



METabolic Explorer: third quarter 2009 activity update. First nine months of year show that the company has reached a new stage in its development and can now be qualified as a full-blown industrial undertaking

Clermont-Ferrand, November 6th 2009.

METabolic Explorer, a green chemistry company that specializes in the development of bioprocesses for the production of chemical compounds used in a wide range of everyday products (paints, solvents, animal feed supplements, adhesives, textile fibres, resorbable surgical thread, etc.), today issued an update on its third-quarter 2009 business activity.

**New stage in industrial development
and organizational adjustments for future growth**

The first nine months of 2009 saw strong activity not only in terms of discussions on future partnerships and industrial developments but also in respect of market value, main shareholders, internal organization and management.

These changes clearly testify to changes in METabolic Explorer's status, which is currently perfectly aligned with the industrial targets it set itself:

- Deployment of the financial resources needed to rapidly reach the necessary industrialization threshold,
- Completion in 2009 of the company's manufacturing infrastructure with the launch of the industrial pilot in the coming weeks,
- Validation of scientific model as PDO production enters pilot stage,
- Validation of business model, with discussions on forging partnerships and new developments (including own-account developments) now at a very advanced stage.

This change of status for METabolic Explorer is also reflected in share price activity corresponding to expected, classic positions on the part of several legacy funds which contributed seed capital. It should be noted that the reference institutional investors, who have been present since incorporation, continue to be represented on the Supervisory Board, testifying to their intention of backing METabolic Explorer in this latest development phase.

To drive this new phase, METabolic Explorer has decided to strengthen its oversight structures, notably by co-opting a new member onto the Supervisory Board and by setting up an Audit Committee.

The make-up of the Management Board has also changed, with the appointment of two new members, Messrs Jean-Claude Lumaret and Olivier Nore. Paul Michalet, Chief Financial Officer, who had announced that he would leave to devote himself to a personal project in the Lyon region once these objectives had been achieved, will, as planned, be departing in early 2010 to fulfil this ambition after finalizing the deployment of a new management structure in the Finance Department.

Q3: Key figures

Turnover for period

(In k€)	2009	2008
First quarter	0	15
Second quarter	900	1,015
Third quarter	0	900
Turnover, first nine months	900	1,930

In the first nine months of 2009 METabolic EXplorer recorded turnover of €900,000, generated by licensing revenues for the two processes (Glycolic Acid and L-Methionine) developed under partnership agreements. These revenues, derived from contract agreements, are paid on the basis of achieving agreed project development targets and as such may show substantial variations from one quarter to another.

Cash and Equivalent

As at September 30th, 2009 the company held cash and equivalent of €46.2 million, compared with €50.1 million as at June 30th, 2009. Over the last quarter, some €1.7 million were allocated to financing the construction of a pilot plant, taking the amounts paid out in respect of this investment programme since the start of the year to €4.7 million.

The project will be financed by borrowing, in the shape of a 12-year financial lease for the real estate component and via a 5/7 year credit facility for plant equipment, with the company providing pre-financing as of September 30th.

It should be noted that, apart from this cash advance for the pilot, consumption of cash and equivalent over the first nine months of the year amounted to €4.8 million, in line with the forecasts issued in March this year.

Manufacturing Infrastructure and PDO

Pilot: startup forecast to be on schedule at end-2009

The construction work announced in the half-yearly results for 2009 is proceeding and should be completed, as scheduled, by year-end. For the record, this pilot plant, which links the fermentation plant to a purification unit, will give material form to the process book*, a full-blown "instruction manual" for manufacturers wishing to build new production facilities anywhere in the world.

* Process book: Used to accurately assess the consumption requirements for each process developed and to calculate the cost-price.

PDO: Launch of application tests covering 80% of market requirements

Again in line with the announcements made at the time of publication of the half-yearly results, the PDO project, whose pre-industrial pilot phase has now been completed, will be the first of METEX's own products to enter the industrial pilot phase, ensuring that the Process Book is finalised within the planned timeframe. The pilot phase of the bioprocess will go hand-in-hand with the production of significant batches of PDO for testing on key markets in the coming months. An application test involves certifying that the sample provided to manufacturers meets the required specifications for use in their own applications.

Commercial Activity

Business development and partnerships: as announced in September, discussions are still ongoing

METabolic EXplorer continues its discussions to finalize its first joint-venture transaction. The company stresses that, while talks are well underway, caution is necessary as it is unadvisable to prejudge the outcome of the ongoing negotiations.

Efforts are also going forward to speed the pace of METEX's industrial and commercial development, notably as regards its ability to develop commercial PDO applications in-house*.

In both these cases, the objective is unchanged, which is to create the best long-term shareholder value from a sustainable viewpoint.

