Regulatory Announcement

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Company	Accsys Technologies PLC
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INTERIM RESULTS FOR THE SIX MONTHS TO 30 SEPTEMBER 2007

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

Highlights

- Results for the 6 month period show revenue of €3.8 million (2006: €nil) and a pre tax loss of €5.0 million (2006: loss of €3.5 million), broadly in line with business plans.
- Current net cash position of €53 million with no existing debt
- Listing on Euronext Amsterdam, with the placing of 5 million new Ordinary shares raising €18.5 million after expenses.
- Good progress in scaling up the production processes at the group's own Accoya™ production facility. Supplies of Accoya™ now being distributed across UK, Netherlands and Germany.
- Plans being drawn up to double Accoya™ production capacity at our Arnhem facility
- Development work proceeding on acetylated fibre board opportunities

Post period Highlights

- Strong progress with other potential Licensees, including an option with Al Rajhi for 100,000 cubic metres in the GCC countries
- Appointment of Finlay Morrison as CEO
- Licensing Agency Agreement with Skanfore now fulfilled enabling €8 million agency revenue previously received to be recognised through profit and loss during the second half
- First License Agreement signed with Diamond Wood China for 500,000 cubic metres nameplate annual capacity with €9.5 million revenue arising during the second half

Willy Paterson-Brown commented: "Accsys has seen excellent progress in the year to date, with recent licensing activity significantly increasing revenue and the worlds first Accoya production facility being commissioned. We are delighted to welcome Finlay Morrison as CEO, and the Board looks forward to a strong second half."

For further information, please contact:

Accsys Technologies PLC www.accsysplc.com	William Paterson-Brown, Executive Chairman	+44 (0) 20 8114 2510
Collins Stewart Europe Limited	Tim Mickley / Michael O'Brien	+44 (0) 20 7523 8000
Parkgreen Communications	Justine Howarth / Bex Sanders-Hewett	+44 (0) 20 7851 7480
Citigate First Financial B.V.	Wouter van de Putte / Laurens Goverse	+ 31 (0) 20 575 4080

CHAIRMAN'S STATEMENT

Introduction

The period covered by this report has seen excellent progress for your Company. The world's first Accoya™ production facility has been commissioned and we have seen very strong interest amongst many potential licensees to utilise the group's proprietary production technology. Recent Licensing activity has boosted the Company significantly, resulting in considerable revenue which means that the Directors are confident that results for the year will be in line with their expectations.

New Chief Executive Officer

In October, we welcomed Finlay Morrison as CEO which has added considerable operational experience to our ever increasing team. Finlay's impressive career includes senior roles with Celanese Corporation and Hoechst AG.

Arnhem technology demonstration facility

Having started up in March, our plant was formally opened on 31st May, with production volumes rising as production processes are adjusted to reflect the new operating environment encountered following the 80 fold scale up from the large pilot reactor. Further refinements are currently being worked through as the plant is steadily worked up to design capability. To facilitate licensing we are now engaging globally recognised independent consultants for the certification of resource utilisation requirements for different timber dimensions. We are now actively planning expansion of the Arnhem plant to double its production capacity.

Licensing

The primary goal of the business is to maximise returns through licensing the Group's production technology. On 20th November we announced the signing of our first full License Agreement, with Diamond Wood China Limited, for exclusive rights to the Chinese market for 500,000 cubic metres of annual nameplate capacity. Not only does this result in additional revenue to the Company but it also allows us to recognise the balance of the License Agency Fee carried as deferred income in the balance sheet at 30th September 2007.

In October we announced a License Option Agreement with Al Rajhi Holdings for 100,000 cubic metres of capacity in five of the GCC countries.

We have considerably strengthened our business development resources and now have licensing representatives deployed across four continents. We are actively engaged in discussions with a number of prospective licensees and expect to announce additional technology licensing agreements before the end of the financial year together with further license option agreements.

