distribution and/or licensing agreements and to build on its established networks in Europe, the Middle East, USA and South and Central America.

The Group has also started to engage with food groups and supermarkets to establish the benefits to growers and consumers of using the Group's range of nutrient products. These are new audiences for the Group. By demonstrating that growers can improve their yields while reducing the amount of traditional nutrients that are applied to the crop, thereby improving their profitability, and by demonstrating to supermarkets that this approach produces crops that are healthier to eat, less damaging to the environment and have a longer shelf life the Group is aiming to create a pull through of demand for its products from an audience that sees the commercial benefits that come from good environmental practice, which consumers are demanding increasingly.

Management team appointments

The management team has been enhanced during the year with the appointment of Mike Panteli as Finance Director, which has been announced previously, and four appointments to boost the Group's business development and sales resource as we move away from being a research based business to concentrate on the commercialisation of the Group's proprietary technologies.

Martyn Pearce's appointment as International Business Director in May 2007 and Angel Ruiz's appointment as Business Development Manager in June 2007 have also been announced previously.

In March 2008 we appointed Mark Horner and Scott Garnett as sales managers, with responsibility for direct sales in the UK and northern Europe. They are also working closely with Miller to support their sales program in the USA. Mark and Scott have over 40 years experience in the distribution of nutrient products in these markets.

Dividends

The Directors currently intend to devote the Company's cash resources to its operations and therefore do not anticipate paying dividends in the near future. They will reconsider the Company's dividend policy as and when the Company is in a position to pay dividends. The declaration and payment by the Company of any dividends will depend on the results of the Company's operations, its financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time.

Outlook

The Directors are pleased with the progress made in the last twelve months. The Company has attracted the attention of many key players in the agrochemical industry, many of whom have entered into evaluation agreements as a prelude to an agreement for the commercialisation of the Group's products. The agreements with Miller and DVA are important milestones in the implementation of this strategy for

bringing our products to market. More similar agreements are being worked on and the Directors hope to make further announcements in the coming months.

The fact that many of these companies have approached Plant Impact in the first instance suggests that the Group's products are gaining wide recognition. This has been achieved by the superb efforts of what is still a very small, but dedicated, management team, who have developed and are promoting a range of compounds that the Directors believe have the potential to be world beating products.

Our vision has always been that our products would become noticed by food producers and retailers, who will appreciate the commercial benefits that can be gained from the combination of improvements in yield, quality and shelf life while reducing the quantity of potentially harmful chemicals that are applied to the crops, resulting in healthier plants and healthier food to eat. We have recently seen the first signs that this philosophy is being recognised and look forward to seeing the rewards from this for the Group and all its stakeholders.

Martin Robinson

Chairman

23 June 2008

Group Income Statement

For the year ended 31 March 2008

	Note	Year ended 31 March 2008 £	Year ended 31 March 2007 £
Revenue		284,853	377,237
Cost of sales		(182,928)	(268,987)
Gross profit		101,925	108,250
Distribution costs		(310,901)	(119,433)
Research and development costs		(945,627)	(690,780)
General and administrative expenses		(812,741)	(763,606)
Total expenses		(2,069,269)	(1,573,819)
Operating loss		(1,967,344)	(1,465,569)
Finance income		120,343	70,599
Finance cost		-	(426,975)
Finance income / (costs) - net		120,343	(356,376)
Loss before tax		(1,847,001)	(1,821,945)
Income tax credit		182,452	98,010
Loss for the year attributable to equity shareholders of the Company		(1,664,549)	(1,723,935)
Loss per share attributable to equity shareholders of the Company during the year			
<i>Total and continuing:</i>			
Basic and diluted (pence)	3	(0.07)	(0.12)

All revenue and costs originate from continuing activities.

Group Statement of Changes in Equity

For the year ended 31 March 2008

	Share capital £	Share premium £	Other reserve £	Merger reserve £	Retained earnings £	Total equity £
At 1 April 2006	79,878	844,812	80,815	182,892	(1,410,923)	(222,526)
Loss for the year	-	-	-	-	(1,723,935)	(1,723,935)
Issue of shares	151,315	5,598,685	-	-	-	5,750,000
Share based payments	-	-	107,641	-	-	107,641
Share issue expenses	-	(424,234)	-	-	-	(424,234)
Balance at 31 March 2007	231,193	6,019,263	188,456	182,892	(3,134,858)	3,486,946
Loss for the year	-	-	-	-	(1,664,549)	(1,664,549)
Share based payments	-	-	211,190	-	-	211,190
Proceeds from placing – 21 February 2008	31,915	1,468,085	-	-	-	1,500,000
Share issue expenses	-	(75,000)	-	-	-	(75,000)
Balance at 31 March 2008	263,108	7,412,348	399,646	182,892	(4,799,407)	3,458,587

Total recognised income and expense recognised directly to equity amounts to £nil (2007: £nil).

