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## **FUNCTIONAL TECHNOLOGIES ACQUIRES PRODUCT DEVELOPMENT AND LABORATORY FACILITY**

VANCOUVER, BRITISH COLUMBIA — July 24, 2008 — Functional Technologies Corp. (TSXV: FEB) is pleased to announce the purchase of a product development and laboratory facility in Prince Edward Island (PEI). The facility will provide Functional Technologies the capability of testing intermediate production volumes for its Phytterra Yeast and Phytterra Bio products, and will act as a bridge between the laboratory bench top and full scale commercial production.

The 36,000 square foot building is located on a 2.65 hectare (6.5 acre) site near Montague in PEI. The company will now begin construction of the product development infrastructure and a research laboratory.

“The procurement of this facility is an important step towards repatriating the production of our products, and achieving the capability to manage our product development from discovery through to production and marketing,” commented Garth Greenham, Functional Technologies’ Chief Operating Officer.

“We continue to evaluate a number of potential sites for the full-scale production of our commercial Phytterra Yeast products. Once a yeast manufacturing site has been secured we will be positioned as a fully integrated yeast producer with research and development, production scale-up, and commercial production capabilities,” added Mr. Greenham.

### **About Functional Technologies Corp.**

Functional Technologies is a functional foods and biological health products company that develops and commercializes advanced yeast products, and other novel biological products, for the food and the health care industries. The Company is currently commercializing a platform yeast technology that substantially reduces the formation of ethyl carbamate (also known as urethane, which has been recently reclassified by the World Health Organization up to a Group 2A carcinogen - the same carcinogen class as lead, mercury, acrylamide and diesel exhaust), from wines and other fermented beverages and foods. Functional Technologies has licensed the exclusive worldwide rights to this technology from The University of British Columbia (UBC). The company is expanding the development of next generation products in this area, as well as evaluating new yeast based technologies with broad commercial market applications. In addition Functional Technologies, through its wholly-owned subsidiary Phytterra Bio Inc., is developing a platform of proprietary biological products for the companion animal oral health and aquaculture vaccines markets utilizing proprietary science in the field of micro-algae.

*This news release contains forward-looking information. The reader is cautioned that assumptions used in the preparation of such information, although considered accurate at the time of preparation, may prove incorrect. The actual results achieved may vary materially from the information provided herein. Consequently, there is no representation by Functional Technologies Corp. that actual results achieved will*

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*be the same as those forecast.*

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