Trading Agreement

In May we concluded an agreement with Celanese Corporation for exclusive supply of acetyls which included an investment of €22.1 million in the Company. Given the progress we have made in our business development, the Company has since agreed to a new arrangement with Celanese as it became clear that our trading/supply relationship, in conjunction with our licensees, needed to be negotiated on a case by case basis which had been a restriction for both companies in the original agreement. We have built a solid relationship with Celanese and will be able to enjoy the benefits of this going forward. Under the new agreement, Celanese will relinquish its option to acquire further Ordinary shares in the Company to take its equity stake up to 29.9% and we have agreed to the orderly placement of Celanese's 5.23% existing share holding in the Company. Having reached a new business relationship with Celanese we were immediately in a position to proceed with our Licensing Agreement in China, mentioned above.

Results and Liquidity

Results for the six month period show revenue of €3.8 million (€2006: €nil) and a pre tax loss of €5.0 million (2006: loss of €3.5 million). The increased administration expenses of €6.1 million in the period (€9.9 million for the year to March 2007), is largely attributable to expenses incurred in the Euronext listing which amounted to €1.2 million. The Technology License signed yesterday contributes significant revenues to the second half - €8 million from recognition of the deferred income under the License Agency agreement with Skanfore and €9.5 million from the agreement signed with Diamond Wood China. At 30th September, the group held cash balances of €59 million (which included €4 million of income tax deducted from gains arising upon exercise of share options by employees subsequently paid to relevant tax authorities).

Dual Listing

On 18th September the Company was admitted to trading on Euronext Amsterdam by NYSE Euronext. We were the first AIM listed company to become dual listed on Euronext, raising a net €18.5 million with the placing of 5 million new Ordinary shares. Fortis acted as Lead Manager and Sole Bookrunner for the successful listing which allowed the Company to welcome a number of new, blue chip, institutional investors from all over Europe.

Dividends

The directors' intention is to defer payment of dividends until the Company has established strong cash flow and reported satisfactory profitability.

We have clearly had a very successful start to the second half of the year and once again, I would like to thank you for your continued support.

Willy Paterson-Brown
Executive Chairman
21 November 2007

INTERIM FINANCIAL STATEMENTS TO 30 SEPTEMBER 2007

Consolidated Income Statement

	Notes	Unaudited 6 months ended 30 Sept 2007 €'000	Unaudited 6 months ended 30 Sept 2006 €'000	Unaudited Year ended 31 March 2007 €'000
Revenue		3,841	-	50
Cost of Sales		(2,880)	-	-
Gross Margin		961	-	50
Administration expenses				
General administrative expenses		(6,088)	(3,281)	(9,853)
Impairment of tangible fixed assets				(6,569)
Impairment of intangible fixed assets				(5,850)
		(6,088)	(3,281)	(22,272)
Loss from operations		(5,127)	(3,281)	(22,222)
Finance income		158	(242)	37
Loss before tax		(4,969)	(3,523)	(22,185)
Tax expense		-	-	-

Loss after taxation attributable to equity holders		(4,969)	(3,523)	(22,185)
Loss per share Basic and diluted	3	€(0.03)	€(0.03)	€(0.16)

All amounts relate to continuing activities

Consolidated Balance Sheet

	Notes	**Unaudited 6 months ended 30 Sept 2007 €'000**	**Unaudited 6 months ended 30 Sept 2006 €'000**	**Unaudited Year ended 31 March 2007 €'000**
NET ASSETS				
Non-current assets				
Intangible assets		8,248	14,446	8,380
Property, plant and equipment		22,146	18,889	21,611
		30,394	33,335	29,991
Current assets				
Inventories		2,089	237	910
Trade and other receivables		1,242	3,322	1,085
Other financial assets		-	7,154	-
Cash and cash equivalents		58,966	5,518	10,825
		62,297	16,231	12,820
Current liabilities				
Deferred income		(8,000)	-	-
Trade and other payables		(7,133)	(1,533)	(3,102)
Net current assets		47,164	14,698	9,718
Total net assets		77,558	48,033	39,709

EQUITY			
Equity and reserves			
Share capital - Ordinary shares	1,552	1,325	1,406
Share capital - Deferred shares	148	148	148
Share premium account	78,020	25,504	35,689
Other reserves	106,707	106,707	106,707
Retained earnings	(108,869)	(85,651)	(104,241)
Equity attributable to equity holders of the parent	77,558	48,033	39,709

