

Regulatory Announcement

Company Accsys Technologies PLC
TIDM AXS
Headline
Released 21 October 2010
Number



AIM: AXS
NYSE Euronext Amsterdam: AXS

21 October 2010

ACCSYS TECHNOLOGIES PLC ("Accsys" or "the Company")

Diamond Wood

Accsys is pleased to announce that it has today received a letter dated 18 October 2010 (the "Letter") from Diamond Wood China Limited ("Diamond Wood"), the Company's licensee of its acetylation technology in China and other Asian territories, announcing:

"the recent signing of an agreement with an Asian investor group and the subsequent imminent funding of the first Accoya[®] factory in Asia by the end of 2010."

The Letter also announces changes to the board of directors of Diamond Wood to facilitate the funding, including the appointment of Mr. Akeyuth Anchanbutra as Chairman.

Further to the announcement by Accsys on 21 June 2010 that it had entered into a revised licence agreement with Diamond Wood ("Revised Licence"), the Letter, addressed to all Diamond Wood shareholders, confirms certain terms of that Revised Licence as follows:

- The reduction of upfront License Fee payments by c. €10m euros on the first four reactors of production
- A 20-year exclusivity for the production and sales of Accoya[®] in Greater China (China, Hong Kong, Macau, Taiwan)
- The right of first refusal on Tricoya (MDF) technology in China
- A ten-year exclusivity for the production and sales of Accoya[®] in Thailand, Singapore, Vietnam, Philippines, Cambodia, Laos, Burma, Brunei, Indonesia and Malaysia.

In addition, Accsys confirms that the royalty payments under the Revised Licence have been amended and are now:

- Increased by in excess of 10%, from €22 to €25 per cubic metre of Accoya[®] produced and sold by Diamond Wood
- Subject to an annual upwards only index-linked inflator
- Payable beyond the twenty years originally provided for (at a discounted rate).

Accsys is meeting with Diamond Wood in early November 2010 and hopes to be able to announce further details in respect of Diamond Wood's fundraising following that meeting.

Ends

For further information, please contact:

Accsys Technologies PLC	Paul Clegg, CEO Hans Pauli, CFO	+44 20 8150 8835 +31 26 366 1408
Matrix Corporate Capital LLP	Stephen Mischler Nick Stone Edmund Glover	+44 20 3206 7000
Threadneedle Communications	Graham Herring Josh Royston graham.herring@threadneedlepr.co.uk josh.royston@threadneedlepr.co.uk	+44 20 7653 9850
Citigate First Financial B.V.	Wouter van de Putte	+ 31 20 575 4080

Notes to editors:

Accsys Technologies PLC (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 100% owned subsidiary, Titan Wood Limited, which has manufacturing operations in Arnhem, the Netherlands, a European office in London and an Americas office in Dallas, Texas. Accsys Technologies' operations comprise three principal business units: (i) the Accoya® wood production facility located in Arnhem, The Netherlands; (ii) technology development, focused on a programme of continuous improvements to the process engineering and operating protocols for the acetylation of wood which are currently under development and the development of technology for the acetylation of wood fibre; and (iii) the licensing of technology for the production of Accoya® wood and Tricoya® wood elements across the globe.

Accoya® Wood (www.accoya.info) is produced by using a patented, non-toxic process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "high technology wood" via acetylation. 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 woods, its colour does not degrade when exposed to sunlight. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, increased coatings life, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. Leading applications include external doors and windows, shutters/shading, siding and cladding, decking, outdoor furniture/equipment and glulam beams for structural use.

Tricoya® Wood Elements (www.tricoya.com) is Accsys Technologies' proprietary technology for the acetylation of wood fibres, 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 which 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 environmentally responsible process protects wood from rot by making it "inedible" to most micro-organisms and insects, 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. Acetylated wood's increased durability offers major carbon sequestration advantages, compared to other woods and man-made building materials such as steel, vinyl, and plastic.

Wood Composites include a range of derivative wood products which are manufactured by binding together the strands, particles, fibres, or veneers of wood together with adhesives to form composite materials. These products are engineered to precise design specifications which are tested to meet national or international standards.

ACCOYA[®], TRICOYA[®], the Trimarque Device and the Elements logo are registered trademarks owned by Titan Wood Limited and may not be used or reproduced without written permission.