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PLANT HEALTH CARE ACQUIRES VAMTech Inc.



Plant Health Care plc (“PHC” or the “Company“), a leading provider of natural products for plants and soil, has completed the acquisition of VAMTech Inc, for a consideration of \$1,950,000 (approximately £1.1 million) plus payment of \$775,000 in interest free debt (approximately £430,000) over five years.

VAMTech specialises in the synthesis of formononetin, a compound that stimulates the growth of mycorrhizal fungi already existing in the soil. The acquisition includes all technology and patents surrounding VAMTech’s production of formononetin.

Formononetin has been demonstrated to increase the yields of row crops such as corn, soy beans and cotton, even when used in very small quantities and PHC will be aggressively targeting this commodity crop market throughout the world. The acquisition of VAMTech will open up the agriculture market to PHC with the VAMTech technology enhancing PHC’s existing natural product line.

John Brady, Chief Executive of PHC said: “VAMTech has historically been an R&D company and PHC will now provide routes to market through our own existing sales channels. In addition, we will be able to target new markets, the most important of which is agriculture.

“While this acquisition is relatively small in cash terms, its impact on PHC will be significant. It means we now own the right to a very powerful patented product that has broad applications across all of our extensive product lines, making them even more effective”.

PHC’s technology is based on mycorrhizal fungi which are an essential part of all plant growth. In natural soil, mycorrhizal fungi are readily available to plants, however, in urban landscapes, degraded lands and most agricultural lands, mycorrhizal fungi are often not present in adequate quantities. Studies have shown that stimulating plant roots with mycorrhizal fungi products can increase the surface area of the root system and improve the health and survivability of plants, but no method was previously available for reproducing the fungi in the amounts required for commercial use.

PHC has developed processes that isolate and concentrate VAM (Vesicular-Arbuscular Mycorrhizal) fungal spores allowing PHC to produce products that have a longer shelf life than similar products. VAM Spores can be mixed effectively with other biological (e.g. bacteria) and non-biological (e.g. biostimulants) ingredients enabling PHC to diversify its product portfolio. Formononetin is already a key ingredient in a number of PHC products.

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Notes to Editors

About PHC

Plant Health Care plc (“PHC”) is a leading provider of natural products for plants and soil. Established in 1995 in Pittsburgh (Pennsylvania) in the United States, PHC currently has approximately 60 employees and has operations in the US, Mexico, UK and the Netherlands with technical support in Austria. The Group has two principal operating subsidiaries in the US - PHC Inc (PA) and PHC Reclamation. The Company listed on the AIM market of the London Stock Exchange in July 2004.

PHC’s products are aimed at the horticulture, agriculture, turf grass, commercial landscaping, forestry and land reclamation industries and are both environmentally beneficial and on the whole more cost effective than synthetic chemical alternatives. Through the commercialisation of these products, PHC is capitalising on current long-term trends toward natural systems and biological products for plant care and soil and water management uses.

PHC Reclamation is an environmental and reclamation engineering consulting firm providing cost effective, biologically based solutions for the reclamation and restoration of lands disturbed by mining, construction and other activities. PHC Reclamation was established in 1997 to exploit PHC’s products and technology.