1 September 2011

Biome Technologies plc ("Biome", "the Company" or "the Group")

Interim Results for the six months ended 30 June 2011

Financial Highlights

- Group revenue up 55% to £10.4m (2010: £6.7m)
- Loss from operations reduced to £0.4m (2010: loss £1.2m)
- Foreign exchange gain in period £0.4m (2010: loss £0.6m)
- Profit before tax of £0.1m (2010: loss £1.7m)
- Cash utilised by operations reduced to £0.3m (2010: £0.7m)
- Closing Group cash position £3.6m (31 December 2010: £4.0m)
- £2.0m debt facility put in place in May 2011 to help fund future working capital requirements as the bioplastics' business continues to grow

Operational Highlights

- Both the Bioplastic and RF Technologies divisions profitable for the first time
- 49% growth in Bioplastics Division sales
  - 131% growth in sales made by Biome Bioplastics, the UK bioplastics business
- Bioplastics Division revenues reach £8.6m in the half
- 92% growth in sales for Stanelco RF Technologies (revenues of £1.9m)

Paul Mines, Chief Executive said:

"We are delighted to deliver our strongest half year of trading, with revenue up 55% and a step change in growth for Biome Bioplastics. It is especially pleasing that the revenue growth is being reflected in the bottom line and the Group's operating loss has reduced to £0.4m.

Looking ahead, we are very focused and excited about being at the forefront of both bringing the environmental benefits of bioplastics to a wider community and continuing to deliver value for shareholders through our improving financial performance".

John Standen, Non-Executive Chairman said:

"These Interim Results show clearly the benefits of the work Paul and his team have put into developing a pace-setting and robust business for the Group over the last four years. It is very exciting to see both of our businesses in profit for the first time; the excellent 131% growth in our wholly owned Biome Bioplastics business; and the Group operating loss reduced to £0.4m.

In the first six months of 2011 the Group's results are well ahead of the same period in 2010 and we feel confident that we can continue delivering on our strategy and build the business successfully."

- Ends -

For further information please contact:

Biome Technologies plc
Paul Mines, Chief Executive Officer
Sue Bygrave, Group Finance Director
www.biometechnologiesplc.com Tel: +44 (0) 2380 867 100

Daniel Stewart & Company
Oliver Rigby/Martin Lampshire
www.danielstewart.co.uk Tel: +44 (0) 20 7776 6550

First Columbus
Chris Crawford/Kelly Gardiner
www.first-columbus.com Tel: +44 (0) 20 3002 2070

Financial Dynamics
Caroline Stewart/Oliver Winters Tel: +44 (0) 20 7831 3113

Notes to Editors

Listed on AIM, the activities of Biome operate in two divisions; Bioplastics and Stanelco RF Technologies. Both divisions are underpinned by the Group's skills in the commercialisation and development of innovative technology.

The Group's core strategy is to develop and broaden its bioplastics business organically and is engaged with a variety of large-scale international customers and partners on a number of key commercial and development partnerships. These target applications in the food, horticulture and the electronics markets, amongst others, further enhance the Group's existing and new product development.

Chairman's Statement

The Group delivered excellent results in the first half of this year, with a 55% increase in Group revenues and both divisions delivering profits for the first time.

The strong revenue growth demonstrated in the first quarter in the UK based Biome Bioplastics business continued, with sales up 131% in the first half compared with the same period last year. Third party sales at Biotec also grew by 19%, despite some raw material constraints for them in the second quarter. The RF Technologies Division also performed extremely well with 92% revenue growth in the first half, as the business was boosted by the completion of a number of large orders.

Revenue growth was well ahead of the Board's expectations in the first half of the year and demonstrates the significant opportunity that exists for our products and technology.

Pleasingly, this revenue growth translated into profit and both divisions made operating profits in the first half. The Group itself made an operating loss of £0.4m, a significant reduction compared with the loss of £1.2m in the first half of 2010.

