

## Regulatory Announcement

**Company** Accsys Technologies PLC  
**TIDM** AXS  
**Headline** Interim Management Statement  
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### **ACCSYS TECHNOLOGIES PLC ("Accsys" or the "Company") Interim Management Statement**

Accsys today issues its Interim Management Statement relating to the period from 1 April 2012 to date. Key highlights include:

- Total revenue increased by 38% in the quarter to June 2012 compared to the same quarter last year;
- Cash balance remains strong with €23.1m at 30 June 2012;
- Announced licence option agreement with a leading MDF and Particle Board manufacturer in Latin America for the production and sale of Tricoya<sup>®</sup> based panels;
- Signed licence agreement with Solvay-Rhodia, for the production and sale of Accoya<sup>®</sup> in Europe;
- Comprehensive Heads of Terms agreed with Ineos Industries for a joint venture to exploit Accsys' Tricoya<sup>®</sup> wood elements technology; and
- Grant of Accoya<sup>®</sup> product patent securing monopoly rights in the United Kingdom for 20 years.

### **Trading update**

The Company has made significant progress towards achieving its long term objectives during the period under review.

At the end of April we announced a licence option agreement with a leading MDF and Particle Board manufacturer for the production and sale of Tricoya<sup>®</sup> based panels in Latin America. As disclosed in the announcement the option is for an initial volume equating to approximately 90,000 m<sup>3</sup> of Tricoya<sup>®</sup> branded MDF and during the two-year term of the agreement the option holder will carry out an evaluation of Tricoya<sup>®</sup>, including market and production testing and the development of end-products.

In July we announced that we entered a licence agreement with Solvay-Rhodia, for the production and sale of Accoya<sup>®</sup> wood. This agreement is the next stage in the successful commercialisation of Accoya<sup>®</sup> and its acceptance as the globally recognised leading high technology, high performance, modified wood. A Process Design Package has now been commissioned for a 63,000 m<sup>3</sup> capacity plant. The agreement remains conditional on certain limited provisions being satisfied, including the formal approval of both boards of directors although it is expected that it will become fully effective in the second half of 2013.

Also in July we were pleased to announce that we had signed a comprehensive heads of terms with INEOS Industries ("INEOS") for a joint venture (JV) to exploit Accsys' proprietary acetylation technology relating to Tricoya<sup>®</sup> wood elements for use within MDF, particle board and wood plastic

composites. Once full agreements have been completed, INEOS will make a significant investment in the JV over the initial three years, and will in addition subscribe for new equity in Accsys.

## Intellectual Property

We received confirmation from the Intellectual Property Office in the United Kingdom of the grant of Accoya® product patent claims which successfully manages to secure monopoly rights for Accoya® in the United Kingdom for 20 years from the patent filing date. In so doing, we are optimistic as to our ability to achieve product patents to protect the Accoya® brand in other global territories.

## Financial results

Total revenue of €4.5m for the three months to 30 June 2012 represents an increase of 38% compared to the same period in the prior year. Revenue from Accoya® increased by 42% to €4.0m and licence income of €53,000 compared to €75,000 last year.

Our cash balance as at 30 June 2012 remains healthy at €23.1m.

Commenting on the Interim Management Statement released today, Paul Clegg, CEO of Accsys Technologies PLC said: *"We have made excellent progress during the period taking important strides forward in the development of the Company. We have continued to maximise the commercial opportunities created by our intellectual property signing new agreements that confirm the huge potential of our technology and the growing interest in Accoya® and Tricoya®. The increase in revenue, despite the continuing economic uncertainty, indicates the underlying strength of our product offering and gives us confidence of further growth in the future."*

## Ends

### For further information, please contact:

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### Notes to Editors:

**Accsys Technologies PLC** ([www.accsysplc.com](http://www.accsysplc.com)) is an environmental science and technology company whose primary focus is on the production of Accoya® wood and technology licensing via its subsidiary, Titan Wood Limited, which has manufacturing operations in Arnhem, the Netherlands (through its subsidiary Titan Wood B.V.), a European office in Windsor, United Kingdom, and an American office in Dallas, Texas (via its subsidiary Titan Wood, Inc). All group subsidiaries are ultimately 100% owned by Accsys and trade as Accsys Technologies. Any references in this announcement to agreements with Accsys shall mean agreements with either Accsys or its subsidiary entities unless otherwise specified. Accsys Technologies PLC is listed on the London Stock Exchange AIM market and on Euronext Amsterdam by NYSE Euronext, under the symbols 'AXS'. Accsys' operations comprise three principal business units: (i) Accoya® wood production; (ii) technology development, focused on a programme of continuous development of and improvements to the process engineering and operating protocols for the acetylation of solid wood and the development of technology for the acetylation of wood elements; and (iii) the licensing of technology for the production of Accoya® wood and Tricoya® wood elements across the globe.

**Tricoya® Wood Elements** ([www.tricoya.com](http://www.tricoya.com)) are produced using Accsys' proprietary technology for the acetylation of wood chips, and particles for use in the fabrication of wood based composites, including panel products. These composites demonstrate enhanced durability and dimensional stability which allow them to be

used in a variety of applications that were once limited to solid wood or man-made products. Tricoya® Wood Elements is lauded as the first major innovation in the wood composites industry in more than 30 years.

**Wood Acetylation** is a process which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. The process protects wood from rot by making it "inedible" to most micro-organisms and fungi, without - unlike conventional treatments - making it toxic. It also greatly reduces the wood's tendency to swell and shrink, making it less prone to cracking and ensuring that, when painted, it requires dramatically reduced maintenance.

**Accoya® wood** ([www.accoya.com](http://www.accoya.com)) is produced using Accsys' proprietary patented acetylation technology, that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "high technology wood". Distinguished by its durability, dimensional stability and, perhaps most importantly of all, its reliability (in terms of consistency of both supply and quality), Accoya® wood is particularly suited to exterior applications where performance and appearance are valued. Unlike most tropical and European hardwoods, its colour does not degrade when exposed to ultraviolet light. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. For marine uses where weight is also important, Accoya® wood for the first time provides boat builders with a wood that is strong, lightweight, durable and retains its natural beauty for far longer. For a full archive of Accoya® news, visit [www.accoya.com/news.asp](http://www.accoya.com/news.asp).

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