

10 January 2008

### **Acquisition of horticultural products company**

William Sinclair Holdings plc (“William Sinclair” or the “Company”), one of the UK’s leading producers of commercial horticulture and branded garden products, is pleased to announce that it has acquired Joseph Metcalf Ltd, (“Joseph Metcalf”), the horticultural products company located in North West England, for a cash consideration of £2.95 million (the “Acquisition”). The cash consideration is financed by a new loan from the Company’s bank repayable over five years.

The Board of William Sinclair expects the Acquisition to be earnings enhancing for the Company for the 15 month period to 30 September 2008.\*

#### **Benefits of the Acquisition**

Joseph Metcalf currently trades under the GEM brand and is particularly strong in the North West of England. The Acquisition increases William Sinclair’s presence in both the retail and professional sectors as well as adding the amenities market. This market, which includes golf courses, provides the opportunity for good margins from an increasingly important customer base. In addition, Joseph Metcalf has a strong range of chemicals for the horticultural sector which will complement William Sinclair’s existing fertilizer operations.

The Directors of William Sinclair intend to introduce the same cost saving measures and efficiency gains to Joseph Metcalf that have been successfully implemented at William Sinclair’s existing business during the last two years. The directors believe that the synergies between the two companies will improve William Sinclair’s existing production and distribution capabilities. The Acquisition will provide William Sinclair with an additional 150 hectares of high quality peat reserves.

#### **Financial highlights**

In the latest audited financial statements for the 10 months to 30 June 2007 Joseph Metcalf reported a turnover of £8.8 million and a post tax loss of £0.18 million. As at 30 June 2007, Joseph Metcalf had net assets of £4.25 million and net debt of £1.38 million.

In the unaudited management accounts for the period 1 July 2007 to 30 November 2007 Joseph Metcalf incurred a post tax loss of £0.83 million, reflecting the seasonal nature of companies in the sector.

#### **Management**

Mr Brian Metcalf, the sole director of Joseph Metcalf, resigned on completion of the Acquisition and Mr Bernard Burns and Mr Peter Williams, Chief Executive and Finance Director respectively of William Sinclair became directors of the Joseph Metcalf business.

#### **Bernard Burns, Chief Executive of William Sinclair Holdings plc, commented:**

“William Sinclair has an unrivalled reputation for quality of service. Through the efficiency gains achieved over the last two years, William Sinclair also benefits from the industry’s lowest costs of

production. With the synergies that exist from the combined Joseph Metcalf business, further cost savings across the enlarged group are expected to be generated.

“In addition the Company’s low carbon cost of production expertise can also be applied to the Joseph Metcalf business further consolidating our industry leading green credentials.

“The Acquisition is the next stage in William Sinclair’s growth strategy.”

### **Financial results**

In the results for the year ended 30 June 2007 William Sinclair reported a 72% increase in pre tax profit to £1.45 million with a turnover of £37.6 million. As at 30 June 2007, William Sinclair’s net assets were £16.3 million with net debt of £0.42 million. Trading since the year end has been in line with expectations.

As previously announced the Company intends to change its year end to 30 September 2008 resulting in a fifteen month financial period. The Company expects to announce its interim results for the 6 months to 31 December 2007 in March 2008.

\* This should not be interpreted to mean that the Company’s future earnings per share will necessarily be greater than or equal to the Company’s historical earnings per share.

- Ends -

### **For further information:**

[www.william-sinclair.co.uk](http://www.william-sinclair.co.uk)

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### **About William Sinclair Holdings Plc**

William Sinclair provides peat and fertiliser products to the retail and commercial sectors. William Sinclair’s well established brands include J Arthur Bower’s and New Horizon - the leading brand in the fast growing peat free garden compost and organic plant foods sector.

William Sinclair’s customers include national accounts such as Wyevale, Wilkinson, Tesco, Homebase and B&Q as well as an extensive range of independent garden centres.