Press Release **18 September 2006**

3DM Worldwide plc

Interim Results for the six months ended 30 June 2006

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 2006.

Highlights

- Three contracts with initial annual sales value of £750,000 won; previously announced projects continue to progress well.
- Scale production to commence at the end of September
- Rationalisation savings amounting to £766,000 achieved in the half year
- Turnover £160,000 (1H 2005: £567,000), full year 2005: £404,000
- Operating loss £2.2 million (H1 2005 £1.43 million, full year 2005: loss £4.78million)

Operational Review

The first half of 2006 has seen a change in focus from the technical commissioning of the Alpha line, completed at the end of 2005, to marketing and promoting the PIM process. The work completed has stimulated significant interest around the globe and it is particularly pleasing that this has been achieved on a low level of marketing expenditure.

As we prepare for scale production we have been developing our understanding of the role of various waste plastic streams utilised within PIM products. This has enabled us to ensure the appropriate raw material supply lines are available.

The carbon footprint of the PIM process has been evaluated and compares favourably with other polymer processes a key consideration for customers in their assessment of the environmental impact of their products.

Contracts Won

The projects announced in the AGM statement, dated 15 August 2006, continue to progress well, notably the work in the retail sector and the recycling project in Hungary. Following the China Plas exhibition in April a number of encouraging leads have materialised.

Collectively, the product development completed and in the progress of being completed for clients resulted in the signing of three contracts with a total initial sales value of £750,000. This revenue will be recognised over the next 15 months and it is expected that production for the first of these contracts will commence at the end of September.

- Waste plastic will be utilised to produce sheet material for use as eco hoarding to protect construction sites. This product has been developed in conjunction with Bovis Lend Lease and Land Securities who have made contributions to the cost of one of three moulds. Subject to satisfactory trials of the finished product both companies have committed to take significant initial production. It is anticipated that the first project to trial the eco hoarding will generate revenue of £50,000. The ability to produce sheet material in volume will allow 3DM to supply test pieces and initial volumes for existing enquiries for use as concrete forms and for use as floor linings for vans. The market for sheet material is significant and 3DM expects to supply commercial volumes from the end of this year.

- Close the Loop, a leading global recycler of imaging consumables is working with 3DM to develop a range of pallet products utilising recycled styrenic polymer material. Close the Loop are committed to selling 50% of the annual production from 3 moulds which is estimated as generating revenues of £400,000 per annum based on anticipated volumes.

- 3DM has won the contract to produce a range of bathroom products. The client does not wish to be named for reasons of commercial confidentiality. Work is underway on product and mould designs and based on initial estimates of volumes this contract will generate revenues of £300,000 per annum.

Funded development work continues with two other clients and discussions are advancing with a number of other clients for contract production.

3DM has joined Build Off Site, an industry-wide organisation promoting the up take of off site techniques, which has established relationships with key players in the UK Construction Industry raising awareness of the benefits of adopting the PIM process in the provision of alternative building materials and the synergy with prefabrication off site.

Rationalisation and Restructuring

During the six months to 30 June 2006 steps have been taken to simplify the structure of the business and reduce overhead costs. The process of closing down a number of the subsidiary companies, which are no longer operational, is underway. The Camco operation in the Kyrgyz Republic has now been closed down. The Group accounting and administrative function has been successfully transferred to Bedwas House.

The cost savings which have been implemented represent a reduction of £766,000 compared with the second half of 2005 and this, in turn, has helped reduce the operating loss from £3.36 million in the second half of 2005 to £2.2 million in the first half of this year.

Outlook

A number of parties are considering the purchase of a PIM production line with four projects at advanced stages of discussion. When combined with the interest generated in licencing the PIM technology is particularly encouraging at this stage in the commercialisation of the technology.

Your board is confident of further contract wins in the remainder of this year and looks forward to being able to report continued good progress at the end of the year.

Niall MacKay

Chief Executive Officer

Financial Review

Results

Turnover for the six months to 30 June 2006 was £0.16 million compared to £0.57 million in the first half of 2005 and £0.40 million in the full year of 2005 (the full year figure in 2005 reduced versus the first half of 2005 due to re-negotiation of the Silkwood royalty payments).

The consolidated net operating loss was £2.2 million (H1 2005:loss £1.43 million, full year 2005: loss £4.78 million). Consolidated losses before tax were £2.45 million (H1 2005:loss £1.16 million) giving a loss per share of 3.55 pence (H1 2005: loss 1.75 pence per share).

Dividends

No dividend payment is proposed.

Trading

Turnover included royalties from Silkwood and a proportion of licence income which is being taken to income over the three year life of the licence. Cost of sales covers material purchases for the Alpha and Beta lines used in commissioning and the production of samples.