Other reserve

The other reserve comprises of the fair value of share based payments granted in accordance with IFRS 2.

Merger reserve

The merger reserve arose on the acquisition of PI Bioscience Limited which was accounted for under UK GAAP. This business combination took place prior to 1 April 2006, the Group's date of transition to IFRS and as such the Group has elected not to apply IFRS 3 "Business Combinations".

Group Balance Sheet

As at 31 March 2008

	Note	2008 £	2007 £
ASSETS			
<i>Non-current assets</i>			
Intangible assets		585,383	585,383
Property, plant and equipment		29,470	6,842
		614,853	592,225
<i>Current assets</i>			
Inventories		3,793	3,030
Trade and other receivables		212,019	125,025
Corporation tax receivable		176,594	98,010
Cash and cash equivalents		2,979,926	3,077,959
		3,372,332	3,304,024
Total assets		3,987,185	3,896,249
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables		(528,598)	(409,303)
		(528,598)	(409,303)
Total liabilities		(528,598)	(409,303)
Net assets		3,458,587	3,486,946
EQUITY			
<i>Equity attributable to equity shareholders of the Company</i>			
Share capital	4	263,108	231,193
Share premium		7,412,348	6,019,263
Other reserve		399,646	188,456
Merger reserve		182,892	182,892
Retained earnings		(4,799,407)	(3,134,858)
Total Equity		3,458,587	3,486,946

Group Cash Flow Statement

For the year ended 31 March 2008

	Note	Year ended 31 March 2008 £	Year ended 31 March 2007 £
<i>Cash flows from operating activities</i>			
Loss before tax		(1,847,001)	(1,821,945)
Adjusted for:			
Depreciation		7,093	3,785
Share based payments		211,190	107,641
Deferred finance costs on convertible loan notes 2008		-	30,155
Finance income		(120,343)	(70,599)
Finance cost		-	426,975
Working capital changes:			
(Increase) / decrease in trade and other receivables		(84,198)	307,720
(Increase) / decrease in inventories		(763)	4,801
(Decrease) / increase in trade and other payables		119,295	(20,701)
Cash generated from operations		34,334	291,820
Interest paid		-	(49,778)
Research and development tax credit received		103,868	-
<i>Net cash outflow from operating activities</i>		(1,610,859)	(1,081,946)
<i>Cash flows from investing activities</i>			
Purchase of property, plant and equipment		(29,721)	(6,881)
Interest received		117,547	63,362
Net cash generated from investing activities		87,826	56,481
<i>Cash flows from financing activities</i>			
Proceeds from issue of share capital (net of expenses)	4	1,425,000	3,428,766
Proceeds from issue of convertible loan notes		-	100,000
Proceeds from issue of loan notes		-	143,444
Repayment of loans		-	(15,556)
Net cash generated from financing activities		1,425,000	3,656,654
<i>Net (decrease) / increase in cash and cash equivalents</i>		(98,033)	2,631,189
Cash and cash equivalents at the beginning of the year		3,077,959	446,770
<i>Cash and cash equivalents at the end of the year</i>		2,979,926	3,077,959

Notes to the final results

1. Basis of preparation

The final results set out above for the year ended 31 March 2008 have been extracted from the audited Group financial statements which have not yet been delivered to the Registrar of Companies. The financial information set out in this announcement does not constitute statutory financial statements for the year ended 31 March 2008 or 31 March 2007. The financial statements for the year ended 31 March 2007 were unqualified and did not contain a statement under section 237 of the Companies Act 1985. The statutory financial statements for the year ended 31 March 2007 have been delivered to the Registrar, while the statutory accounts for the year ended 31 March 2008 will be delivered to the Registrar following the Company's Annual General Meeting.

First time adoption of International Financial Reporting Standards

During the year, the Group has adopted for the first time International Financial Reporting Standards as adopted by the European Union.

The final results have been prepared under the historical cost convention and in accordance with IFRS1 "First-time Adoption of International Financial Reporting Standards". Plant Impact plc's final results statements were prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) until 31 March 2007. The date of transition to IFRS was 1 April 2006. The disclosures required by IFRS 1 concerning the transition from United Kingdom Generally Accepted Accounting Practice to International Financial Reporting Standards as adopted by the European Union are explained in note 5.

