

Regulatory Announcement

Company Accsys Technologies PLC
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Accsys Technologies PLC

Accsys announces Licence Option Agreement in Europe with Safwood

Accsys Technologies PLC ("[Accsys](#)" or "the Company") announces that its wholly owned subsidiary, [Titan Wood Ltd.](#), has signed a licence option agreement with Safwood S.p.A. ("[Safwood](#)"), in respect of rights to manufacture Accoya[®] wood in Italy, Switzerland and Austria for a nameplate capacity of 120,000 cubic metres per annum.

The terms of the agreement include Accsys receiving an initial non-refundable upfront payment of €120,000 in return for a twelve month option for the three European countries. The geographical territory and manufacturing volumes may be extended upon the exercise of the option. As with all previous Titan Wood licence option agreements, terms of the licence would include licence fee payments of €200 per cubic metre of nameplate capacity (€24 million in total) and €22 per cubic metre of production royalties for an initial twenty year period.

The Safwood group, based in Piacenza, Italy, specialises in wood products such as sawn timbers, panels, matchboard panels and laminated beams and panels. It plays a prime role among the sawn timber producers in Russia and trades its products mainly in the European market. It is forecast to have achieved sales in 2008 in the region of €100 million.

Willy Paterson-Brown, Executive Chairman of Accsys commented, "Safwood has an excellent reputation in the European timber industry and beyond, with well established distribution channels, and we are delighted to enter into this agreement. A tremendous synergy exists between our two companies and we are both extremely excited about the huge potential for Accoya[®] wood in Europe. Initially we will be shipping product to Safwood from our Arnhem production facility in the very near future and look forward to developing various new markets in partnership with them."

Giampaolo Paraboschi, General Director of Safwood added, "This is an excellent fit both from a company standpoint and also based on the opportunities and challenges within the wood industry today. Safwood understands the requirements of a modern wood manufacturing and distribution company and recognise that Accoya[®] wood is *the* premium quality, sustainable, environmental product of the future. Ninety per cent of Safwood's products are from FSC certified sources, fitting nicely with the impeccable green credentials of Accoya[®]. We are excited by the prospect of producing Accoya[®] under licence with Titan Wood in Europe. The uncompromising durability of this product, in all climatic conditions, will give it a strong market position and we look forward to being at the centre of Accoya[®] wood's expansion."

ENDS

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Notes to Editors:

Safwood S.p.A.

Founded in 1991, Safwood (www.safwood.com) is a public company listed on the Alternext market - Paris Stock Exchange - by NYSE Euronext, symbols 'ALWOO' (www.euronext.com). The Safwood group specializes in wood products such as sawn timbers, panels, matchboard panels and laminated beams and panels. Safwood plays a prime role among the sawn timber producers in Russia and trades its products mainly in the European market. Based in Piacenza, Italy, the Group has operations in Russia and Poland with distribution throughout Europe, Middle East and North Africa.

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 Limited (www.titanwood.com), which has manufacturing operations in Arnhem, the Netherlands, a European office in London and an Americas office 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 and Tricoya™ wood elements across the globe.

Accoya® Wood (www.accoya.info) is produced by using a patented, non-toxic 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 woods, its colour does not degrade when exposed to sunlight. Moreover, the Accoya® wood production process does not compromise the wood's strength or machinability. The combination of UV resistance, dimensional stability, increased coatings life, durability and retained strength means that Accoya® wood offers a wealth of new opportunities to architects, designers and specifiers. Leading applications include external doors and windows, shutters/shading, siding and cladding, decking, outdoor furniture/equipment and glulam beams for structural use.

Tricoya™ Wood Elements (www.tricoya.com) is Titan Wood's proprietary technology for the acetylation of wood fibres, chips, and particles for use in the fabrication of wood based composites, including panel products. These composites demonstrate enhanced durability and dimensional stability which allow them to be used in a variety of applications which were once limited to solid wood or man-made products. Tricoya™ Wood Elements is lauded as the first major innovation in the wood composites industry in more than 30 years.

Wood Acetylation is a process, which increases the amount of 'acetyl' molecules in wood, thereby changing its physical properties. The environmentally responsible 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. Acetylated wood's increased durability offers major carbon sequestration advantages, compared to other woods and man-made building materials such as steel, vinyl, and plastic.

Wood Composites include a range of derivative wood products which are manufactured by binding together the strands, particles, fibres, or veneers of wood, together with adhesives, to form composite materials. These products are engineered to precise design specifications which are tested to meet national or international standards.

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