Administration expenses totalled £2.38 million compared to £2.1 million in H1 2005 and £3.21 million in H2 2005. The majority of the additional cost compared to H1 2005 is accounted for by an increase in the depreciation incurred on plant and machinery and a charge of £28,750 in relation to the write-off of the cost of investment in Highseas Technologies Limited which was disposed of during the period.

Financing

As reported in the annual accounts, Cornell Capital Partners L.P. ("Cornell") made a further advance of £1.5 million on 29 June 2006 increasing its debenture loan to £6.25 million including arrangement fees. Since 1 January 2006 to date, Cornell have converted £1.35 million at an average share price of 15.92p per share. The currently outstanding debenture amounts to £4.9 million. Cornell is entitled to convert up to a maximum of £300,000 per week in to shares in the company at a price which is the lower of 90% of the volume weighted average price during either the 10 days prior to the closing date of the deals or the 10 days prior to the conversion date. 3DM has the right to repay all or part of the combined debenture in cash.

The Company also has a Standby Equity Distribution Agreement with Cornell to the value of £5,000,000 (SEDA) which is due to expire in September 2008. No draw down has been made against this facility.

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 2006 on pages 5 to 10. 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 International Standards on Auditing (U. K. and Ireland) 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 2006.

BDO STOY HAYWARD LLP
Chartered Accountants

125 Colmore Row
Birmingham
B3 3SD

15 September 2006

UNAUDITED INTERIM ACCOUNTS FOR THE SIX MONTHS ENDED 30 JUNE 2006

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. Except as stated in note 7, the interim accounts have been prepared on the basis of the accounting policies set out in the group's 2005 annual accounts.
The financial information covers the six months ended 30 June 2006.

GROUP PROFIT AND LOSS ACCOUNT

		Unaudited Six Months ended 30 June 2006 £'000	Unaudited Six Months ended 30 June 2005 £'000 As restated	Year ended 31 December 2005 £'000 As restated
Turnover				
Continuing operations	4	160	567	404
		160	567	404
Cost of sales		(48)	(63)	(113)
Gross profit		112	504	291
Administrative expenses		(2,380)	(2,102)	(5,311)
Other operating income		72	172	236
Operating Loss – continuing operations		(2,196)	(1,426)	(4,784)
Foreign currency gains on investments	5	-	269	247
Interest receivable		1	-	-
Interest payable		(252)	(6)	(297)
Loss on ordinary activities before taxation		(2,447)	(1,163)	(4,834)
Tax on loss on ordinary activities		-	-	75
Loss on ordinary activities after taxation		(2,447)	(1,163)	(4,759)
Basic and diluted loss per ordinary share	6	(3.55) p	(1.75) p	(7.15) p

GROUP BALANCE SHEET AT 30 JUNE 2006

	Note	Unaudited 30 June 2006 £'000	Unaudited 30 June 2005 £'000 As restated	31 December 2005 £'000 As restated
Fixed Assets				
Intangible assets		11,615	12,373	11,996
Tangible assets		4,864	4,293	5,158
Investments		335	564	65
		16,814	17,230	17,219
Current Assets				
Stock & work in progress		15	-	-
Debtors	7	2,177	2,776	2,330
Cash at bank		1,401	654	4,507
		3,593	3,430	6,837
Creditors: amounts falling due within one year				
Bank overdraft		(2)	(49)	(229)
Other loans		(4,321)	-	(5,304)
Trade creditors		(762)	(840)	(1,047)
Accruals and deferred income		(317)	(434)	(392)
Lease purchase		(285)	(247)	(247)
Other creditors		(32)	(957)	(26)
		(5,719)	(2,527)	(7,245)
Net current (liabilities)/assets		(2,126)	903	(408)
Total assets less current liabilities		14,688	18,133	16,811
Creditors: amounts falling due after one year				
Lease purchase		(2,546)	(2,997)	(3,073)
Other loans		(1,656)	-	(2,256)
Net assets		10,486	15,136	11,482
Capital and reserves				
Called-up share capital		1,865	1,670	1,670
Share premium		31,248	29,992	29,992
Share option reserve	8	1,310	1,200	1,310
Profit and loss account		(23,937)	(17,726)	(21,490)
Shareholders' funds		10,486	15,136	11,482

CASHFLOW STATEMENT

	Unaudited 30 June 2006 £'000	Unaudited 30 June 2005 £'000	31 December 2005 £'000
Net cash outflow from operating activities	(1,810)	(984)	(3,133)
Returns on investments and servicing of finance			
Interest paid	(252)	(6)	(270)
Interest received	1	-	-
Net cash outflow from returns on investments and servicing of finance	(251)	(6)	(270)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(197)	(1,761)	(3,312)
Net cash outflow from capital expenditure and financial investment	(197)	(1,761)	(3,312)
Net cash outflow before financing	(2,258)	(2,751)	(6,715)
Financing			
Issue of equity share capital	1,451	36	36
(Repayment)/Inception of finance leases	(489)	3,244	3,320
(Repayment)/Inception of loans	(1,583)	-	7,560
Net cash (ouflow)/inflow from financing	(621)	3,280	10,916
(Decrease)/increase in cash in the period	(2,879)	529	4,201