The cash utilised by operations in the first half was just £0.3m with the closing cash balance at 30 June 2011 at £3.6m (31 December 2010: £4.0m). To support the anticipated future growth of the Bioplastics Division, a secured debt facility of up to £2.0m was put in place in May 2011. This adds to the financial resources of the Group, gives operational flexibility and remains to be utilised.

Group Results

Group revenues increased from £6.7m in the first half of the year to £10.4m. The Bioplastic Division's revenues grew by 49% and the RF Division's revenues grew by 92%.

The Group's loss from operations reduced to £0.4m from £1.2m with profitability improving in both divisions and the Bioplastics Division delivered a profit for the first time.

Gross Profit rose to £1.9m in the period compared to £1.2m in the first half of 2010. Gross Profit margin was maintained at 18.5% in the comparative periods, albeit slightly down on the 19.7% reported for the full year 2010 due to the impact of both raw material rises and finished product pricing in new markets.

Central costs increased slightly reflecting the write back in the 2010 figures of the 2009 provision for directors' bonuses of £0.1m which were subsequently waived and the loss of rental income from one of the Company's long lease properties for which a new tenant is still being sought. Excluding these factors, central costs were reduced year on year.

Finance related income totalled £0.5m for the six months ended 30 June 2011 compared with finance related costs of £0.6m in the six months ended 30 June 2010. This income included £0.1m received in respect of a back claim for VAT (including interest) and a £0.4m foreign exchange gain (2010: £0.6m loss) relating to the retranslation of an intercompany loan between Biome Technologies and Biotec.

The profit before taxation was £0.1m (2010: loss £1.7m) which, after a £0.1m tax credit relating to tax R&D claims, delivered earnings per share of 0.003 pence (2010: loss per share 0.052 pence).

Despite some absorption of cash into working capital in the period as the business grew, careful cash management reduced the cash utilised by operations during the six months ended 30 June 2011 to £0.3m (2010: £0.7m).

Bioplastics Division

Revenues in the Bioplastics Division increased from £5.8m to £8.6m in the six months ended 30 June 2011, an increase of 49%. This reflected a 131% increase in sales in Biome Bioplastics to £3.6m and a 19% increase in Biotec's third party sales. As a result, the division made an operating profit of £0.1m (2010: loss £0.5m).

Whilst third party sales growth at Biotec showed strong promise in the first quarter (110% year-on-year growth), this reduced to 19% for the first half in total as raw material constraints impacted supply, particularly as it related to third party sales.

Biome Bioplastics

Biome Bioplastics saw a significant increase in demand in the first half of 2011 with a 131% increase on the first half of 2010 and 94% increase on the second half of 2010.

This growth has come from both existing customers and an encouraging variety of new customers seeking supply for their own product launches. These new customers are based in Europe, Asia and the Americas and cover a number of end-use sectors. This broadening of end-use applications and geography is helping to build a broader base for future growth.

Sales in the UK remain limited but we have been encouraged by the announcement by Caroline Spelman (Secretary of State for the Department of Environment, Food and Rural Affairs) of the strategy for a "zero waste economy" in the UK. Of particular interest for Biome Bioplastics, the strategy announced includes the encouragement of waste disposal by both composting and anaerobic digestion. These two material/energy recovery routes can both be facilitated by materials made by Biome Bioplastics and provide a natural end-of-life solution to bioplastic products.

This increased growth rate in Biome Bioplastics, and the market more broadly, appears to be driven by a number of factors:

- legislation with regard to plastic products and waste disposal in Europe
- a pick-up in interest in bio-based/biodegradable products in the Americas and Asia
- price rises and volatility in competing oil based materials
- the improved functionality of bioplastics (such as the BiomeHT heat stable range of materials)
- growing awareness of bio-based options for brand owners

These factors have continued to stimulate the market through the first half of 2011 albeit adoption and growth rate by sectors and geography has varied.

As previously highlighted, growth in the last quarter of 2010 was restrained by capacity issues in the supply chain to Biotec. In May we reported that this constraint had eased somewhat but supplies had yet to stabilise fully. This instability continued to impact both third party sales through Biotec in the second quarter and, to a more limited extent, those of Biome Bioplastics. The Group continues to broaden its technology and supply base to help mitigate such issues, which are prevalent in the early days of such a vibrant and rapidly growing industry.

