

Regulatory Announcement

Company Accsys Technologies
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Accsys expands capacity in China as Diamond Wood extends its exclusivity with a license option for an additional 250,000m³

Accsys Technologies PLC ("Accsys" or "the Company") announces that Titan Wood Limited ("Titan Wood"), its 100% owned subsidiary, has signed a license option agreement with Diamond Wood China Limited ("Diamond Wood"), in respect of the rights to manufacture Accoya® wood in the People's Republic of China for an additional nameplate Accoya® wood production capacity of 250,000 cubic metres. Diamond Wood previously signed a License Agreement for 500,000m³ in November 2007.

The terms of the agreement include the rights for Diamond Wood to expand their production volumes to 750,000m³, an increase of 50%, and thereby extend their exclusivity in China until 2018. Financial terms mirror those of the original agreements between the two companies as far as license fees and royalties are concerned and involve an immediate payment of 250,000 Euros.

Greg Lee, CEO of Diamond Wood, said, "Our market analysis and customer feedback shows that there is considerable potential for Accoya® wood in China and we have had our sights set on higher capacity volumes and extending exclusivity for some time now. We are therefore delighted to have signed this further agreement and to have secured these terms."

Finlay Morrison, CEO of Titan Wood, added, "This is a significant step forward for Accsys in this region as this agreement gives Diamond Wood the opportunity to further consolidate their strong early adopter advantage."

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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 (www.titanwood.com), which has manufacturing operations in Arnhem, the Netherlands, and a regional office for the Americas in Dallas, Texas. Accsys' 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 across the globe.

Accoya® Wood (www.accoya.info) is produced by using a patented process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a "new wood species" 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 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.

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 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.

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