

## **Eden Research plc (“Eden” or “the Company”)**

### **Interim Results for the six months to 30<sup>th</sup> June 2007**

Eden Research plc (PLUSMARKETS:EDE), a leading UK agrochemical development company, today announces its interim results for six months ended 30<sup>th</sup> June 2007. Eden's strategy is focused on the development and commercialization of terpene-based technology for agricultural use.

#### **Business Highlights**

- Substantial development with fieldwork trials in Europe and US
- Partnership development programme progressing well
- Further products anticipated over coming months following recent formulation work and screening activities

#### **Financial Highlights**

- Loss for the period of £837,000 (2006: £1,180,000), in line with the company's expectations
- Turnover for the period of £340,000 (2006: £103,000) - derived from initial fees from the Cheminova licensing agreements announced in the first half of 2007
- Administrative expenses £555,000 (2006: £638,000)

#### **Tim Griffiths, Eden's Chief Executive said:**

“We continue to progress our products towards commercialization and in doing so our ongoing focus is two-fold.

- To concentrate on clearing the regulatory hurdles to bring our lead product to market; and
- To continue to identify new products and commercial opportunities.

Our technology continues to attract strong interest from commercial partners, and we see this as being the most viable way to successfully achieve commercialisation of our developments.

Further products should emerge over the next few months as a result of recent formulation work and screening activities.

The wide interest in our technology is exciting, and we look forward with confidence to the future.”

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## **Chairman's Review**

The first half of 2007 has seen the Company make significant progress following the technical advances made in 2005 and 2006 and the excellent trial performance of its lead botrytis product. With further major commercial partners seeking manufacturing and marketing rights in major new territories, Eden's terpene-based technology for agricultural use is developing a real momentum.

The deal completed with the Danish company Cheminova A.S. in the second quarter of 2007 coupled with our ventures in Greece and the Balkans with Redestos, in SE Asia with Zagro, and in the post harvest sector with Xeda gives us all confidence. Internally, we continue to develop further fungicide applications with lead product 3AEY (renamed Trisopren by Cheminova) and other potential products, whilst new prospective partners become keen to support our work, and invest in its future earlier in the product development cycle.

Internally the Company has focused on completing the data required for the regulatory safety testing which in turn will lead to EU registration and full commercialization of 3AEY (Trisopren). Ongoing field trial results from the 25 plus grape botrytis field efficacy trials in Europe, (France, Italy Germany, Spain and Greece) have yet to reach the maturity that allows full reporting, however regulatory safety testing (an essential part of the EU registration process) has progressed well, formally confirming our expectations about the safety of the product. To date the Company has data showing:

- Trisopren is readily biodegradable, and breaks down easily and quickly to harmless bi-products,
- Bees, beneficial insects and earthworms have been found to suffer no appreciable harm when sprayed by Trisopren,
- Trisopren and its active ingredients shows no harmful effects to birds and mammals eating crops treated with Trisopren
- The handling and use of Trisopren in the field has repeatedly shown no mixing problems or adverse effects across an increasing variety of crops,

This programme of tests will be concluded over the next two months, after which the regulatory submission will be completed, and presented to the UK Pesticide Safety Directorate before the end of the year. This forms the basis of the EU submission.

## **Research & Development**

Whilst in house activities have concentrated on completing the regulatory safety testing programme, other exciting new possibilities are being progressed by our partners:

Our laboratory at Worcester, Massachusetts, which in 2006 found ways of enhancing the strength of our encapsulated suspension product, has developed new prototype products

including a high strength low moisture content powder, particularly suitable for soil applications, and an exciting co-formulation product that, the Company believes, will be capable of solving the problem of plant disease resistance to current products throughout the major markets.

Further ongoing laboratory work includes development of a foggable product for use in greenhouses and crop stores, and a granular formulation specifically designed for application at the time of sowing/planting crops which have been seriously damaged by seasonal nematode population surges. This technology should also further improve the potential of terpenes for soil disease treatment.