Whilst crop prices reached an all time real price high in February 2011 (as measured by the Food and Agricultural Organisation of the United Nations), pricing appears to have stabilised although there is still no downward momentum. Biome Bioplastics continues to use a wide variety of natural inputs and now makes extensive use of reclaimed material streams. There continues to be a development focus on cellulosic based materials that do not compete with food based crops.

The prospects for Biome Bioplastics are very encouraging and the business intends to continue to build its product and customer portfolio. We remain excited about the growth of our own direct sales and developing the opportunities now opening up to us.

Biotec

Biotec, the Group's 50% owned joint venture, continues to manage the growing volumes of Biome Bioplastics and SPhere. Of particular note has been the growing number of new product scale-up and validations being managed by the unit within the normal production schedule.

Biotec is a signature facility in the market and its scale and level of high quality invested equipment continues to be an asset to the sales process with prospective customers.

The Group's polymers are manufactured from significant quantities of renewable resources and we are always looking at ways to both improve their performance and to reduce their effect on the natural environment. From July 2011 the energy used at Biotec comes only from renewable energy installations. In a new agreement, this energy is provided by Energiehandelsgesellschaft West mbH and is derived from hydroelectric power stations in Austria. This supply is fully accredited to TÜV-Criteria EE-02-05/01 and a certificate of compliance has been made available to our customers on request.

Novamont S.p.A's proceedings against Biotec Biologische Naturverpackungen GmbH & Co KG, Germany ("Biotec") remain ongoing. The first court judgment on this matter was received in France in April 2010 and was in favour of Biotec. The cases in Milan and Turin continue. Biome and Biotec continue to take professional and technical advice with regard to this litigation. The Board has sought and will continue to seek complete resolution of this matter as soon as it is feasible.

Stanelco RF Technologies Division

The Stanelco RF Technologies Division has had a very successful six months, delivering products against a particularly strong order book for the first six months of the year. Revenues in this division increased by 92% to £1.9m (2010: £1.0m) and the operating profit increased to £0.5m (2010: £0.2m).

The fibre optic furnace portion of the business continues to be robust with sales to Asia and Europe continuing. There have been a number of repeat orders from substantive customers who are re-vamping or expanding their production capability based on our technology. This is encouraging for both future sales and service/parts support. Phasing of shipments of furnaces, relatively large capital goods items, are likely to favour first half sales in 2011 albeit the potential business pipeline is more buoyant for early 2012.

Various interesting new market opportunities in alternative product areas in the industrial arena have opened up and we are pursuing these vigorously for the future benefit of the business.

With increased interest in Stanelco RF products in both new markets and application areas, the business is taking steps to broaden its sales and support network. This has included dedicated representation in Asia and additional sales resource in Europe.

Board Changes

The Company announces today that Sue Bygrave, Group Finance Director, will be leaving her position after three years with the business to pursue other interests. The Board would like to thank Sue for her considerable contribution to the success of the Company and wishes her well in her future endeavours.

The Company also announces today that Declan Brown will be joining the Board as Group Finance Director in November. Declan joins the business from V.Ships Capital where he has been Chief Financial Officer for the last 5 years. He has previously held senior finance roles at Philip Morris Ltd and Sappi Fine Paper plc. Declan completed his chartered accountancy qualification whilst working for KPMG.

Outlook

We are making good progress in developing our business and markets as evidenced by achievements in the first half.

The Board is confident of meeting its expectations for the full year.

The Board feels confident that we can continue delivering on our strategy and build the business successfully.

