

Regulatory Announcement

Company Accsys Technologies
TIDM AXS
Headline Interim Management Statement
Released 07:00 15-Aug-08
Number 3935B07



AIM: AXS
NYSE Euronext Amsterdam: AXS

Quarter 1 Interim Management Statement

Accsys Technologies PLC ("Accsys" or "the Company") announces its quarterly statement for the period to 30th June 2008.

The Group has made a good start to the new financial year, with continuing strong momentum despite the general economic climate.

Very positive discussions with a series of prospective licensees for the production of Accoya[®] wood are currently underway. The Company's first licensee, Diamond Wood China Limited ("Diamond Wood"), has further extended their commitment to the manufacture of Accoya[®] wood by signing an additional licence option for 250,000m³ of annual nameplate capacity in The People's Republic of China, in addition to their current licence for 500,000m³ of annual nameplate capacity that was signed last year. Progress with the development of the plant in China is on schedule.

Sales revenue for Accoya[®] wood, produced at the Group's plant in Arnhem, The Netherlands, increased by 38% quarter on quarter, with sales volumes increasing by 131%, due to an increase in the proportion of toll processing.

During the period the Company's global sales team was strengthened and Accoya[®] wood is now being shipped into North America and China, with plans in place to ship into the Middle East in the next quarter.

The Company's engineering teams have been focused on supporting the planning and development work for the construction of the Diamond Wood plant, identifying and implementing performance improvements to the Company's plant in Arnhem and carrying out tests on different wood species in the acetylation process. Work continues in building the team to ensure and reinforce worldwide coverage and distribution to meet the demand for Accoya[®] wood.

During the period, the Company was delighted to be included in both the Cleantech Index for companies involved in renewable technologies, and sustainablebusiness.com's new list of the World's Top 20 Sustainable Stocks.

Overall, performance in the first quarter has been in line with the Company's expectations.

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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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