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## **PHC wins Moscow tree care trial**

Plant Health Care plc ("PHC" or the "Company"), a leading provider of natural products for plants and soil, has been invited by the City of Moscow authorities to tackle its tree survival rate problem.

Plant Health Care BV, the Dutch subsidiary of PHC plc, has been awarded a 12-month contract by the Dutch Ministry of Economics in collaboration with the City of Moscow to undertake a study and develop a plan aimed at combating tree loss in Moscow. The contract was awarded on a joint venture basis and PHC will be working with two other Dutch companies and Wageningen University. Under the terms of the contract PHC has received EUR120,000 from the Dutch Ministry to undertake the study.

As in most large cities, trees in Moscow suffer greatly from the combination of air pollution, de-icing salts and limited organic matter in the soil. Keeping trees alive is considered an urban 'quality of life factor' and requires considerable resources.

Over the past few years the City of Moscow has been executing a major tree-planting project with 60,000 young trees planted annually.

Unfortunately, some 80% of the trees died within one year, primarily because of poor planting sites, deficient soil and poor environmental conditions.

The City of Moscow intends to spend EUR1.5 million on tree planting and soil improvement over the next five years. Subject to the outcome of the 12 month contract and evaluation this may lead to an ongoing relationship with the City of Moscow from which PHC may be in a position to claim a reasonably significant portion of the City of Moscow's indicative spend.

Pius Floris Managing Director of PHC's Netherlands subsidiary and leader of the Moscow programme, stated: "By adding Plant Health Care's mycorrhizal fungal spores and soil bacteria into the planting holes, planting losses can be reduced from 80% to 2-4%. This represents considerable monetary and environmental savings to the City of Moscow."

John Brady, CEO of Plant Health Care plc said: "Worldwide research and field studies have shown that when PHC's mycorrhizal fungi and rhizobacteria are added to the root system of trees they develop a very

high salt resistance and their health improves dramatically. New York City Parks have been a customer of ours for some time and trials are ongoing in London and we are confident that the results from this challenging assignment in Moscow will trigger the interest of other cities worldwide that have similar problems, and create a large potential market for our products and technology."

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## **Notes to Editors**

The solution consists of the following elements:

- Establishment of composting plants for organic waste from the city parks
- Application of compost mixed with native soil in new planting holes
- Addition of PHC mycorrhizae and sufficient amounts of soil bacteria to the soil
- Education of the staff of Moscow's planting programme in nursery and planting practices

## **Background on the importance of 'urban forestation'**

International research has shown that even the smallest particles (primarily from car emissions) can be absorbed by city tree leaves. Fine particles are considered to be a key cause of lung problems affecting city inhabitants. With rain, the particles end up in the sewage system, leaving a clean tree that starts the air-purification process all over again. The only requirement that trees have is that they are able to grow in a healthy soil. Most urban trees do not grow in a natural setting and often lack water, minerals and biological conditions that are necessary to fulfil their functions properly. Plant Health Care aims to improve trees living conditions so that they are

both healthy and aesthetically pleasing and capable of performing this important purification process.

### About Plant Health Care

Plant Health Care plc (PHC) is a leading provider of natural products for plants and soil. Established in 1995 in Pittsburgh, PA, PHC currently has approximately 60 employees and has operations in the U.S., Mexico, the United Kingdom and the Netherlands with technical support in Austria. The Group has two principal operating subsidiaries in the U.S. - 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 environmentally beneficial and on the whole, more cost effective than solely using synthetic chemicals. Through the commercialization of these products, PHC is capitalizing on current long-term trends toward natural systems and biological products for plant care and soil and water management uses.