



**Developer of a 'new wood species'
Accsys Technologies PLC to float on AIM**

Accsys Technologies PLC ("Accsys" or "the Company") announces its intention to float on AIM (AIM: AXS) in late October 2005. Admission to trading on AIM will follow a Placing of 27 million new Ordinary Shares at a price of €1.00 per Share to raise €27m before expenses. Collins Stewart Limited is acting as both Nominated Adviser and Broker.

Key statistics

Placing Price	€1.00 (69p)
Number of Placing Shares	27million
Number of Ordinary Shares in issue immediately following the Placing	132.5m
Percentage of Enlarged Share Capital attributable to the Placing	20%
Market Capitalisation of the Company at the Placing Price on Admission	€132.5m (£90m)
Gross proceeds of the Placing	€27m (£18m)
Estimated net proceeds of the Placing receivable by the Company	€25m (£17.00m)

Accsys is an environmental science and technology company whose most advanced intellectual property is a process which effectively converts softwoods and non-durable hardwoods into an environmentally compatible 'new wood species'. This new type of wood, which has been branded 'Accoya™' by the Company, has performance attributes similar to the best tropical hardwoods and superior to many artificial material alternatives.

Growing concerns about the destruction of tropical rainforests, a declining world stock of high quality timber and increasingly restrictive government regulations regarding the use of wood treated using toxic chemicals have created an exceptional market opportunity for the Company. Accsys believes that its technology will transform the use of wood in existing applications where durability and dimensional stability are valued, both halting the decline in the use of wood in

outdoor applications and substituting plastics and metals. Accsys also expects to create entirely new product opportunities for wood in applications which are presently entirely the preserve of unsustainable materials.

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. In terms of these attributes, Accoya matches or exceeds the performance of the very best tropical hardwoods and is ideally suited to use in external applications including doors, windows, decking and cladding, garden furniture and freshwater marine applications such as canal linings. Accoya offers:

- greatly improved durability (up to "Class 1" – the best available);
- greatly improved dimensional stability (c.70% less swelling or shrinkage compared to untreated wood when used in climate exposed conditions);
- full retention of the source wood's strength or hardness
- a completely non-toxic and 100% recyclable alternative to treated woods, plastics, metals, tropical woods or composite materials
- a product that uses faster-growing wood species sourced from sustainable forests and plantations.

Focusing on the most developed markets of Western Europe and North America, the Directors expect that over a 10 year period a licensing volume for Accoya in the region of 1-1.5 million m³ is possible, while globally volumes could be more than double over a 20 year period.

The Directors believe that wood acetylation will form the Company's focus in the short to medium term with the business plan forecasting strong growth in the next few years. This business is being pursued by Accsys' subsidiary Titan Wood BV (www.titanwood.com), which operates a large-scale pilot plant in Arnhem, the Netherlands. This plant is presently being used to supply test material to customers and potential licensees across the world. Accsys owns the rights to a number of processes, including high temperature cracking and cellulose modification. These other proprietary technologies are the responsibility of its International Chemical

Company (ICC) subsidiary. Accsys' core technologies have either existing patent protection or pending patent applications. Accsys is focusing its energies on the launch of its Titan Wood business: once this business has been established, the Directors intend to pursue other technologies within its portfolio.

The Group's first full-scale production facility, located in Arnhem, the Netherlands, and designed to produce 30,000 m³ cubic metres of Accoya per year, is now under construction and scheduled to be mechanically completed and ready for commissioning in Summer 2006. This plant is intended to provide full-scale technology validation, a showcase for potential licensees and generate an operating profit in its own right.

William Paterson-Brown, Executive Chairman of Accsys, said "We are excited to see our company coming to AIM. This will give us liquidity and visibility as we bring our new 'species' of wood into commercial production. Admission will raise our international profile, bringing greater familiarity with and acceptance of Accoya, as well as giving Accsys a broader shareholder base for future expansion. These are exciting times for the Company, and Admission to trading on AIM is an integral part of our development."

ENDS

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NOTES TO EDITORS

ICC Technologies

High Temperature Cracking – cracking involves the breaking down of large molecules into more useful smaller molecules using in this case high temperatures. Whilst this technology is applied to a wide range of chemical processes, ICC is presently focused on the conversion of acetic acid into acetic anhydride;

Cellulose Modification – this involves reacting certain types of chemical with cellulose molecules usually derived from wood or cotton pulp. ICC's technology has been particularly applied to the reaction of cellulose with acetic anhydride, a process called acetylation. The eventual output is cellulose di-acetate flake, a non-toxic material which is used in a variety of applications, such as filters and film coatings.

