

Regulatory Announcement

[Go to market news section](#)

Company [Accsys Technologies PLC](#)
TIDM AXS
Headline Agreement
Released 07:01 25-Jun-07
Number 9202Y



25th June 2007

AIM: AXS

Accsys announces 500,000 cubic metre Agreement with Skanfore

Accsys Technologies PLC ("Accsys" or "the Company") announces that its 100% owned subsidiary, Titan Wood Ltd., has signed a licence agency agreement with Skanfore S.A. ("Skanfore"), who will take the rights for a nameplate capacity of 500,000 cubic metres of production of Accoya™ wood.

Terms of the agreement include Skanfore paying a premium of €10 million in consideration for the right to market Accoya technology in certain markets, principally outside Europe and North America. The premium is equivalent to 10% of the total technology fee, at list prices, for half a million cubic metres of Accoya™ wood production capacity. Skanfore will identify, introduce and lead negotiations for licence agreements for Titan Wood's proprietary Accoya™ wood production process and develop new markets for the Company. The agreement involves sales, logistics, financing options, regional product marketing and off-take requirements. The agreement is expected to broaden the scope and capability of the uptake of Accoya™ technology around the world.

Willy Paterson-Brown, Executive Chairman, of Accsys commented, "Accsys has entered a new phase of growth and this agreement solidifies a relationship that we have built over the past couple of years. Skanfore offers us a faster route to market both for relationships with licensees but also the development and awareness of the Accoya wood brand across a large geographic spectrum. I am particularly pleased with Skanfore's significant financial commitment to our business, emphasised by the scale of the premium negotiated for the rights which represents the first meaningful licence revenue for the Company."

David Popejoy, Managing Director of Skanfore, said: "The more we looked into Accoya™ and the potential reach of this revolutionary new product, the more we liked it. Our

business focus started in the Middle East but we now have discussions going on in a number of different countries and regions. There is no question the commercial interests in Accoya™ will accelerate considerably over the course of the next year. We will also be working closely with Celanese to secure long term commitments with Accoya™ licensees".

The Company announced in March that commercial production of Accoya™ wood at Titan Wood's new 30,000 m3 Arnhem facility was underway. The Company's order books are full through to the end of 2007 and beyond, with production committed into a wide range of different product applications, from civil construction to joinery. First licence revenue has been keenly anticipated.

ENDS

For further information, please contact:

Accsys Technologies PLC William Paterson-Brown, +44 (0) 20 8144 2510
Executive Chairman

Collins Stewart Limited Tim Mickley / Michael O'Brien +44 (0) 20 7523 8000

Parkgreen Communications Justine Howarth / Clare Irvine +44 (0) 20 7851 7480

Notes to Editors

Skanfore LLC (www.skanfore.com) is a privately owned, diversified trading company, based in Abu Dhabi, UAE, with interests in mining, engineering, construction, finance and environmental projects. Skanfore S.A. is a BVI company.

Titan Wood Limited (www.titanwood.com) is a wholly owned subsidiary of the Accsys Technologies PLC (www.accsysplc.com) group of companies. Accsys Technologies PLC is listed on the London Stock Exchange AiM market under the symbol 'AXS'.

Celanese (www.celanese.com) - As a global leader in the chemicals industry, Celanese Corporation (NYSE: CE) makes products essential to everyday living.

Our products, found in consumer and industrial applications, are manufactured in North America, Europe and Asia. Net sales totaled \$6.7 billion in 2006, with approximately 60% generated outside of North America. Known for operational excellence and execution of its business strategies, Celanese delivers value to customers around the globe with innovations and best-in-class technologies.

Based in Dallas, Texas, the company employs approximately 8,900 employees worldwide. Celanese and Accsys signed a strategic relationship agreement in March 2007.

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.

Accoya(TM) wood (www.accoya.info) is produced using a patented process that effectively converts sustainably grown softwoods and non-durable hardwoods into what is best described as a 'new wood species'. Distinguished by its durability, dimensional stability and, perhaps most importantly of all, its reliability (in terms of consistency of both supply and quality), Accoya(TM) 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(TM) 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(TM) wood offers a wealth of new opportunities to architects, designers and specifiers. For marine uses where weight is also important, Accoya(TM) wood for the first time provides boat builders with a wood that is strong, lightweight, durable and which retains its natural beauty for far longer.

ACCOYA is a registered trademark owned by Titan Wood Limited

This information is provided by RNS
The company news service from the London Stock Exchange

END