* In-house development: The strategic development option for the company presented in March this year, which consists in securing upstream supplies of raw materials (ie, raw glycerol) on a contract basis and securing downstream operations in the framework of PDO application tests with market leading companies.

Share Price, Capital Structure and Governance

METEX share price at end-September 2009

The share price's return to the levels we are currently seeing reflects the markets' confidence in Company strategy and in particular the fact that it has completed each announced phase to deadline. It also reflects the interest in innovative companies which benefit from all the resources required to address a global market. METabolic EXplorer is perfectly aligned on the timetable announced.

The return of the share price to higher valuations also constituted an opportunity for a fund which injected original seed capital to cash out and realize a capital gain. SOFIMAC, which was present when the company was incorporated in 1999, has thus seen its investment reach the end of its natural cycle.

Benjamin Gonzalez, Chairman of the Management Board, added: *"I would especially like to thank SOFIMAC PARTNERS and its permanent representative Ms Cécile Thebaut, who is now leaving the Supervisory Board, where she has helped us for almost ten years. I would also like to thank her for having been one of the first people to believe in our business model. The Supervisory Board has decided to replace SOFIMAC PARTNERS by co-opting Mr Jérôme Dupas, BNP-Paribas Fortis Head of Corporate Finance and Capital Markets, France. Mr Dupas will contribute a unique combination of financial and business expertise, notably in the area of M&A and corporate finance transactions in France and elsewhere. These changes also provide me with an opportunity to underscore the loyalty of our two key shareholders, CAPE and SEVENTURE which, faced with the same challenges of realizing their respective investments, continue to testify to their attachment to this latest stage by their presence on our Supervisory Board."*

The Supervisory Board currently comprises three independent members out of a total five, in compliance with best corporate governance practice.

- Mr Daniel Thomas, Chairman, independent member
- Mr Hans Vogelsang, Vice-Chairman, independent member
- Mr Jérôme Dupas, Independent member
- CAPE, represented by Dr Philippe Guinot
- SEVENTURE represented by Mr Emmanuel Fiessinger

Creation of an Audit Committee

The Audit Committee, whose existence was already provided for in the METEX Supervisory Board's policies and procedures manual dated 28 June 2007 and amended to comply with the December 2008 AFEP-MEDEF corporate governance recommendations, was appointed on 28 October 2009. It comprises three members and is chaired by Mr Jérôme Dupas.

Management

As indicated above in this press release, Paul Michalet, who has now achieved his objectives, wishes to devote himself as of 2010 to a personal project outside Clermont-Ferrand. The new organisation which he is presently deploying will capitalize on the lessons drawn from an audit designed to ensure enhanced cross-functionality of his corporate function and quantifiable oversight of value creation.

Benjamin Gonzalez, Chairman of the METabolic EXplorer Management Board, added: *"Thanks to his outstanding managerial qualities, Paul Michalet has contributed to the controlled development of METabolic EXplorer and in particular to the financial management of corporate priorities both before the IPO and since. I would here like to thank him personally for ensuring that all the development phases which METEX has experienced have been realized with such outstanding pragmatism and rigor."*

More generally, and with a view to laying the groundwork for future industrial developments, it has been decided to strengthen the Management Board, notably by appointing two senior company executives with proven industrial profiles and experience. These are Mr Jean-Claude Lumaret, Strategy and Innovation Director, and Mr Olivier Nore, Company Industrialization Director.

The Management Board now comprises:

- Mr Benjamin Gonzalez, Chairman of the Management Board
- Mr Philippe Soucaille,
- Mr Jean-Claude Lumaret,
- Mr Olivier Nore.

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About METabolic EXplorer - www.metabolic-explorer.com

METabolic EXplorer is a biological chemistry company which was incorporated in 1999. Its goal is to help industrial businesses deal with the heralded "end of oil", so that they can continue to manufacture but in a sustainable way.

Based on the tried and tested principle of industrial fermentation, METabolic Explorer's solutions circumvent the problems posed by today's burdensome and expensive petrochemical processes via the use of a wide range of renewable, sustainable raw materials. By optimizing the metabolic yield of non-pathogenic bacteria in a contained, controlled environment, the company facilitates the production of chemical compounds used in a wide range of everyday goods (paints, solvents, adhesives and textile fibres) and industrial products (such as surgical thread and animal feed).

METabolic EXplorer is currently focusing its alternative biological solutions (implemented by the development of renewable, fermentation-based bioprocesses) on the production of five compounds that together have an estimated, annual, end-market value of \$14 billion. The company's strategy will be implemented worldwide via limited-exclusivity industrial alliances and joint-ventures with key players in the chemicals industry.

METabolic Explorer, based in Clermont-Ferrand, France, is listed on EURONEXT PARIS (EURONEXT C, METEX) and features in the SBF 250 and CAC Small 90 indexes.

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