Zagro, our Joint Venture partners in Singapore, have also undertaken substantial formulation work in relation to protecting plants against tropical bacterial diseases. They hope to move this work into the field in the next 3-6months

### **Fieldwork**

An immediate major benefit following the signing of the Cheminova agreement in May 2007 is that they have taken responsibility, both operationally and financially for the efficacy work relating to Trisopren in the major markets of France, Germany and Italy thus freeing Eden to concentrate on the crop safety testing (as mentioned previously) and new product development. It should be noted that the data gathered by Cheminova will be available to Eden.

We have expanded our fungicide development programme to include new products for control of the dominant fungal diseases of major food crops such as wheat, oil-seed rape, and soyabeans, and non-food crops like amenity grasses/sports turf and flowers. The initial results from these tests are very encouraging.

The potential to extend the range of crops and diseases treated using Trisopren has prompted Cheminova to initiate an ambitious expansion plan on a wide range of food crops in all their major markets over the next twelve months. Success in this should see the success of Eden's other products being closely monitored by Cheminova and other potential partners.

Our first three nematode field trials using encapsulated terpenes have been established in South African vineyards, US stone fruit orchards, and UK root crop fields this year. To date these relatively long term projects have confirmed the established "low-phytotoxicity" profile of the Eden products, as well as good efficacy in reducing nematode populations. It is hoped that next year should show the treatments also enhancing crop vigour and yields, as well as, in the case of root crops, reducing crop wastage.

Product development in the specialist greenhouse mite control market also continues with a potential partner showing interest by conducting trials for East Africa's multi-million dollar flower industry, and a programme starting shortly with Nairobi University in cooperation with Agrisearch.

### **Regulatory activity**

Steady progress on the regulatory front should see Eden registering the active ingredients in Trisopren, and the formulation itself before the end of 2007 for the entire European market. Once approval has been granted Eden and Redestos (for Greece), and Eden and Cheminova will obtain individual country approval in Europe, whilst Cheminova are also planning to submit data to gain US regulatory approval

### **Partnership development programme**

Most of the European territories for 3AEY (Trisopren) are now licenced under the Cheminova agreement. However that still leaves the concessions for the same product in major markets such as Japan, and the burgeoning market of China. The agreement signed by Cheminova has highlighted this opportunity with new potential partners and we currently have trials being conducted in Peru, Kenya, Japan, Australia and New Zealand, with further interest in Mexico. Indeed the company has recently announced that Cheminova are expanding their licence to cover additional territories. All these territories make up nearly 70% of the world's demand for botrytis control products

### **Conclusion**

As the new product developments noted above occur and further success emerges from the ongoing field trials listed, it is anticipated that enthusiasm for Eden's technology will increase over the next year. As a result, we anticipate new and existing commercial partners to be encouraged to invest in Eden's innovative products earlier in the product development cycle than we had previously planned as we move forward.

Finally, I would to welcome Alex Abrey and Clive Newitt to the Eden Research plc Board of Directors in the role of Finance Director and Marketing Director respectively. Ian Turner, the previous Finance Director felt compelled to resign due to a serious illness within his immediate family.

**Ken Brooks**  
**Chairman**

**Eden Research plc**  
**Profit and Loss Account for the six months ended 30 June 2007**

	Six months ended 30 June 2007 £'000 unaudited	Six months ended 30 June 2006 £'000 unaudited	Year ended 31 December 2006 £'000 audited
<b>Group Turnover</b>	340	103	103
Cost of sales	-	-	-
Gross profit	340	103	103
Administrative expenses	(555)	(638)	(1,417)
Amortisation of intangible assets	(558)	(645)	(1,112)
Share based payments	(56)	-	(1,505)
	(829)	(1,180)	(3,931)
Other operating Income	-	-	-
<b>Operating loss</b>	(829)	(1,180)	(3,931)
Interest receivable	1	-	2
Interest payable	(86)	-	(163)
<b>Loss on ordinary activities before taxation</b>	(914)	(1,180)	(4,092)
Tax on loss on ordinary activities	77	-	-
<b>Loss for the financial period</b>	(837)	(1,180)	(4,092)
<b>Loss per share (pence) – basic and diluted</b>	1.80	2.64	8.94

The above numbers have not been reviewed by the company's auditors