



**Press Release**

**30 August 2005**

**3DM Worldwide plc**

**Interim Results for the six months ended 30 June 2005**

3DM Worldwide plc (“3DM” or “the Company”), which has developed and is now exploiting a patented plastic polymer moulding process, announces its interim results for the six months ended 30 June 2005.

**Highlights**

- Turnover £567,000 (1H 2004: £332,000)
- Operating loss £1.31 million (1H 2004 £1.61 million)
- Pre-tax loss £1.05 million (1H 2004 £1.87 million)
- Loss per share 1.58p (1H 2004 loss per share 2.82p)
- Further development licences granted in the US for military and aircraft applications
- Licence signed for development of construction and material handling products in Scandinavia and the Baltic States

Commenting on the Results, Ken Brooks, Executive Chairman of 3DM Worldwide plc, said:

“Our strategy of transferring the company’s development work to a new site, the award of the first patents for the master process, and the granting of further licences in the US, Scandinavia and the Baltic States, underpins the Board’s confidence in the future.”

**For further information:**

**3DM Worldwide PLC**

Ken Brooks, Chairman

[kenb@3dmworldwide.com](mailto:kenb@3dmworldwide.com)

David Shepley-Cuthbert, Finance Director

[david@3dmworldwide.com](mailto:david@3dmworldwide.com)

Tel: +44 (0) 1993 779 468

[www.3dmworldwide.com](http://www.3dmworldwide.com)

**Media enquiries:**

**Abchurch**

Henry Harrison-Topham / Ariane Comstive

[ariane.comstive@abchurch-group.com](mailto:ariane.comstive@abchurch-group.com)

Tel: +44 (0) 20 7398 7700

[www.abchurch-group.com](http://www.abchurch-group.com)

## **Chairman's Statement**

I am pleased to report our interim results for the first half of 2005.

We have made a loss but this reflects the final expenditure incurred by us in completing the development of the alpha line, which has now been commissioned in Bedwas House, Caerphilly.

I know that many shareholders have now had an opportunity to visit Caerphilly and see the alpha machine itself. It is a truly impressive piece of engineering and we believe represents a ground-breaking technology.

Your Company is in good shape. We have developed machinery in the UK here and in America. We have significant business before us and look forward to this being developed. Until recently, we have been hampered by the lack of a fully working line, in the UK in particular.

My thanks are due to the team at Bedwas House without whose dedication and hard work we would not be where we are. My especial thanks to Peter Aylmore who has taken on the role of Head of Special Projects stepping aside from day to day operations which will now be the responsibility of Peter Oldham and our new Chief Operating Officer Niall Mackay who will initially join the board of 3DM Group Ltd.

**Ken Brooks**

**Chairman**

## **Operational Review**

This first half of 2005 has been successful operationally, though the commercialisation of the process has been slower than anticipated.

### UK

The beta line continues to work successfully at the site in Bedwas House, Caerphilly. Equally, the alpha (large scale robotic) line is operating to schedule. The development line is still in use in Trowbridge, though this R&D centre will close in October of this year because of the planned redevelopment of the site. The development work will be moved to Bedwas House, which will facilitate effective working. Additionally it will provide the opportunity to show potential licensees the scope of our operations and provide tighter cost control.

The conversion of heads of terms and letters of intent in the UK into full licence arrangements has been at a slower pace than originally anticipated.

Most potential licensees have been keen to see the alpha line fully operational and have also sought assurance on raw material costs. These criteria have only been addressed in the last few weeks, due to the nature of the development programme.

### USA

Further development licences have been granted in the fields of military and aircraft applications. The development opportunities previously identified with the automotive industry and building products supply, among others, is progressing. The ongoing work with Silkwood continues to generate an income stream.

### REST OF THE WORLD

A licence has been signed for the development of construction and material handling products in Scandinavia and the Baltic States. The interest from several countries in Europe and Africa remains live, though here there has been a dependency on the alpha and beta lines in Wales being fully operational. The previously identified interest from China, India and Brazil continues.

### PEOPLE

Our recruitment program has continued and the development and operational teams are now up to strength, though the size of both teams will grow as more work is acquired for the lines in Wales.

Paul Markgraf, as announced, joined the business in July as Business Development Manager. Paul's key focus is to take over part of Peter Aylmore's former role and to build relationships with existing interested parties, particularly in the UK and mainland Europe, as well as managing a marketing-focused approach to potential licensees. There has been major progress on costing models and control systems in the first half of this year and this will greatly facilitate this work.

**Peter Oldham**

**Managing Director**

## **Financial Review**

### **Results**

The consolidated net operating loss was £1.31 million, a reduction from £1.61 million in 2004. The consolidated losses before tax were £1.05 million compared to losses of £1.87 million in 2004.

These losses include non-cash items of £218,000 covering depreciation of tangible fixed assets and £378,000 for the amortisation of Intellectual Property, which is being written off over its expected useful life of twenty years.

No dividend payment is proposed.

