

**For immediate release: 16 November 2004**

**Plant Health Care plc**

**Trading Update**



Plant Health Care plc ("PHC" or the "Company"), the leading supplier of natural products for plants and soil, provides an update on current trading. PHC stated at the time of the interim results announcement on 27 September 2004 that whilst it had experienced difficult trading conditions in the first half the Directors anticipated an improved performance in the second half of this financial year ending 31 December 2004. However, this upturn in revenues has not occurred to the extent the Directors expected. Nevertheless, sales for the second half of the year are expected to be approximately equal to sales for the first half of the year, (which is a significant increase over 2003) with a substantial decrease in the operating loss.

The trading conditions in the US have been negatively affected by the well publicised recent hurricanes in Florida, one of the Company's key horticultural markets. Large planting projects have been eliminated or delayed, affecting demand for PHC's products. The poor weather has also impacted on the annual programme of golf course maintenance, which the Company had believed would be an important element of its fourth quarter revenues.

Elsewhere, as previously announced, one of the Company's largest US distributors, Simplot, unexpectedly announced the disposal of its operations east of the Rocky Mountains. PHC is making progress and continues to work with a number of other distributors to replace this lost revenue. However, it will not be until 2005 that this revenue is fully replaced.

Following the previously announced loss of a large government joint venture in Mexico which impacted negatively on earnings in the region during the first half of the year, PHC has experienced a marked improvement in the second half although annual sales for PHC Mexico will remain slightly below 2003 levels.

PHC Reclamation continued to generate revenue from the Carissa Mine contract in Wyoming. However, contracts that were underway or pending at the time of the interim results have not come to fruition as the Company hoped.

In its European operations PHC saw a 26 per cent. increase in sales in the first half of 2004 as demand for its Liquid Organic Plant Food increased. This trend has continued in the second half.

Notwithstanding the events referred to above, the Directors expect US sales for 2004 to exceed those achieved in 2003. In addition, the Directors are confident that the adverse impact caused by the hurricanes in 2004 will be reversed in 2005 as damage repair, replanting and resumption of horticultural projects are implemented.

PHC Pennsylvania has moved its 2005 Distributor Early Order Program to the fourth quarter of 2004. This will increase sales during the current year and bring its practices in

line with those common in the industry. The recent expansion of the sales force is starting to show positive results and the Directors believe this will continue through the coming months and lead to increased sales in 2005.

Since listing on the AIM market in July of this year PHC has made a number of significant developments. PHC has acquired VAMTech, a business which it is confident will significantly enhance its sales into the agriculture industry during 2005. In October PHC announced an exclusive long-term agreement for consumer product development and commercialisation with The Scotts Company, the world's leading supplier and marketer of branded consumer products for lawn and garden care. This agreement validates the Company's products and its position as a market leader in the produce of 'green' plant care products.

Whilst the Directors are confident that the 2004 results will be ahead of 2003, the very difficult trading conditions outlined above will cause the results to be substantially below market expectations. The underlying trends for the business remain strong and coupled with the added strength in the commercial offering with the Scotts contract and VAMTech business the directors expect growth to continue in the coming months and into the future.

**For further information please contact:**

Plant Health Care plc  
John Brady, CEO  
Tel: 001 603 525 3702  
Steve Whitcomb  
Tel: 001 412 826 5488

Tavistock Communications  
Jeremy Carey/Katy Pratt  
Tel: 020 7920 3150  
Email: [kpratt@tavistock.co.uk](mailto:kpratt@tavistock.co.uk)

**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.