John Standen
Chairman

CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME
For the period ended 30 June 2011

	Note	6 Months ended 30 June 2011 Unaudited £'000	6 Months ended 30 June 2010 Unaudited £'000	Year ended 31 December 2010 Audited £'000
REVENUE	4a - 4c	10,432	6,732	13,442
Cost of sales		(8,499)	(5,489)	(10,795)
GROSS PROFIT		1,933	1,243	2,647
Recurring administrative expenses		(2,315)	(2,405)	(4,591)
LOSS FROM OPERATIONS	4a - 4c	(382)	(1,162)	(1,944)
Investment revenue	5	167	23	52
Finance charges		(38)	(36)	(68)
Foreign exchange gain/(loss)		369	(569)	(295)
PROFIT/(LOSS) BEFORE TAXATION		116	(1,744)	(2,255)
Taxation	6	77	(2)	86
PROFIT/(LOSS) FOR THE PERIOD		193	(1,746)	(2,169)
Other comprehensive income:				
Exchange differences on translating foreign operations		169	(340)	(127)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		362	(2,086)	(2,296)
Profit/(loss) for the period attributable to:				
Equity holders of the parent		193	(1,746)	(2,189)
Minority interest		-	-	20
PROFIT/(LOSS) FOR THE PERIOD		193	(1,746)	(2,169)
Total comprehensive income for the period attributable to:				
Equity holders of the parent		362	(2,086)	(2,316)
Minority interest		-	-	20
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		362	(2,086)	(2,296)
Basic earnings/(loss) per share - pence	7	0.003	(0.052)	(0.047)
Diluted earnings/(loss) per share - pence	7	0.003	n/a	n/a

CONSOLIDATED STATEMENT
OF FINANCIAL POSITION
As at 30 June 2011

	Note	At 30 June 2011 Unaudited £'000	At 30 June 2010 Unaudited £'000	At 31 December 2010 Audited £'000
NON-CURRENT ASSETS				
Goodwill	8	7,972	7,362	7,583
Other intangible assets	9	1,236	1,000	1,138
Property, plant and equipment	10	1,887	1,952	1,936
		11,095	10,314	10,657
CURRENT ASSETS				
Inventories	11	1,479	872	708
Trade and other receivables	12	7,466	5,984	6,811
Cash and cash equivalents		3,634	4,713	3,963
		12,579	11,569	11,482
TOTAL ASSETS		23,674	21,883	22,139
CURRENT LIABILITIES				
Trade and other payables	13	3,497	2,237	2,562
Promissory notes	14	3,626	3,255	3,408
Obligations under finance lease		187	144	158
		7,310	5,636	6,128
NON-CURRENT LIABILITIES				
Obligations under finance lease		-	170	97
TOTAL LIABILITIES		7,310	5,806	6,225
NET ASSETS		16,364	16,077	15,914
EQUITY				
Share capital		5,885	5,885	5,885
Share premium account		38,623	38,623	38,623
Share options reserve		830	676	742
Translation reserve		1,267	885	1,098
Retained losses		(30,241)	(29,972)	(30,434)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		16,364	16,097	15,914
Minority interest		-	(20)	-
TOTAL EQUITY		16,364	16,077	15,914

The interim statements were approved by the Board on 31 August 2011.

Signed on behalf of the Board of Directors

Paul R Mines (Chief Executive)
Susan J Bygrave (Group Finance Director)
31 August 2011

CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY
As at 30 June 2011

	Share capital £'000	Share premium account £'000	Share options reserve £'000	Translation reserves £'000	Retained losses £'000	Attributable to equity holders of the parent £'000	Minority interest £'000	TOTAL EQUITY £'000
Unaudited								
Balance at 1 January 2011	5,885	38,623	742	1,098	(30,434)	15,914	-	15,914
Share options issued in share based payments	-	-	88	-	-	88	-	88
Transactions with owners	-	-	88	-	-	88	-	88
Profit/(loss) for the period	-	-	-	-	193	193	-	193
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	169	-	169	-	169
Total comprehensive income for the period	-	-	-	169	193	362	-	362
Balance 30 June 2011	5,885	38,623	830	1,267	(30,241)	16,364	-	16,364
Unaudited								
Balance at 1 January 2010	3,078	38,623	611	1,225	(28,112)	15,425	3,533	18,958
Share options issued in share based payments	-	-	65	-	-	65	-	65
Issue of share capital	2,807	-	-	-	(114)	2,693	-	2,693
Transactions with owners	2,807	-	65	-	(114)	2,758	-	2,758
Loss for the period	-	-	-	-	(1,746)	(1,746)	-	(1,746)
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	(340)	-	(340)	-	(340)
Total comprehensive income for the period	-	-	-	(340)	(1,746)	(2,086)	-	(2,086)
Reclassification of Biotec as a Joint Venture	-	-	-	-	-	-	(3,553)	(3,553)
Balance 30 June 2010	5,885	38,623	676	885	(29,972)	16,097	(20)	16,077