Consolidated statement of changes in Equity

	Share Capital €000	**Share Premium €000**	**Other Reserves €000**	**Retained Earnings €000**	**Total €000**
Balance at 1 April 2006	1,473	25,504	106,707	(82,228)	51,456
Loss and total recognised income and expense for the period	-	-	-	(3,523)	(3,523)
Share based payments				100	100
Balance at 30 September 2006	1,473	25,504	106,707	(85,651)	48,033
Loss and total recognised income and expense for the period	-	-	-	(18,662)	(18,662)
Share based payments				72	72
Shares issued in the period	66				66
Share options exercised	15				15
Premium on shares issued		10,437			10,437
Share issue costs					

		(252)			(252)
Balance at 31 March 2007	1,554	35,689	106,707	(104,241)	39,709
Loss and total recognised income and					
expense for the period	-	-	-	(4,969)	(4,969)
Share based payments				342	342
Shares issued in the period	131				131
Share options exercised	15				15
Premium on shares issued		43,095			43,095
Share issue costs		(765)			(765)
Balance at 30 September 2007	1,700	78,019	106,707	(108,868)	77,558

Consolidated Cash Flow Statement

	Notes	Unaudited 6 months ended 30 Sept 2007 €'000	Unaudited 6 months ended 30 Sept 2006 €'000	Unaudited Year ended 31 March 2007 €'000
Cash flows from operating activities				
Loss for the period		(4,969)	(3,523)	(22,185)
Adjustments for:				
Amortisation of intangible assets		132	-	216
Depreciation of property, plant & equipment		714	162	733
Impairment of property, plant & equipment		-	-	6,569
Impairment of intangible assets		-	-	5,850
Investment revenue		(158)	242	(37)
Equity-settled share-based payment expenses		342	100	172
Cash flows from operating activities before changes in working capital		(3,939)	(3,019)	(8,682)
(Increase)/decrease in trade and other receivables		(157)	158	20
Increase in deferred income		8,000	-	-
(Increase) in inventories		(1,179)	(237)	(910)
Increase in trade and other payables		4,031	(452)	1,118
Cash (absorbed by)/generated from operating activities		6,756	(3,550)	(8,454)
Cash flows from investing activities				
Interest received		158	117	284
Disposal of financial assets at fair value through profit or loss		-	8,000	15,266
(Increase)/decrease in other loans and receivables		-	4,932	7,306

Purchase of intangible assets	-	(200)	(200)
Purchase of property, plant and equipment	(1,249)	(8,358)	(18,220)
Net cash from investing activities	(1,091)	4,491	4,436
Cash flows from financing activities			
Proceeds from issue of share capital	43,241	-	10,518
Share issue costs	(765)	-	(252)
Net cash from financing activities	42,476	-	10,266
Net increase in cash and cash equivalents	48,141	941	6,248
Net increase in cash and cash equivalents	48,141	941	6,248
Opening cash and cash equivalents	10,825	4,577	4,577
Closing cash and cash equivalents	58,966	5,518	10,825

Notes forming part of the interim financial statements for the period ended 30 September 2007

1. Accounting policies

Basis of preparation

The interim report consolidates the financial statements of the Company and of its subsidiaries drawn up to 30 September 2007 prepared in accordance with IFRSs and IFRIC interpretations as adopted by the EU. This is the first time the Group has prepared financial information in accordance with IFRSs, having previously prepared its financial statements in accordance with UK GAAP. Details of the transition are given in note 2.

The accounting policies set out below have, unless otherwise stated, been applied consistently in these financial statements.

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Group as if they formed a single entity. Inter-company transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the consolidated balance sheet, the acquiree's identifiable assets, liabilities, and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained.

Goodwill

Goodwill arising on the acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired. It is capitalised, and is subject to annual impairment reviews by the directors. Any impairment arising is charged to the income statement.

Intangible assets

Intellectual property rights, including patents, which cover a portfolio of novel chemical processes and products, are shown in the financial statements at cost less any amounts by which the carrying value is assessed during an annual review to have been impaired. No amortisation charge is made until plants licensed to exploit the intellectual property are available for use, thereafter the carrying value is amortised in equal amounts over the useful economic life of the intellectual property. At present, the useful economic life of the intellectual property is up to a maximum of 20 years.