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Unaudited 30 June 2006 £'000	Unaudited 30 June 2005 £'000 As restated	31 December 2005 £'000 As restated
Loss for the period	(2,447)	(1,163)	(4,759)
Exchange translation differences on consolidation	-	(79)	(247)
Total recognised gains and losses for the period	(2,447)	(1,242)	(5,006)
Prior period adjustment (see note 7)	(1,265)		
Total gains and losses recognised since last financial statements	(3,712)		

NOTES

1. Reconciliation of operating loss to net cash outflow from operating activities

	Unaudited 30 June 2006 £'000	Unaudited 30 June 2005 £'000 As restated	31 December 2005 £'000 As restated
Operating loss	(2,196)	(1,426)	(4,784)
Depreciation and amortisation	861	596	1,402
Increase in stocks	(15)	-	-
Profit/(loss) on disposal of fixed assets	2	(64)	(70)
Foreign exchange movements	-	(3)	-
(Increase)/decrease in debtors	189	(707)	50
(Decrease)/increase in creditors	(351)	509	48
Share option charge	-	111	221
	(1,510)	(984)	(3,133)

2. Reconciliation of net cash flow to movement in net (debt)/funds

	Unaudited 30 June 2006 £'000	Unaudited 30 June 2005 £'000	31 December 2005 £'000
(Decrease) /increase in cash in period	(2,879)	529	4,201
Cash (outflow)/inflow from changes in debt	1,583	-	(7,560)
Repayment/(inception) of finance leases	489	(3,245)	(3,320)
Movement in net debt arising from cash flows	(807)	(2,716)	(6,679)
Opening net (debt)/funds	(6,602)	77	77
Closing net debt	(7,409)	(2,639)	(6,602)

3. Analysis of changes in net (debt)/funds

	At 1 January 2006 £'000	Cashflow £'000	At 30 June 2006 £'000
Cash at bank	4,507	(3,106)	1,401
Bank overdraft	(229)	227	(2)
	4,278	(2,879)	1,399
Debt less than one year	(5,304)	983	(4,321)
Debt more than one year	(2,256)	600	(1,656)
Finance leases	(3,320)	489	(2,831)
	(10,880)	2,072	(8,808)

Total	(6,602)	(807)	(7,409)

4. Turnover

The turnover for H1 2005 reflects accruals based on the original Silkwood Financial Corporation Inc. (“Silkwood”) royalty payments of $2 million per annum. The Silkwood royalty payments were subsequently renegotiated to $500,000 per annum and this revised amount has been reflected in the full year accounts.

5. 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.

6. Loss per share

The basic loss per share is calculated on the loss attributable to the shareholders of £2,447,375 (2005 – loss of £1,162,902) divided by the weighted average number of ordinary shares in issue during the period of 68,953,041 (2005 – 66,524,950).

7. Debtors

At 30 June 2006, there were amounts due from Value Plastics Technologies LLC of £553,013. These amounts have not been received and there is uncertainty as to the timing of these receipts, however the directors have not made any provision against those debts as they anticipate collection in full in due course.

Debtors includes £92,628 in respect of amounts due from Medical Waste Solutions Limited (“MWS”). This amount has been converted into a loan repayable to 3DM Group Ltd over 24 months at an annual interest rate of 5%.

Also included in debtors is £500,000 being an option fee for licenses that the company expects to exercise prior to expiry date 21 September 2007.

8. Prior year adjustment

The group has adopted FRS 20 ‘Share based payment’ for the first time.

FRS 20 ‘Share based payment’ requires the recognition of share based payments at fair value at the date of grant. Prior to the adoption of FRS 20, the group recognised the financial effect of the share based payment in the following way: when shares and share options were awarded to employees, a charge was made to the profit and loss account based on the difference between the market value of the company’s shares at the date of grant and the option exercise price in accordance with UITF Abstract 17 (revised 2003) ‘Employee Share Schemes’. The credit entry for this charge under both FRS 20 and UITF 17 was taken to the share option reserve.

In accordance with transitional provisions of FRS 20, the standard was applied retrospectively as of 1 January 2005.

For the half year to 30 June 2005 the impact of the adoption of FRS 20 is an additional charge against income of £111,000.

The impact of the adoption of FRS 20 on the results for the year to 31 December 2005 was an additional charge against income of £210,000.

The total prior year adjustment (including the amounts stated above) amounted to £1,265,000 and the accounts for the year ended 31 December 2005 have been restated to reflect this.

There have been no share based payments in the six months to 30 June 2006.

9. Financial information

The comparatives for the full year ended 31 December 2005 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 3, Bedwas House Industrial Estate, Greenway, Bedwas, Nr Caerphilly, CF83 8DW.

- **Ends –**

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