### **Financing**

During the period the Company received an initial licence fee following the signing of an agreement covering Scandinavia and the Baltic States. In accordance with accounting standards, this revenue is taken as deferred income and released to the profit and loss account over the life of the agreement.

The Company had contracted to sell the alpha line in late 2004 on a phased basis linked to commissioning. In total £2.9 million has been received from the sale and leaseback arrangement with a small balance to follow as costs are finalised. In addition, a separate finance arrangement has been concluded for the beta line and funds totalling £344,000 has been received in this period.

The Company sold its remaining investment in the Kyrgyz Republic in 2004 for a consideration of US \$1.5 million. A further US\$340,000 has been received in March 2005.

No grants have been received to date though there are still a number of applications in process that are expected to produce some grant income over the next twelve months.

Cash balances currently stand at £542,000 (30 June 2005 - £605,000). The commitment of £5 million for an equity line of credit with Cornell Capital Partners remains in place but has not been activated. Separately, as previously announced, negotiations are in hand to finance the remaining machinery and equipment for up £2 million to provide further working capital.

**David Shepley-Cuthbert**  
**Finance Director**

## **INDEPENDENT REVIEW REPORT TO 3DM WORLDWIDE PLC**

### Introduction

We have been instructed by the company to review the financial information for the six months ended 30 June 2005 on pages 7 to 12. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of rules of the London Stock Exchange plc for companies trading securities on the AIM market and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

### *Directors' responsibilities*

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange plc for companies trading securities on the AIM market which require that the half yearly report be presented and prepared in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual reports.

### *Review work performed*

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom by auditors of fully listed companies. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

### *Review conclusion*

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2005.

### **BDO STOY HAYWARD LLP**

*Chartered Accountants*

125 Colmore Row  
Birmingham  
B3 3SD

30 August 2005

## UNAUDITED INTERIM ACCOUNTS FOR THE SIX MONTHS ENDED 30 JUNE 2005

The financial information contained within these accounts has been prepared by the Directors who accept responsibility for the financial information presented below and confirm that it has been properly presented in accordance with applicable law. The interim accounts have been prepared on the basis of the accounting policies set out in the group's 2004 annual accounts. The financial information covers the six months ended 30 June 2005.

### GROUP PROFIT AND LOSS ACCOUNT

	Unaudited Six Months ended 30 June 2005 £'000	Unaudited Six Months ended 30 June 2004 £'000	Audited Year ended 31 December 2004 £'000
<b>Turnover</b>			
Continuing operations	567	332	783
	<u>567</u>	<u>332</u>	<u>783</u>
Cost of sales	(63)	-	(48)
<b>Gross profit</b>	<u>504</u>	<u>332</u>	<u>735</u>
Administrative expenses	(1,991)	(2,022)	(3,692)
Other operating income	172	77	152
	<u>172</u>	<u>77</u>	<u>152</u>
<b>Operating Loss</b>	(1,315)	(1,613)	(2,805)
Loss on disposal of subsidiaries	-	-	(761)
	<u>(1,315)</u>	<u>(1,613)</u>	<u>(3,566)</u>
Foreign currency gains/(losses) on investments	4 269	-	(464)
Interest receivable	-	19	36
Interest payable	(6)	(274)	(8)
	<u>(6)</u>	<u>(274)</u>	<u>(8)</u>
<b>Loss on ordinary activities before taxation</b>	(1,052)	(1,868)	(4,002)
Tax on loss on ordinary activities	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loss on ordinary activities after taxation</b>	(1,052)	(1,868)	(4,002)
Basic and diluted loss per ordinary share	5 <u>(1.58) p</u>	<u>(2.82) p</u>	<u>(6.02) p</u>

**GROUP BALANCE SHEET AT 30 JUNE 2005**

	Unaudited 30 June 2005 £'000	Unaudited 30 June 2004 £'000	Audited 31 December 2004 £'000
<b>Fixed Assets</b>			
Intangible assets	12,373	13,125	12,590
Tangible assets	4,293	576	2,642
Investments	564	3,675	565
	<u>17,230</u>	<u>17,376</u>	<u>15,797</u>
<b>Current Assets</b>			
Work in progress	-	208	-
Debtors	2,776	2,167	2,069
Cash at bank	654	295	86
	<u>3,430</u>	<u>2,670</u>	<u>2,155</u>
<b>Creditors: amounts falling due within one year</b>			
Bank overdraft	(49)	(35)	(10)
Other loans	-	(275)	-
Trade creditors	(840)	(258)	(757)
Accruals and deferred income	(434)	(454)	(770)
Lease purchase	(247)	-	-
Other creditors	(957)	(765)	(184)
	<u>(2,527)</u>	<u>(1,787)</u>	<u>(1,721)</u>
<b>Net current assets</b>	903	883	434
<b>Creditors: amounts falling due after one year</b>			
Lease purchase	(2,997)	-	-
<b>Net assets</b>	<u>15,136</u>	<u>18,259</u>	<u>16,231</u>
<b>Capital and reserves</b>			
Called-up equity share capital	1,670	1,665	1,668
Share premium	29,992	29,924	29,958
Share option reserve	34	-	34
Profit and loss account	(16,560)	(13,330)	(15,429)
<b>Shareholders' funds</b>	<u>15,136</u>	<u>18,259</u>	<u>16,231</u>