Audited								
Balance at 1 January 2010	3,078	38,623	611	1,225	(28,112)	15,425	3,533	18,958
Share options issued in share based payments	-	-	131	-	-	131	-	131
Issue of share capital	2,807	-	-	-	(133)	2,674	-	2,674
Transactions with owners	2,807	-	131	-	(133)	2,805	-	2,805
Loss for the year	-	-	-	-	(2,189)	(2,189)	20	(2,169)
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	(127)	-	(127)	-	(127)
Total comprehensive income for the year	-	-	-	(127)	(2,189)	(2,316)	20	(2,296)
Reclassification of Biotec as a Joint Venture	-	-	-	-	-	-	(3,553)	(3,553)
Balance 31 December 2010	5,885	38,623	742	1,098	(30,434)	15,914	-	15,914

CONSOLIDATED STATEMENT
OF CASH FLOWS
For the period ended 30 June 2011

	6 Months ended 30 June 2011 Unaudited £'000	6 Months ended 30 June 2010 Unaudited £'000	Year ended 31 December 2010 Audited £'000
Loss from operations	(382)	(1,162)	(1,944)
Adjustment for:			
Amortisation and impairment of intangible assets	68	29	177
Depreciation of property, plant and equipment	190	186	372
Share based payments	88	65	131
Foreign exchange	10	(81)	(45)
Operating cash flows before movement of working capital	(26)	(963)	(1,309)
(Increase)/decrease in inventories	(750)	508	719
Increase in receivables	(394)	(722)	(1,256)
Increase in payables	896	471	765
Cash utilised by operations	(274)	(706)	(1,081)
Corporation tax received/(paid)	77	(2)	-
Interest paid	(19)	(20)	(35)
Net cash outflow from operating activities	(216)	(728)	(1,116)
Cash flows from investing activities			
Interest received	149	7	19
Cash disposed of on reclassification of Biotec as a Joint Venture	-	(138)	(138)
Investment in intangible assets	(165)	(208)	(391)
Purchase of property, plant and equipment	(62)	(54)	(152)
Net cash used in investing activities	(78)	(393)	(662)
Financing activities			
Repayment of obligations under finance lease	(78)	(67)	(146)
Proceeds from the issue of shares	-	2,693	2,674
Net cash from financing activities	(78)	2,626	2,528
Net (decrease)/increase in cash and cash equivalents	(372)	1,505	750
Cash and cash equivalents at beginning of period	3,963	3,219	3,219
Effect of foreign exchange rate changes	43	(11)	(6)
Cash and cash equivalents at end of period	3,634	4,713	3,963

NOTES TO THE INTERIM CONSOLIDATED FINANCAL STATEMENTS

For the period ended 30 June 2011

1. CORPORATE INFORMATION

The financial information for the year ended 31 December 2010 set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2010 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Section 498 of the Companies Act 2006. The interim results are unaudited. Biome Technologies plc is a public limited company incorporated and domiciled in England & Wales. The company's shares are publicly traded on the AIM market of the London Stock Exchange.

2. BASIS OF PREPARATION

These interim consolidated financial statements (the interim financial statements) are for the six months ended 30 June 2011. They have been prepared in accordance with IFRSs as adopted by the European Union and IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2010.

These interim financial statements have been prepared under the historical cost convention.

These interim financial statements have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2010.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of the interim financial statements.

