

24 July 2007

William Sinclair Holdings Plc

Increase in shareholding in Freeland Horticulture Limited (“Freeland”) and Trading Update  
William Sinclair Holdings Plc (“William Sinclair” or “the Company”), one of the UK's leading producers of commercial horticulture and branded garden products, announces it has increased its shareholding in Freeland, a green waste recycling business, from 50% to 87.5%. The original Freeland management will retain 12.5% of Freeland.

William Sinclair has paid £0.75 million in cash for the additional 37.5% shareholding with a further £0.225 million payable in cash over the next three financial years if Freeland achieves certain performance targets. Freeland reported profit before tax of approximately £0.49 million for the year ended 30 June 2006. As at 30 June 2006 Freeland reported net assets of £0.92 million.

Freeland, originally a 50/50 joint venture between William Sinclair and the founders of the business, provides processed green waste for the horticulture industry and produces topsoils for the construction and civil engineering industries. It has recently developed a new technology that recycles green waste that would previously have gone to landfill. Freeland’s technology has resolved the problems of high salt levels typically found in recycled green waste allowing the treated material to be used as a peat replacement component in peat reduced composts.

In addition, Freeland’s technology can significantly reduce landfill charges for green waste processors. Freeland’s suppliers include municipal councils and waste management companies including SITA and Veolia. William Sinclair sells over 100,000 cubic metres of green waste per annum in various forms. Freeland supplies nearly half of this total and the Directors believe there is demand for approximately two million cubic metres of this material in the UK alone. Bernard Burns, Chief Executive, William Sinclair Holdings plc, said:

“William Sinclair is setting new benchmarks for environmental practices in growing media production. The investment in Freeland gives us a significant lead over the rest of the industry in a crucial area of consumer and retail concern.

“We believe the carbon footprint of our product is already the lowest in the industry and the inclusion of Freeland’s new material will reduce it significantly. Our packaging will include footprint data this Autumn which is a first for the gardening market.”

“In the future, we intend to focus the Company on more environmentally friendly gardening solutions and the Group’s policies and products will continue to change to reflect this.”

### **Trading update**

The Company continues to capitalise on leading the market in quality and service while enjoying the lowest cost of production in the industry. William Sinclair recently received the Garden Industry Manufacturers' Association Supplier of the Year award.

Following continued management action to reduce exposure to low margin business and to focus on increasing higher margin sales activity, the Company expects to meet current market expectations for its full year profitability.

The Company will be announcing its final results for the 12 months ended 30 June 2007 on 27th September 2007.

For further information:  
William Sinclair Holdings Plc

Tel: 01522 537561  
Bernard Burns, Chief Executive  
Peter Williams, Finance Director

Arbuthnot Securities Tel: 020 7012 2000  
Alastair Moreton/Alasdair Younie

Madano Partnership Tel: 020 7593 4000  
Mark Way / Matthew Moth