



26 October 2005

AIM: AXS

Placing and Admission to AIM

Accsys Technologies PLC ("Accsys" or "the Company") was today admitted to trading on AIM following 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	27,000,000
Number of Ordinary Shares in issue immediately following the Admission*	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 (£17m)

*and completion of compulsory acquisition of Accsys Chemicals PLC

On Admission, Shareholders with a disclosable interest in the Company were:

	Shares On Listing	
	Number	%
STG Holdings PLC	20,000,000	15.1
General Mediterranean Holdings SA	9,634,307	7.3
Wenco Limited	8,271,220	6.2
GAM Euro Select Hedge Investments Inc.	6,650,000	5.0
Framlington Investment Management Limited	6,500,000	4.9

Accsys (www.accsysplc.com) 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; and
- 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 delighted to have been admitted to trading on AIM as it provides greater liquidity, visibility and a broader shareholder base. Admission to AIM has been an integral part of our plans to bring Accoya to the widest possible audience and we look to the future with excitement and confidence."

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.