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Biome Technologies PLC
19 July 2012

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

Interim Trading Statement

Biome Technologies plc, the bioplastics and RF technology business, is pleased to announce a trading update, ahead of its Interim Results for the six-month period ended 30 June 2012, which are expected to be announced on 3 September 2012.

Total Group revenues achieved in the first half of 2012 were £7.5m, down 28% on the same period in 2011. In the Trading Update of 31 May, it was stated that sales within the Bioplastics Division for April and May were markedly below our expectations following legislative changes in Italy and wider disruption to the supply and demand balance in Europe. This is reflected in the second quarter, with Group revenues of £2.9m (Q2 2011: £4.9m), 38% below the revenues of £4.6m achieved in the first quarter.

The Bioplastics Division saw revenues drop from £4.3m in Q1 to £2.2m in the second quarter (Q2 2011: £3.9m). Within this, Biotec was most adversely affected with revenues down 58% from £3.0m in Q1 to £1.2m in the second quarter (Q2 2011: £1.8m) as third-party sales were depressed due to the previously reported demand changes in southern Europe. In Biome Bioplastics, revenues were down a more modest 26% to £1.0m in the second quarter compared to £1.3m in Q1 (Q2 2011: £2.2m) with some evidence that the broader application base and geographic diversity is providing greater resilience to the current turbulence in the market.

The Stanelco RF Technologies Division continues to perform as expected with revenues of £0.7m in Q2, up 95% compared to the first quarter (Q2 2011: £0.9m). The pipeline for fibre optic furnace systems and associated spares continues to grow; orders for nine units to the value of £1.2m have been received and are under build for the second half, with further orders pending. Diversification into new industrial markets continues and the Durapipe UK project is progressing well with the first prototype unit expected to be delivered shortly.

The Group's cash position at 30 June 2012 was £1.1m (30 April 2012: £1.5m). Following the period end, the Group announced that Biotec had entered into a €1.5m loan agreement with Sparkasse Emmerich and that €255k in repayment and interest had been repaid to Biome

under the shareholder agreement. The Group's secured debt facility of up to £2m with Fortis Commercial Finance remains available but is currently not utilised.

The Board continues to believe that these market developments constitute a pause in a fast developing market and that the drivers of requirements for biodegradable and bio-based materials will grow with time.

With respect to the patent litigation, updated on 12 July, the recent positive findings in the Court of Turin in the context of other court findings provide further confidence in the value and potential of the Group's technology. Biome is well placed and continues to expedite new product development with a focus on those opportunities likely to yield growth in the shorter term. Actions to reduce costs by around by £0.6m on an annualised basis have now been completed and the benefits will build in the second half. The Group is trading in-line with the Board's revised expectations.

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