

5 November 2010

Biome Technologies plc (“the Group”)

Trading Update

Biome Technologies plc today issues a trading update for the nine months ended 30 September 2010.

Highlights

- Group revenue to 30 September up 27% on a like-for-like basis*
- Trading performance remains in line with the Board’s expectations for the year:
 - Biome Bioplastics exhibits revenue growth of 42% in the first three quarters of the year compared with the same period in 2009
 - Biotec’s third party revenues grow at 9% - despite being restricted in the third quarter by a short term capacity issue in the supply chain - further capacity expected to come on line early in 2011
 - Stanelco RF Technologies shows growth of 106% on same period last year
- Equity fundraising successfully completed in June 2010 raising £2.7 million (net of expenses) to fund the accelerated development of the Group
- Closing cash position at 30 September 2010 £4.7m*
- Group’s five year historic growth trajectory of 1132% recognised as UK’s second fastest growing GreenTech business in Deloitte Technology Fast50
- Board confident in future outlook

* Reported Group revenue and cash balance in 2009 included 100% consolidation of Biotec JV – now only 50% consolidated.

Trading Update

Group revenues increased from £8.1m to £10.3m in the nine months to 30 September 2010 on a like-for-like basis (including 50% of Biotec’s revenues), an increase of 27% compared with the same period last year. This reflected a 42% increase in bioplastic sales made by the UK bioplastics business, Biome Bioplastics, a 106% increase in sales in Stanelco RF Technologies division and a 9% increase in third party sales from our joint venture, Biotec.

The cost reductions in salary and personnel changes identified at the time of the fundraising have been implemented in this third quarter, the benefits of which will be realised in the full year results. Our cash position at 30 September 2010 was £4.7m, including 50% of Biotec’s cash balance.

Bioplastics Division

Revenues in the Bioplastics Division increased from £7.2m to £8.5m on a like-for-like basis in the nine months to 30 September 2010. This reflected a 42% increase in sales in Biome Bioplastics to £2.5m and a 9% increase in Biotec.

Biome Bioplastics continues to see an escalating demand for its portfolio of products in this developing and evolving market. The Board is particularly encouraged by the consistent upward trend in sales with almost every month’s figures ahead of the comparable month in 2009 with the previous record monthly sales volumes being broken four times in the nine months to September 2010. Strong enquiry levels continue from Europe and North America with early signs that there is developing interest in Asia and South America.

As has been previously highlighted, growth, whilst strong, has been restrained by capacity issues in the supply chain to Biotec. Biome Bioplastics product range is now built on a broader technology/supply base that is helping to mitigate such issues.

The rapid increase in sales in 2010 comes from strong growth in well established customers, from growing demand from customers that started to roll out products made from our resins in 2009 and from new customers added to the customer list this year. Many of our customers are introducing new

biodegradable product ranges or widening their markets for existing green products and, as their businesses grow, this in turn drives revenue growth in Biome Bioplastics. Bringing on board new customers with similar ambitions to build up their biodegradable/sustainable product portfolios or replace oil-based plastics in their existing products should further enhance that growth.

In this context, exciting progress continues to be made on developing and launching new products in partnership with a number of large international customers. Examples of this partnership approach include working with a market leading American supplier to the food processing market that has now successfully launched a range of products based on Biome Bioplastic materials in its markets and with a multinational beverage and confectionery manufacturer, whose full-scale trials are nearing completion.

Biome Bioplastics strategy is to develop new products for specific customer and market needs and then to promote these more broadly, often after initial exclusivity periods have elapsed. The business has recently launched BiomeEP, an enhanced print flexible film resin following twelve months of development. The BiomeHT range launch from earlier in the year has attracted interest from a broader range of suppliers to the personal electronics sectors and several projects are developing with international players.

Our joint venture, Biotec, delivered 9% growth in its third party sales for the nine months to 30 September 2010 compared with the same period last year. After higher revenue growth in the first six months of the year, revenue in the third quarter was restricted by a short term capacity issue in the supply chain for one particular raw material. Further production capacity for this material is due to come on line early in 2011.

Novamont S.p.A's patent proceedings against Biotec remain ongoing. The first court judgement on this matter was received in France in April 2010 and was in favour of Biotec. Proceedings in the Italian Courts are now underway and have reached the end of the technical pleadings. Biotec continues to defend these claims robustly and Biome Technologies and Biotec continue to take professional and technical advice with regard to this litigation, and are confident of a successful outcome.

Stanelco RF Technologies Division

The Stanelco RF Technologies Division continues to perform strongly with revenues increasing by 106% to £1.8m in the nine months to 30 September 2010.

The fibre optic furnace segment of the business continues to be particularly robust with sales reflecting a significant increase in investment in this market in the Far East. There has also been an increase in sales to continental Europe.

Outlook

We are pleased with the continued growth performance of Bioplastics Division and in particular from Biome Bioplastics that has continued to add new customers, selling the potential of its broadening product base.

Stanelco RF Technologies continues to perform in line with expectations. The division is providing a growing level of profit and cash contribution to the Group.

We are well placed to continue delivering on our strategy through 2011 and the Board are confident in the future outlook.

- Ends -

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Notes to Editors

Biome Technologies plc is an AIM listed, growth oriented, commercially driven technology group. The Group is split into two divisions: Bioplastics and Stanelco RF Technologies.

The Group's primary activity is the development of its fast growing business in bioplastics. It is a leading innovator and supplier of biodegradable natural polymers that replace and enhance products made from oil based materials. The Group's strategy is founded on building market leading positions based on patented technology, serving international customers in valuable market sectors.

The Group is engaged with a variety of large-scale international customers and partners on a number of key commercial and development partnerships.

Biome Technologies has been recognised as one of the UK's fastest growing technology companies in the Deloitte Technology Fast50 listing. Biome Technologies, with its fast developing bioplastics business, has been ranked 2nd in the "GreenTech" listings and 23rd in the overall Fast50 with a growth rate of 1132%. The UK Deloitte Technology Fast 50 initiative ranks UK high growth technology companies based on percentage growth in stated revenue over five years (<http://www.fast50.co.uk>).

To find out more please visit www.biometechnologiesplc.com.