The Group has taken advantage of certain exemptions available under IFRS 1 First time adoption of International Financial Reporting Standards. The exemptions used are explained in note 5.

Critical accounting judgements in applying accounting policies

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements, apart from those involving estimations, that the Directors have made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue Recognition

In making their judgement, the Directors consider the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and, in particular, whether the Group had transferred to the buyer the significant risk and rewards of ownership of the goods. The Directors are satisfied that

the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate.

Research and development activities

Management have reviewed the Group's research and development activities and have made estimates and judgements on the amount of development expenditure it is appropriate to capitalise. The criteria which management have to make judgements is set out below:

Research expenditure is charged to the income statement in the period in which it is incurred.

Development costs incurred are capitalised when all the following conditions are satisfied:

- completion of the intangible asset is technically feasible so that it will be available;
- for use or sale, considering its commercial and technological feasibility;
- the group intends to complete the intangible asset and use or sell it;
- the group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Regulatory and other uncertainties generally mean that such criteria are not met; in particular, the Group will not recognise the research and development costs attributable to a product development programme prior to grant of a marketing licence for the product or until there is evidence of future repeat sales generating probable future economic benefits. Development costs not meeting the criteria for capitalisation are expensed as incurred.

Share based incentive arrangements

Share based incentive arrangements are provided to management and certain employees. These are valued at the date of grant using the Black-Scholes option pricing model and management have to exercise judgement over the likely exercise period, interest rate and share price volatility. Management uses various sources of information including its own share price performance, or where there is insufficient history the performance of comparable listed entities, experience from the historical exercise of options and published data on bank base rates.

Taxation

Management has not recognised deferred tax assets in relation to unrelieved tax losses.

AIM admission expenditure

Management have reviewed the expenditure relating to admission and placing on AIM and, where appropriate, made judgements as to how much of the expenditure related to the introduction of existing shares, and should therefore be charged to the Group Income Statement, and how much related to the placing of new shares, and should therefore be charged against share premium.

Key sources of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use which goodwill has been allocated. The value in use calculation requires the Directors' to estimate the future cash flows expected to arise and a suitable discount rate in order to calculate present value.

2. Segmental Information

The Group has two primary reporting segments, crop nutrients and pest control. The secondary segment is based on geographical location. The segment results for the year ended 31 March 2008 are as follows:

	Crop nutrients	Pest control	Unallocated	Group
	£	£	£	£
Segment revenue	284,853	-	-	284,853
Operating loss	(267,335)	(191,823)	(1,508,186)	(1,967,344)
Finance income	-	-	120,343	120,343
(Loss) before income tax	(267,335)	(191,823)	(1,387,843)	(1,847,001)
Income tax credit	-	-	182,452	182,452
Loss for the year	(267,335)	(191,823)	(1,205,391)	(1,664,549)
Depreciation	-	-	(7,093)	(7,093)
Other non-cash movements	-	-	(211,190)	(211,190)

The segment results for the year ended 31 March 2007 are as follows:

	Crop nutrients	Pest control	Unallocated	Group
	£	£	£	£
Segment revenue	377,237	-	-	377,237
Operating loss	(59,294)	(141,546)	(1,264,729)	(1,465,569)
Finance income	-	-	70,599	70,599
Finance cost	-	-	(426,975)	(426,975)
(Loss) before income tax	(59,294)	(141,546)	(1,621,105)	(1,821,945)
Income tax credit	-	-	98,010	98,010
Loss for the year	(59,294)	(141,546)	(1,523,095)	(1,723,935)
Depreciation	-	-	3,785	3,785
Other non-cash movements	-	-	107,641	107,641

The segment assets and liabilities at 31 March 2008 and capital expenditure for the year then ended are as follows:

	Crop nutrients	Pest control	Unallocated	Group
	£	£	£	£
Assets	132,009	588,337	3,266,839	3,987,185
Liabilities	(104,185)	(51,295)	(373,118)	(528,598)
Capital expenditure - tangible	-	-	29,721	29,721

The segment assets and liabilities at 31 March 2007 and capital expenditure for the year then ended are as follows:

	Crop nutrients	Pest control	Unallocated	Group
	£	£	£	£
Assets	83,035	586,859	3,226,355	3,896,249
Liabilities	(89,735)	(65,614)	(253,954)	(409,303)
Capital expenditure - tangible	-	-	6,881	6,881

All assets and capital expenditure are located within the United Kingdom.

