

RNS Number : 1579Q

Biome Technologies PLC

02 November 2012

2 November 2012

Biome Technologies plc

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

Trading Update

Biome Technologies plc today issues a trading update for the nine months ended 30 September 2012 and covers the period preceding the sale of the Group's Biotec Joint Venture on 1 October 2012.

Total Group revenues were £10.2m in the nine months to 30 September 2012 (2011: £15.3m). Group revenues for the three months to 30 September 2012 were £2.7m, marginally behind Q2 2012's performance of £2.9m; this was primarily due to lower third party revenues from the Biotec Joint Venture.

The Bioplastics Division generated revenues of £2.1m during the three months to 30 September 2012 (Q2 2012: £2.0m) as the volume market in Europe continued to be challenging.

Since the period end, Biome has sold its 50% stake in Biotec Holding and now the Bioplastics Division is focused on developing and commercialising its 100 per cent owned intellectual property in applications where it is believed premiums can be obtained. Two specific examples are the pre-launch evaluation work with a leading manufacturer of high performance single-use foodservice products that continues well and a multi-layer sealing film for single-use coffee capsules. The latter has been launched through a limited number of Biome's end-customers sales outlets and is scaling-up in volume ahead of target.

During the three months to 30 September 2012, the Stanelco RF Technologies Division generated revenues of £0.7m, a similar level to that achieved in the previous quarter.

The Durapipe UK contract remains on track and the first prototype portable welding device was delivered to the customer during the quarter. In addition, a significant order for multiple optical fibre furnaces with a value of over £850k has been received recently, which will support the pipeline for the division in Q4 2012 and into 2013.

The Group's UK cash balances at 30 September 2012 were £1.3m (30 June 2012: £1.1m). This increase of £0.2m was supported by a reduction of working capital levels and the partial repayment of loan and interest from Biotec in July 2012.

During the third quarter, Biome entered into an agreement with SPHERE SA to sell its 50% holding in Biotec. This transaction completed on 1 October 2012 and resulted in the Group receiving £5.2m in cash. Following this disposal the Board is evaluating various options to accelerate the development strategy of the Group across its business divisions. As stated previously, the Board is also considering the return of any excess funds to shareholders in the context of this evaluation and expects to provide a full update at the time of its Preliminary Results.

The Group's trading performance remains in line with the Board's expectations.

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