

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

**Interim Results for the six months ended 30 June 2011**

Eden Research plc, a leading UK agrochemical and encapsulation development company, today announces its interim results for the six months ended 30 June 2011.

Business Highlights

- Co-encapsulation development agreement signed with Tagros Chemicals India PVT Limited (“Tagros”) granting Tagros the right to use Eden's terpene encapsulation system to co-encapsulate one of their important crop molecules, used in agricultural as well as Public Health, with blends of synergistic terpenes
- Memorandum of Understanding for both a marketing and licence agreement signed with TerpeneTech Limited for the consumer and agro-industrial biocide areas. A licence fee of €100,000 will be payable to Eden, as well as on-going royalties on net sales of products
- Confirmation of completeness of the dossiers for the three active substances submitted by Eden, under Directive 91/414/EEC, published in the Official Journal by European Commission
- Completion of negotiations for remaining worldwide territories through an evaluation agreement for our nematode product

Financial Highlights

- Operating Loss for the period, excluding amortisation, of £0.40m (2010: £0.58m)
- Revenue for the period of £0.02m (2010: £0.09m)
- Administrative expenses £0.41m (2010: £0.68m)
- Cash at bank £1.18m (2010: £0.04m)
- Convertible debt £0.63m (2010: £2.71m)
- Net current assets/(liabilities), excluding convertible loan notes, £0.25m (2010: £(1.37m))

Clive Newitt, Managing Director, said:

“The first half of 2011 has seen the strengthening of Eden’s financial position, through the conversion of a large portion of the convertible debt and exercise of warrants announced in June. This is part of the on-going preparation for an AIM transition, though current market instability has, of course, led us to carefully monitor the situation to ensure that the move is made at the optimal time.

Also, a number of agreements have been entered into which further expand the potential applications and, therefore, commercial opportunities for Eden’s encapsulation technology.

We have concluded arrangements for the USA and Canada for our nematode product which means that this application is now under licence or exclusive options for the entire world.

So far, the second half of this year has already seen further interest from significant players in a broad spectrum of industries and we hope to report progress on these events as and when they arise. In addition, we expect to see various key events occurring, such as registration, option and licence agreement milestones.”

The Directors of Eden are responsible for the contents of this announcement.

For further information please contact:

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**Eden Research plc****Consolidated Statement of Comprehensive Income for the six months ended 30 June 2011**

	Six months ended 30 June 2011 £'000 unaudited	Six months ended 30 June 2010 £'000 unaudited	Year ended 31 December 2010 £'000 audited
Group Revenue	<u>15</u>	<u>92</u>	<u>173</u>
Cost of sales	<u>-</u>	<u>-</u>	<u>-</u>
Gross profit	<u>15</u>	<u>92</u>	<u>173</u>
Administrative expenses	(411)	(676)	(1,335)
Amortisation of intangible assets	(329)	(357)	(664)
Share based payments	<u>(315)</u>	<u>-</u>	<u>(436)</u>
	(1,040)	(1,033)	(2,435)
Other operating Income	<u>1</u>	<u>-</u>	<u>-</u>
Operating loss	(1,039)	(941)	(2,263)
Finance costs	<u>(1,183)</u>	<u>(490)</u>	<u>(1,019)</u>
Loss on ordinary activities before taxation	(2,222)	(1,431)	(3,282)
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>	<u>31</u>
Loss for the financial period	(2,222)	(1,431)	(3,251)
Other Comprehensive Income net of tax	<u>-</u>	<u>-</u>	<u>-</u>
Total Comprehensive Income	<u>(2,222)</u>	<u>(1,431)</u>	<u>(3,251)</u>
Loss per share (pence) – basic and diluted	(2.48)	(2.32)	(5.21)

**Eden Research plc**  
**Consolidated Statement of Financial Position as at 30 June 2011**

	30 June 2011 £'000 unaudited	30 June 2010 £'000 unaudited	31 Dec 2010 £'000 audited
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	7,895	8,463	8,198
<b>CURRENT ASSETS</b>			
Trade and other receivables	132	96	75
Cash and cash equivalents	1,182	35	6
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	1,314	131	81
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<b>TOTAL ASSETS</b>	9,209	8,594	8,279
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<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	1,064	1,499	1,597
Financial liabilities - borrowings - Convertible loan notes	627	2,705	2,948
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<b>TOTAL CURRENT LIABILITIES</b>	1,691	4,204	4,545
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<b>NON-CURRENT LIABILITIES</b>			
Other payables	1,131	1,097	1,131
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<b>TOTAL LIABILITIES</b>	2,822	5,301	5,676
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<b>EQUITY</b>			
Called up share capital	993	617	670
Share premium account	20,122	14,146	14,754
Merger reserve	10,210	10,210	10,210
Warrant reserve	1,374	2,490	1,254
Retained earnings	(26,312)	(24,170)	(24,285)
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<b>TOTAL EQUITY attributable to owners of the parent</b>	6,387	3,293	2,603
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<b>TOTAL EQUITY AND LIABILITIES</b>	9,209	8,594	8,279

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### **Notes to the Interim Results**

1. The above numbers have not been reviewed by the company's auditors.
2. There have been no changes in accounting policies which are likely to affect the validity of the comparative figures.

### **Other notes**

Eden's strategy is focused on the development and commercialisation of its terpene-based encapsulation technology for agricultural and non-agricultural uses through appropriate regional or global partnerships.

Terpenes are natural compounds which function as defence mechanisms in many plant groups and are released in response to infection, attack by pests, stress or mechanical injury. Terpenes are already widely used in the food flavouring, cosmetic and pharmaceutical industries.

Historically, terpenes have had limited commercial use in the agrochemical sector due to their volatility, phytotoxicity and poor solubility. Eden's platform encapsulation technology provides the unique, natural solution to these problems and enables terpenes to be used as effective, low-risk agrochemicals.

For more information about Eden, please visit [www.edenresearch.com](http://www.edenresearch.com)