3. BASIS OF CONSOLIDATION

The Group interim financial statements consolidate the results of the Company and all of its subsidiary undertakings drawn up to 30 June 2011. Subsidiaries are entities over which the Group has the power to control the financial and operating policies so as to obtain benefits from its activities. The Group obtains and exercises control through voting rights. At 30 June 2011 the subsidiary undertakings were Biome Bioplastics Limited, Stanelco RF Technologies Limited, Aquasol Limited and InGel Technologies Limited.

Biotec Holding GmbH, Biotec Biologische Naturverpackungen GmbH & Co KG and Biotec Biologische Naturverpackungen Forschungs-und Entwicklungs GmbH (together “Biotec”) are a 50:50 joint venture between the Company and SPhere S.A. and are accounted for using the proportional consolidation method. This means that 50% of the joint ventures assets and liabilities are included in the balance sheet and that 50% of its revenues and expenses are included in the Group’s consolidated statement of comprehensive income.

The assets and liabilities of the Biome Technologies plc Employee Benefit Trust ("EBT") are included within the consolidated statement of financial position on the basis that the Group has the ability to exercise control over the EBT.

4a. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2011

	Bioplastics	RF Technologies	Central Costs	Total
	6 Months	6 Months	6 Months	6 Months
	Ended	ended	ended	ended
	30 June	30 June	30 June	30 June
	2011	2011	2011	2011
	£'000	£'000	£'000	£'000
Unaudited				
Revenue from external customers	**8,573**	**1,859**	**-**	**10,432**
PROFIT/(LOSS) FROM OPERATIONS	**79**	**450**	**(911)**	**(382)**
Investment revenue				**167**
Finance charges				**(38)**
Foreign exchange loss				**369**
PROFIT BEFORE TAXATION				**116**
TOTAL ASSETS	18,946	2,063	2,665	**23,674**

4b. SEGMENTAL INFORMATION FOR 6 MONTHS ENDED 30 JUNE 2010

	Bioplastics	RF Technologies	Central Costs	Total
	6 Months	6 Months	6 Months	6 Months
	Ended	ended	ended	ended
	30 June	30 June	30 June	30 June
	2010	2010	2010	2010
	£'000	£'000	£'000	£'000
Unaudited				
Revenue from external customers	**5,766**	**966**	**-**	**6,732**
(LOSS)/PROFIT FROM OPERATIONS	**(492)**	**162**	**(832)**	**(1,162)**
Investment revenue				**23**
Finance charges				**(36)**
Foreign exchange loss				**(569)**
LOSS BEFORE TAXATION				**(1,744)**
TOTAL ASSETS	15,630	1,895	4,358	**21,883**

4c. SEGMENTAL INFORMATION FOR YEAR ENDED 31 DECEMBER 2010

	Bioplastics Year Ended 31 Dec 2010 £'000	RF Technologies Year ended 31 Dec 2010 £'000	Central Costs Year ended 31 Dec 2010 £'000	Total Year ended 31 Dec 2010 £'000
Audited				
Revenue from external customers	**11,048**	**2,394**	**-**	**13,442**
(LOSS)/PROFIT FROM OPERATIONS	**(809)**	**413**	**(1,548)**	**(1,944)**
Investment revenue				**52**
Finance charges				**(68)**
Foreign exchange loss				**(295)**
LOSS BEFORE TAXATION				**(2,255)**
TOTAL ASSETS	16,917	2,169	3,053	**22,139**

5. INVESTMENT REVENUE

Investment revenue includes £138,000 received in respect of a "Fleming" claim for VAT disallowed in respect of the Company's Initial Public Offering in 1988 and Rights Issue in 1990. Of this amount, £91,000 is interest on the reclaimed VAT.

6. TAXATION

The Group's policy is to recognise tax credits resulting from tax R&D claims on a cash received basis. The claim in respect of the year ended 31 December 2010 was settled in the period under review and a tax credit has, therefore, been recognised in these accounts in respect of that claim.

7. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to the equity holders of the parent for the six months of £193,000 (2010: loss of £1,746,000) and a weighted average of 5,884,866,333 (2010: 3,326,431,562) ordinary shares in issue.