The analysis of revenue by destination is as follows:

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
United Kingdom	4,500	15,240
Europe	22,263	68,108
Middle East & North Africa	197,985	293,889
Americas	60,105	-
	284,853	377,237

3. Loss per share

The loss per share is based on the loss of £1,664,549 (2007: £1,723,935) and 23,460,332 (2007: 14,859,506) ordinary shares of 1p each, being the weighted average number of shares in issue during the period. The weighted average number of ordinary shares for the year ended 31 March 2008 includes those issued during the Placing of February 2008: 3,191,490 shares.

	Year ended 31 March 2008	Year ended 31 March 2007
	£	£
Loss attributable to equity holders of the Group (£)	(1,664,549)	(1,723,935)
Weighted average number of ordinary shares in issue	23,460,332	14,869,506
Basic and diluted loss per share (pence)	(0.07)	(0.12)

The share options in issue are anti-dilutive in respect of the basic loss per share calculation and have therefore not been included.

4. Share issues

On 21 February 2008, the Company issued 3,191,490 ordinary shares by way of a placing at 47 pence per share. The gross proceeds amounted to £1,500,000, placing expenses of £75,000 were charged to the share premium account. Of the issued share capital, £26,501 remained unpaid as at 31 March 2008, which was subsequently paid on 2 April 2008.

5. Explanation of Transition to International Financial Reporting Standards (IFRS)

The Group's financial statements for the year ended 31 March 2008 are the first annual financial statements that comply with IFRS, as adopted by the European Union. The Group's date of transition is 1 April 2006 and the opening IFRS balance sheet has been prepared as of that date. The commentary below highlights the key changes that have arisen due to the transition from reporting under UK GAAP to reporting under IFRS. The comparative figures have been prepared on the same basis and are therefore restated for the impact of IFRS from those previously reported under UK GAAP.

The impact of the IFRS transition is set out below:

a. First-time adoption

IFRS 1 "First-time Adoption of International Financial Reporting Standards" sets out the approach to be followed when IFRS are applied for the first time. Whilst IFRS 1 generally requires that the accounting policies are to be applied retrospectively it provides a number of optional exemptions.

b. Share based payments

Under IFRS 2 "Share based payments", the comparative figures for the six months ended 30 September 2006 have been adjusted to reflect the issue of share options. No restatement has been made in respect of the balance sheet as at 1 April 2006, as a prior year adjustment has already been reported under UK GAAP in accordance with FRS 20.

c. [Convertible loan notes](#)

The convertible loan notes have been restated to be in accordance with IAS 39 “Financial Instruments: Recognition and Measurement” giving rise to an adjustment of £16,882.

d. [Goodwill amortisation](#)

Plant Impact plc has elected to apply the exemption that precludes the full retrospective application of IFRS 3: Business combinations. Hence no restatement has been made in respect of business combinations prior to 1 April 2006. Under IFRS goodwill is not amortised, but tested annually for impairment. The goodwill amortisation charge of £30,410 recognised in accordance with UK GAAP in 2007 was written back and the merger reserve arising from these business combinations has not been restated.

e. [Holiday pay](#)

Under IAS 19 “Employee Benefits” a provision for holiday pay to which employees are entitled, but have not yet taken, is required. This charge was not required under UK GAAP.

[Explanation of material adjustments to the cash flow statement](#)

Application of IFRS has resulted in reclassification of certain items in the cash flow statement as follows:

- (i) Under UK GAAP, payments to acquire property, plant and equipment were classified as part of ‘Capital expenditure and financial investment’. Under IFRS, payments to acquire property, plant and equipment have been classified as part of ‘Investing activities’.
- (ii) Income taxes are classified as operating cash flows under IFRS, but were included in a separate category of tax cash flows under previous GAAP.

There are no other material differences between the cash flow statement presented under IFRS and the cash flow statement presented under UK GAAP.

