

18 July 2013

**Biome Technologies plc ("Biome", "the Company" or "the Group")
Interim Trading Statement**

Biome Technologies plc, a leading bioplastics and RF technology business, today publishes a trading update, ahead of its interim results for the six-month period ended 30 June 2013, which are expected to be announced on 2 September 2013.

Trading Update

Total Group revenues achieved for the second quarter were £0.5m (Q1 2013: £0.4m). As previously noted, this year is anticipated to be second half weighted and the Board expects revenue growth in both divisions as the year progresses.

On 23 May 2013 the Board, having completed a settlement with regard to two legacy long leases on buildings in Southampton for a cash sum of £895,000, plus VAT, proposed a process of capital reduction, consolidation and sub-division of existing ordinary shares. This process was approved by Shareholders on 20 June and the consolidated shares admitted to AIM on 16 July 2013.

The Board is pleased to confirm that the Court approved the proposed capital reduction on 17 July 2013. This decision will allow us to complete the process, which the Board believes will provide a clearer view of the Company's financial position and rationalise the unusually large shareholder base of the Company.

The Group's cash position at 30 June 2013 was £3.9m (31 March 2013: £5.8m).

We continue to make progress with the strategy to commercialise and develop wholly owned intellectual property and our performance remains in line with the Board's expectations.

Bioplastics Division

The Q2 2013 revenues for the Bioplastics Division were £0.1m (Q1 2013: £0.2m). This division is focused on developing high margin, application led products with enhanced level of functionality. Two key projects are currently being undertaken for single use foodservice products and single use coffee capsules.

The first of these projects remains in the development phase with biodegradation certification now completed and composting trials underway. This project is expected to remain under development until the final quarter of 2013.

The second project required significant technical support in the second quarter to ensure optimisation of our customer's manufacturing performance in the USA. This project is now passing into the manufacturing phase and shipments of substantially increased tonnages for the second half are in prospect.

In the first quarter, the division was awarded a grant by the Government-backed Technology Strategy Board (TSB). Work on this project started in the second quarter in conjunction with the University of Warwick's Centre for Biotechnology and Biorefining and the Group has subsequently applied for a further grant to broaden this work. The result of this application is expected in the near future.

Stanelco RF Technologies Division

The Q2 revenues for the RF Division were £0.4m (Q1 2013: £0.2m). As previously reported, a number of optical fibre furnace deliveries were delayed at the end of 2012 due to some uncertainties in the Chinese fibre market. Some pick-up was evident in the second quarter and Stanelco RF has tendered for a number of significant projects for the second half but the market is yet to return to the levels seen previously.

Progress continues on the Durapipe project with results from time-based testing of the final pipe-work made with the Stanelco prototypes awaited. Transition to commercial production on this project is expected in the second half. Enquiry and order levels for general industrial equipment are robust and the partnership with Forsstrom continues to build.

-Ends-

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