Basic and diluted earnings per share are equal in the six months ended 30 June 2011 as all outstanding share options were out of the money for the purposes of the diluted earnings per share calculation.

8. GOODWILL

The increase in goodwill since 31 December 2010 results from the appreciation of the Euro during the reporting period.

9. OTHER INTANGIBLE ASSETS

Other intangible assets increased in the period as a result of the capitalisation of £165,000 of product development costs. The amortisation charge for the period was £68,000.

10. PROPERTY, PLANT AND EQUIPMENT

The increase in property, plant and equipment during the reporting period results primarily from the appreciation of the Euro. £62,000 of property, plant and equipment was acquired in the period. The depreciation charge for the period was £190,000.

11. INVENTORIES

The significant increase in inventories during the reporting period reflects the increased trading activity and the fact that inventory levels were unusually low at 31 December 2010 owing to constraints in the supply chain at that time.

12. TRADE AND OTHER RECEIVABLES

At 30 June 2011, trade and other receivables includes £3,643,000 in respect of a Euro denominated loan made to Biotec in the form of promissory notes. This amount is 50% of the full loan balance and represents the loan made to the 50% share of the joint venture owned by SPhere. Interest is calculated at one per cent per annum on the outstanding loans. The promissory notes are repayable on demand. On this basis the notes are included on the balance sheet at the face value which is equivalent to fair value. During the period between 1 January 2011 and 30 June 2011 the appreciation of the Euro resulted in an increase of £185,000 in the value of this balance.

Excluding the loan to Biotec, trade and other receivables increased from £3,371,000 to £3,823,000 during the reporting period, primarily reflecting the increased level of trading.

13. TRADE AND OTHER PAYABLES

The increase in trade and other payables during the reporting period primarily reflects the increased level of trading.

14. PROMISSORY NOTES

Promissory notes are amounts due from Biotec and its subsidiaries to the 50 per cent shareholder, SPhere. Amounts due represent the principal loans plus unpaid interest. Interest is calculated at one per cent per annum on the outstanding loans. The promissory notes are repayable on demand. On this basis the notes are included on the balance sheet at the face value which is equivalent to fair value. The promissory notes are not subject to interest rate risk as interest is fixed at 1%. During the period between 1 January 2011 and 30 June 2011 the appreciation of the Euro resulted in an increase of £185,000 in the value of the Group’s share of these promissory notes.

15. CONTINGENT LIABILITIES

Novamont S.p.A’s proceedings against Biotec remain ongoing.

The first court judgment in France was received in April 2010 and was in favour of Biotec. Further action by way of appeal by either party in the French court remains possible. The cases in Milan and Turin continue and court decisions may be expected within twelve months.

Biome Technologies and Biotec continue to take professional and technical advice with regard to this litigation.

16. RISKS AND UNCERTAINTIES

The principal risks and uncertainties affecting the business activities of the Group are detailed in the Directors' Report which can be found on pages 13-17 of the Annual Report and Financial Statements for the year ended 31 December 2010 ("the Annual Report"). A copy of the Annual Report and Financial Statements is available on the Company's website at www.biometechnologiesplc.com

The risks affecting the business remain the same as in the Annual Report. In summary, these risks include:

- changes in the regulatory environments in which the Group operates
- fluctuations in exchange rates, particularly Euro
- volatility in raw material prices and supply
- breach of intellectual property rights
- competitors developing more attractive products
- failure to commercialise products
- reliance on a small number of customers for certain products
- financial risks including exchange rate risk, liquidity risk, interest rate risk and credit risk.

Further details of how these risks impact the business and how the directors attempt to mitigate the risks can be found in the Annual Report.

INDEPENDENT REVIEW REPORT FOR BIOME TECHNOLOGIES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 which comprises the consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes 1 to 16. We have read the other information contained in the half yearly financial report which comprises only the Chairman's Statement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in ISRE (UK and Ireland) 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity'. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusion we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting,' as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

SOUTHAMPTON
31 August 2011