## CASHFLOW STATEMENT

	Unaudited 30 June 2005 £'000	Unaudited 30 June 2004 £'000	Audited 31 December 2004 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	(984)	164	(2,264)
<b>Returns on investments and servicing of finance</b>			
Interest paid	(6)	(3)	(8)
Interest received	-	19	36
<b>Net cash (outflow)/inflow from returns on investments and servicing of finance</b>	<u>(6)</u>	<u>16</u>	<u>28</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	(1,761)	(176)	(2,371)
Acquisition of investments	-	(522)	(1,323)
Receipts from investments	-	-	2,296
<b>Net cash outflow from capital expenditure and financial investment</b>	<u>(1,761)</u>	<u>(698)</u>	<u>(1,398)</u>
<b>Net cash outflow before financing</b>	<u>(2,751)</u>	<u>(518)</u>	<u>(3,634)</u>
<b>Financing</b>			
Issue of equity share capital	36	369	3,301
Sale and leaseback	3,244	-	-
<b>Net cash flow from financing</b>	<u>3,280</u>	<u>369</u>	<u>3,301</u>
<b>Increase/(decrease) in cash in the period</b>	<u>529</u>	<u>(149)</u>	<u>333</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Unaudited 30 June 2005 £'000	Unaudited 30 June 2004 £'000	Audited 31 December 2004 £'000
<b>Loss for the period</b>	(1,052)	(1,868)	(4,002)
<b>Exchange translation differences on consolidation</b>	<u>(79)</u>	<u>-</u>	<u>36</u>
<b>Total recognised gains and losses for the period</b>	<u>(1,131)</u>	<u>(1,868)</u>	<u>(3,966)</u>
<b>Prior period adjustment</b>	-	(1,710)	(1,710)
<b>Total gains and losses recognised since last financial statements</b>	<u>(1,131)</u>	<u>(3,578)</u>	<u>(5,676)</u>

## NOTES

### 1. Reconciliation of operating loss to net cash (outflow)/inflow from operating activities

	Unaudited 30 June 2005 £'000	Unaudited 30 June 2004 £'000	Audited 31 December 2004 £'000
Operating loss	(1,315)	(1,613)	(2,805)
Depreciation and amortisation	596	450	934
Increase in work in progress	-	(208)	-
Profit on disposal of fixed assets	(64)	-	-
Foreign exchange movements	(3)	-	-
(Increase)/decrease in debtors	(707)	1,594	(327)
Increase/(decrease) in creditors	509	(59)	(100)
Share option charge	-	-	34
	<u>(984)</u>	<u>164</u>	<u>(2,264)</u>

### 2. Reconciliation of net cash flow to movement in debt

	Unaudited 30 June 2005 £'000	Unaudited 30 June 2004 £'000	Audited 31 December 2004 £'000
Increase /(decrease) in cash in period	<u>529</u>	<u>(149)</u>	<u>(333)</u>
Movement in net funds/(debt) resulting from cashflows	529	(149)	(333)
Sale and leaseback	<u>(3,244)</u>	<u>-</u>	<u>-</u>
Movement in net debt	<u>(2,715)</u>	<u>(149)</u>	<u>(333)</u>
Net funds at beginning of period	76	134	409
Net (debt)/funds at end of period	<u>(2,639)</u>	<u>(15)</u>	<u>76</u>

### 3. Analysis of changes in net funds

	At 1 January 2005 £'000	Cashflow £'000	At 30 June 2005 £'000
Cash at bank	86	568	654
Bank overdraft	<u>(10)</u>	<u>(39)</u>	<u>(49)</u>
	76	529	605
Debt due within one year	-	(247)	(247)
Debt due over one year	<u>-</u>	<u>(2,997)</u>	<u>(2,997)</u>
	-	(3,244)	(3,244)
Total	<u>76</u>	<u>(2,715)</u>	<u>(2,639)</u>

#### **4. Foreign currency gains/(losses) on investments**

The exchange movement on loans to group undertakings arises from a loan made by the company to a US subsidiary in US dollars. The loan payable in the subsidiary accounts is translated at the closing rate as part of the group's net investment in the US subsidiary. As such any gains or losses arising on the loan payable are taken directly to reserves as required by SSAP 20.

#### **5. Loss per share**

The basic loss per share is calculated on the loss attributable to the shareholders of £1,051,902 (2004 – loss of £1,867,793) divided by the weighted average number of ordinary shares in issue during the period of 66,524,950 (2004 – 66,326,979).

#### **6. Financial information**

The comparatives for the full year ended 31 December 2004 are not the Company's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors, BDO Stoy Hayward LLP, report on those accounts was unqualified and did not contain a statement under section 237(2)-(3) of the Companies Act 1985.

Copies of this announcement will be available for inspection at the Company's registered office, Unit 4, Manor Business Park, Witney Road, Finstock, Oxon. OX7 3DG.

**- Ends -**