



NEWS RELEASE

Phytterra Provides Update on Summerville Facilities

Charlottetown, PEI. - October 03, 2011 – Phytterra Yeast Inc. (“the Company”), a wholly owned subsidiary of Functional Technologies Corp., reports recent activity on its commitment to expanding its research and development (R&D) facilities in PEI. Phytterra’s current R&D laboratory (footprint of approximately 900 square feet) is housed in a leased facility, accommodated within the National Research Council (NRC) Institute for Nutrisciences and Health. The plan in place is to increase productive lab space to accommodate the increased work load in developing and commercializing our growing yeast platforms, and to reside in Phytterra’s designated building currently under construction in Summerville, Prince Edward Island (PEI). In addition to the basic R&D laboratories, plans are also in place to construct additional laboratories for fermentation development, analytical chemistry and food science. These new capacities will all be constructed at the Summerville site, with completion planned for early 2012.

These facilities will expand Phytterra’s development capacity with the added capability of conducting and providing in-house testing, development and quality control capacities for its commercial H₂S-preventing wine yeast products. As well, Phytterra will be better able to fulfill its commitments on collaborative review and development programs with large food companies in the evaluation of its acrylamide-preventing (AP) yeasts in food applications for existing and potential collaborative partners. The enhanced research and development facilities will also enable more comprehensive bridging between the laboratory bench top and simulated commercial conditions.

“Moving our R&D laboratories to dedicated and expanded facilities, is critical not only in supporting customers of our current commercial yeast products, but also in enhancing Phytterra’s capabilities to strategically cultivate and support projects associated with the evaluation and development of our acrylamide-preventing yeasts in a variety of food applications for industry leaders and global companies across multiple sectors,” commented Garth Greenham, President and Chief Operating Officer of Functional Technologies Corp., Phytterra’s parent company. “Our commitment to expanding our R&D footprint in Summerville, with the valuable assistance of federal and provincial funding agencies, enables the growth of our company from one that is primarily R&D in nature to one with commercial products that possess significant opportunities.”

About Phytterra Yeast Inc.

Phytterra Yeast Inc. is a leader in the research, development and commercialization of advanced yeast solutions that address significant problems in the food, beverage and healthcare industries. The company’s technology platforms improve the performance of innate yeast functions, and prevent the formation of naturally occurring toxins and contaminants that either affect final product quality or are classified by the World Health Organization as probable human carcinogens.

The company’s lead technologies include yeasts that prevent and reduce the formation of the carcinogen acrylamide and foul-smelling hydrogen sulphide (H₂S), both byproducts of food and beverage processing. These contaminants are found in many commonly consumed items, such as baked, toasted and fried goods, and fermented alcoholic beverages such as wine and beer, and are an important concern for food safety regulators worldwide.

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