Directors [make sure these are cut and pasted from the Pathfinder to ensure up to date]

William Paterson-Brown, Executive Chairman (40)

Willy is a Director of Asia IT Capital Investments Ltd., Khalidiya Investments S.A. and Zica S.A., focusing on the financial structure of investments and aiding those companies with equity investments and strategic partnerships. He is also an advisory trustee of a number of international trusts. Having graduated with a B.A. from the University of Durham, he started his career in the World Bank/United Nations backing projects in Africa and China. He was involved in the sports marketing sector where he founded, built and ultimately sold his company, specialising in merchandising and commercialising the value of patented products. He has been investing in the environmental science sector for the past twelve years – in technology development, commodity trading and consumer product companies. He is based in Switzerland.

Edward Pratt, Chief Executive Officer (41)

Eddie spent his early career in investment banking, receiving his corporate finance training at J.P. Morgan before becoming a founder member of its affiliate, Saudi International Bank's highly successful Oil and Petrochemical advisory group (later becoming the bank's Investment Banking Division). Eddie has broad experience in a range of sectors, from manufacturing companies to shipping, public finance, defence and the chemicals sector, in which he has advised a number of companies on their financial and corporate strategies, including leading and successfully concluding both debt and equity financings for start-up companies employing new technologies. Eddie joined the group in March 2000, becoming CEO of ICC in 2002, and subsequently led the development and launch of the Titan Wood business in April 2003.

Glyn Thomas, Chief Financial Officer (54)

Glyn has held senior financial positions with businesses in a range of sectors over the last 25 years, across manufacturing, retailing, media, publishing and financial services. After qualifying as a Chartered Accountant with Peat Marwick Mitchell, his career has included appointments as Director of Corporate Finance for Rothmans International, Director of Financial Operations for Kingfisher plc, Chief Financial Officer for Thomas Cook and the Director of Finance & Business Affairs at the BBC. He has combined experience of corporate functions in blue chip multinationals with leading the successful entrepreneurial growth of new business ventures in consumer finance, retail insurance and international trade. During the past six years he has worked in a number of new start-up businesses engaged in telecoms, marketing technology, medical diagnostics and sales management software. Glyn has also held a number of non-executive positions in the mining, telecoms and technology fields, with experience of setting up and chairing audit, nomination and remuneration committees.

Gordon Campbell, Non-Executive Director (58)

Gordon is Chairman of British Nuclear Fuels plc. He is part-time Chairman of Babcock International Group plc and former Chief Executive of Courtaulds plc. Gordon is also a Vice-President of the Royal

Academy of Engineering and Non-Executive Chairman of ITI Scotland. He was formerly Chairman of the Acordis Group, which was formed by the combination of the fibres operations of Akzo Nobel and Courtaulds. He has Non-Executive Directorships at Jupiter Split Trust plc and Senior plc. Gordon is also a member of the British Heart Foundation Council as well as a Companion of the British Institute of Management. He continues to be a visiting professor at Strathclyde University.

Stefan Allesch-Taylor, *Non-Executive Director (36)*

Stefan began his career as a stockbroker with Cawood Smithie & Co. (now part of Brown Shipley) in 1988. Since 1993 he has acted as a director of a wide variety of companies. Shortly after selling his private property company in 1996 he was appointed Chairman of STG Holdings PLC, a former BES property company that developed into a generic investment company. Between 1997 and 2002 he led the corporate teams for STG that created several new businesses both in the UK and in the United States primarily in the industrial and medical technology sectors. In 2003 he was co-founder and director of the Develica I Partnership, a property fund, where he currently serves as a member of the advisory board. He is a director of the Tactica Fund PLC, an asset management company. He is also a non-executive director of Savoy Asset Management PLC. Stefan has had senior management positions in the property, industrial, technology and financial services sectors and has over the last 12 years represented a number of substantial family trusts.

Timothy Paterson-Brown, *Non Executive Director (45)*

Tim is currently President and CEO of Medicsight Inc, an American public company specialising in medical imaging. Tim obtained a BA from London University and an MA from Cambridge University. He trained as a Chartered Surveyor and qualified with Strutt & Parker. He spent the next ten years in a variety of industries ranging from entertainment to technology and was responsible for major reorganisations of a number of quoted public and private companies in North America. Upon leaving America in 1999 he went to work in Abu Dhabi for a period of five years advising on international investments and property related matters and thereafter returned to the United Kingdom where he currently resides, focusing on the global expansion of Medicsight.