Property, plant and equipment

Property, plant and equipment is stated at cost less depreciation and any impairment charged. Depreciation is provided at rates calculated to write off the cost less estimated

residual value of each asset, except freehold land, over its expected useful life on a straight line basis, as follows:

Plant and machinery	These assets comprise pilot plants and production facilities. The pilot plants are designed to validate technology designs and generally have short lives, with depreciation rates between 33% and 50%. Production facilities are depreciated from the date they become available for use at rates applicable to the asset lives expected for each class of asset, with rates between 5% and 20%.
Office equipment	Between 20% and 50%.
Motor vehicles	20%.

Impairment

The carrying amount of the non-current assets of the Group is compared to the recoverable amount of the assets whenever events or changes in circumstances indicate that the net book value may not be recoverable. The recoverable amount is the higher of value in use and the fair value less cost to sell. In assessing the value in use, the expected future cash flows from the assets are determined by applying a discount rate to the anticipated pre-tax future cash flows. An impairment is recognised in the income statement to the extent that the carrying amount exceeds the assets' recoverable amount. The revised carrying amounts are amortised in line with Group accounting policies. A previously recognised impairment loss, other than on goodwill, is reversed if the recoverable amount increases as a result of a reversal of the conditions that originally resulted in the impairment. This reversal is recognised in the income statement and is limited to the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in prior years. Assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units) for purposes of assessing impairment. The estimates of future discounted cash flows are subject to risks and uncertainties. It is therefore reasonably possible that changes could occur which may affect the recoverability of assets.

Financial assets

Other financial assets

Other financial assets in the scope of IAS 39 are classified as financial assets at fair value through profit or loss and loans and receivables, depending on the purpose for which the asset was acquired. When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognised in the consolidate income statement.

Loans and receivables, which comprise non-derivative financial assets with fixed and determinable payments that are not quoted on an active market are stated at cost less any provision for impairment.

All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date on which the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement, and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At present the group has no finance leases.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Inventories

Raw materials, which consist of unprocessed timber, chemicals and various materials used in manufacturing operations are valued at the lower of cost and net realisable value. The basis on which cost is derived is a first-in, first-out basis.

Finished goods, comprising processed timber, are stated at the lower of weighted average cost of production or net realisable value. Costs include direct materials, direct labour costs and production overheads (including the depreciation/depletion of relevant property and plant and equipment). Net realisable value represents the estimated selling price less all expected costs to completion and costs to be incurred in selling and distribution.

Trade and other receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise principally from the provision of goods and services to customers.

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the group will not be able to collect debts. Bad debts are written off when identified.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and that the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer.

Royalty and licence fee income

Royalty and licence fee income is recognised over the period of the relevant agreements according to the specific terms of each agreement or the quantities and/or values of the licensed product sold. Initial "up front" income received, which is non-refundable, is recognised on a straight line basis over the period of the agreement or pro-rata to the volume or value of sales according to the specific terms of the agreement. The amount of income not recognised is included in the financial statements as deferred income and shown as a liability.

The accounting policy for the recognition of technology license fees is based upon an assessment of the work required before the licence is signed and subsequently during the construction and commissioning of the licensees' plant, with an appropriate proportion of the fee recognised upon signing and the balance recognised as the project progresses to completion.

Similarly, when an "up front" non refundable agency premium is received from an agent, this is recognised upon signing of a technology licence negotiated by the agent, pro rata to the capacity signed and the capacity under the agency agreement. Where a negotiated licensee signs a licence option agreement in advance of the technology licence, an assessment of the work completed is undertaken to determine the proportion of the agency premium that may be recognised in respect of such licence options. Currently, the proportion of the agency premium assessed as recognisable upon signing a licence option is 20 per cent.

Interest income

Revenue recognised as interest accrues using the effective interest method, i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Share based payments

The Company awards share options to certain directors and employees to acquire shares of the Company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and is charged to the income statement over the vesting period during which the employees become unconditionally entitled to the options.

The fair value of the options granted is measured using a modified Black Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest only where vesting is dependent upon the satisfaction of service and non-market vesting conditions.

Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options which eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Pensions

Defined contribution plans
The Group contributes to certain defined contribution pension and employee benefit schemes on behalf of its employees. These costs are charged to the income statement on an accruals basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date together with any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for:-

- the initial recognition of goodwill,
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and
- differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

Foreign currency translation

The consolidated financial statements are presented in Euro, which is also the functional currency of all group companies. Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

2 Transition to International Financial Reporting Standards (IFRS's)

The Group's transition date for the adoption of IFRS is 1 April 2006. This transition date has been selected in accordance with IFRS 1 'First-time adoption of International Financial Reporting Standards'. The Group has also adopted IAS 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement' from 1 April 2006.

The principal difference between reporting under IFRS as compared to UK GAAP as at 30 September 2007 is not to amortise goodwill but instead test for impairment.

The application of IFRS has also changed the presentation of the cash flow statement which now shows cash flows derived from three types of activities – operating, investing and financing. In addition, under IFRS, the cash flow statement includes all cash flows in respect of cash and cash equivalents. This is a broader definition of cash than under UK GAAP.

As a general rule, the Group is required to establish its IFRS accounting policies for the year ended 31 March 2008 and apply these retrospectively to determine its opening IFRS balance sheet at the transition date of 1 April 2006 and the comparative information for the period ended 30 September 2006 and the year ended 31 March 2006. However, advantage has been taken of certain exemptions afforded by IFRS 1 'First-time adoption of International Financial Reporting Standards' as follows:

- Business combinations prior to 1 April 2006 have not been restated.

The Group has applied IFRS 2 'Share-based Payment' retrospectively only to awards made after 7 November 2002 that had not vested at 1 April 2006.

In preparing the IFRS accounts, the Group has adjusted amounts reported previously in the financial statements prepared in accordance with UK GAAP. An explanation of how the transition has affected the Group's financial performance and position is set out in the following tables:

Notes forming part of the interim financial statements for the period ended 30 September 2007, continued

	1 April 2006 €'000	30 Sept 2006 €'000	31 March 2007 €'000
Reconciliation of equity			
Total net assets/Shareholders' funds under UK GAAP	50,925	47,296	38,766
Goodwill amortisation added back	531	737	943
Total equity under IFRS	51,456	48,033	39,709

	30 Sept 2006 €'000	31 March 2007 €'000
Reconciliation of loss		
Loss for the period under UK GAAP	(3,729)	(22,597)
Goodwill amortisation added back	206	412
Loss under IFRS	(3,523)	(22,185)

3. Loss per share

	6 months ended 30 September 2007 €'000	6 months ended 30 September 2006 €'000	Year ended 31 March 2007 €'000
Weighted average number of Ordinary shares in issue	147,991,415	132,463,447	135,217,231
Loss for the period/year €'000	4.969	3,523	22,185
Loss per share	€(0.03)	€(0.03)	€(0.16)

Since none of the Company's potential Ordinary shares are dilutive, there is no difference between basic and diluted loss per share.

4 Comparative figures

The comparative figures for the year ended 31 March 2007 and the six months ended 30 September 2006 have been restated for the adoption of IFRS. The comparative figures for the year ended 31 March 2007 are not the Company's statutory accounts for that financial year. Those accounts, which were prepared under UK GAAP, have been reported on by the Company's auditors and delivered to the Register of Companies. The report of the auditors was unqualified, did not include references to any matter to which the auditors drew attention by way of emphasis without qualifying their report, and did not contain statements under section 237(2) or (3) of the Companies Act. The financial information in this document does not constitute statutory financial statements within the meaning of the Act.

5 Post balance sheet events

On 20th November 2007, the group entered into a Technology License with Diamond Wood China Limited for annual nameplate capacity of 500,000 cubic metres. This is described in more detail in the Chairman's Statement.

INDEPENDENT REVIEW REPORT TO ACCSYS TECHNOLOGIES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of both the London Stock Exchange for companies trading securities on the Alternative Investment Market and Euronext Amsterdam by NYSE Euronext which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of both the London Stock Exchange for companies trading securities on the Alternative Investment Market and Euronext Amsterdam by NYSE Euronext and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2007 is not prepared, in all material respects, in accordance with the rules of both the London Stock Exchange for companies trading securities on the Alternative Investment Market and Euronext Amsterdam by NYSE Euronext.

BDO STOY HAYWARD LLP

Chartered Accountants

London, 21 November 2007

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