Reconciliation of the Group's profit for the year ended 31 March 2007:

	Reference	2007 £
Loss after tax under UK GAAP		(1,771,227)
Convertible loan interest	c	16,882
Goodwill amortisation write-back	d	30,410
Loss after tax under IFRS		(1,723,935)

Reconciliation of the income statement for the year ended 31 March 2007:

	Reference	<i>As previously reported under UK GAAP</i> £	<i>Restated under IFRS</i> £
Revenue		377,237	377,237
Cost of sales		(268,987)	(268,987)
Gross profit		108,250	108,250
Distribution costs		(119,433)	(119,433)
Research and development	d	(721,190)	(690,780)
Administrative expenses		(763,606)	(763,606)
Total expenses		(1,604,229)	(1,573,819)
Operating loss		(1,495,979)	(1,465,569)
Finance income		70,599	70,599
Finance costs	c	(443,857)	(426,975)
		(373,258)	(356,376)
Loss before tax		(1,869,237)	(1,821,945)
Income tax expense		98,010	98,010
Loss for the year attributable to equity holders of the Company		(1,771,227)	(1,723,935)

Reconciliation of equity as at 1 April 2006 (date of transition to IFRS):

	Reference	As previously reported under UK GAAP £	Restated under IFRS £
ASSETS			
<i>Non-current assets</i>			
Intangible assets		585,383	585,383
Property, plant & equipment		3,746	3,746
		<u>589,129</u>	<u>589,129</u>
<i>Current assets</i>			
Inventory		7,831	7,831
Trade and other receivables		425,509	425,509
Cash and cash equivalents		446,770	446,770
		<u>880,110</u>	<u>880,110</u>
Total assets		<u>1,469,239</u>	<u>1,469,239</u>
LIABILITIES			
<i>Non-current liabilities</i>			
Long term borrowings	c	(979,323)	(996,205)
		<u>(979,323)</u>	<u>(996,205)</u>
<i>Current liabilities</i>			
Trade and other payables	e	(670,717)	(695,560)
		<u>(670,717)</u>	<u>(695,560)</u>
Total liabilities		<u>(1,650,040)</u>	<u>(1,691,765)</u>
Net liabilities		<u>(180,801)</u>	<u>(222,526)</u>
EQUITY			
<i>Equity attributable to equity holders of the Company</i>			
Share capital		79,878	79,878
Share premium		844,812	844,812
Other reserve		80,815	80,815
Merger reserve		182,892	182,892
Retained earnings	c + e	(1,369,198)	(1,410,923)
Total equity		<u>(180,801)</u>	<u>(222,526)</u>

Reconciliation of equity as at 31 March 2007:

	Reference	As previously reported under UK GAAP £	Restated under IFRS £
ASSETS			
<i>Non-current assets</i>			
Intangible assets	d	554,973	585,383
Property, plant & equipment		6,842	6,842
		<u>561,815</u>	<u>592,225</u>
<i>Current assets</i>			
Inventory		3,030	3,030
Trade and other receivables		119,926	223,035
Corporation tax recoverable		103,109	-
Cash and cash equivalents		3,077,959	3,077,959
		<u>3,304,024</u>	<u>3,304,024</u>
Total assets		<u>3,865,839</u>	<u>3,896,249</u>
LIABILITIES			
<i>Current liabilities</i>			
Trade and other payables	e	(384,460)	(409,303)
		<u>(384,460)</u>	<u>(409,303)</u>
Total liabilities		<u>(384,460)</u>	<u>(409,303)</u>
Net assets		<u>3,481,379</u>	<u>3,486,946</u>
EQUITY			
<i>Equity attributable to equity holders of the Company</i>			
Share capital		231,193	231,193
Share premium		6,019,263	6,019,263
Other reserve		188,456	188,456
Merger reserve		182,892	182,892
Retained earnings	d+e	(3,140,425)	(3,134,858)
Total Equity		<u>3,481,379</u>	<u>3,486,946</u>

Copies of the annual report and accounts are being sent to registered shareholders and will also be available, free of charge, from the office of Plant Impact plc, 2 Lockside Office Park, Lockside Road, Riversway, Preston, Lancashire, PR2 2YS. A copy of the report will be posted on the Company's website www.plantimpact.net.

About Plant Impact plc

Plant Impact addresses the increasing global demand for effective, sustainable and ecologically-sound products to combat environmental plant stress and improve crop productivity. Common environmental plant stresses include drought, salinity, nutrient deficiencies, pests and disease. Plant Impact's advances produce practical results that reduce inputs and benefit the whole of the agricultural value chain, providing solutions for growers, food manufacturers and consumers.

A broad product portfolio has been developed using these innovative and proprietary technologies, the most advanced of which are already being marketed and sold through established agricultural distribution networks. Products for the home and garden market are also distributed direct to consumers through reputable high street stores.

Current Plant Impact technologies include:

- *Alethea*[®] – resistance to climate, water and salt stress
- *CaT* – reduction of physiological disorders
- *Speedo*[™] – accelerated plant growth
- *PiNT*[™] – higher yielding stronger plants
- *BugOil*[®] – benign pest control

For further information please visit www.plantimpact.com