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Plant Health Care plc
Friday, 24 April 2009

PLANT HEALTH CARE plc
(“Plant Health Care” or the “Company”)

Proposed placing of 7,000,000 New Ordinary Shares to raise £10.5 million and notice of General Meeting

Plant Health Care (AIM: PHC.L), a leading provider of natural products for plants and soil, today announces that it has conditionally placed 7,000,000 new ordinary shares (“**Ordinary Shares**”) of one pence each (the “**Placing Shares**”) at 150 pence per share (the “**Placing Price**”) to raise gross proceeds of £10.5 million (the “**Placing**”).

Summary of the Placing

- Placing of 7,000,000 Ordinary Shares at a Placing Price of 150 pence per share to raise gross proceeds of £10.5 million.
- Net proceeds of the Placing will be used to strengthen the Company’s balance sheet and provide general working capital for the Group.
- Placing Price represents a discount of 7.7 per cent. to the closing middle market price of 162.5 pence per Ordinary Share on 23 April 2009, being the last practicable date prior to this announcement.
- Placing Shares will represent approximately 13.4 per cent. of the Company’s issued ordinary share capital immediately following Admission

The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to, *inter alia*, the allotment of the Placing Shares. The Placing, which has been arranged and fully underwritten by Evolution Securities pursuant to the terms of the Placing Agreement, is also conditional upon Admission.

A circular, providing Shareholders with information about the background to and the reasons for the Placing, (the “**Circular**”) and containing a notice of general meeting (the “**General Meeting**”) of the Company convened for 11:30 a.m. on 12 May 2009, will be sent to Shareholders of the Company today outlining the terms of the Placing and seeking Shareholder approval to, *inter alia*, enable the Directors to allot the Placing Shares in connection with the Placing.

Albert Fischer, Non-executive Chairman of the Company, commented: “We are delighted to have had such a positive response to our fundraising from both existing and new investors. The fundraising and the deal with Monsanto represents a very significant step forward for our company and creates a strong platform for the future.”

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This summary should be read in conjunction with, and is subject to, the full text of the attached announcement.

DISCLAIMER

Evolution Securities Limited is acting as nominated adviser and broker to the Company for the purpose of the AIM Rules. Evolution Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for the Company in relation to the Placing. Evolution Securities Limited is not acting for any other person in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Evolution Securities Limited or for giving advice in relation to the matters referred to in this announcement.

This announcement has been issued by the Company and is the sole responsibility of the Company.

This announcement does not constitute a prospectus relating to the Company and has not been approved by the UK Listing Authority, nor does it constitute or form any part of any offer or invitation to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities in the Company under any circumstances, and in any jurisdiction, in which such offer or solicitation is unlawful. Accordingly, copies of this announcement, including the appendix, are not being and must not be mailed or otherwise distributed or sent in or into or from the United States, Switzerland, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of, or require registration thereof in, such jurisdiction or to, or for the account or benefit of, any United States, Swiss, Canadian, Australian or Japanese person and any person receiving this announcement, including the appendix, (including, without limitation, custodians, nominees and trustees) must not distribute or send it, in whole or in part, in or into or from the United States, Switzerland, Canada, Australia or Japan.

Proposed Placing of New Ordinary Shares and Notice of General Meeting

1. Introduction and summary

Your Board announced today that it proposes to raise £10.5 million (US\$15.3 million) (gross) by way of a placing of 7,000,000 New Ordinary Shares at a price of 150 pence per share. The net proceeds of the Placing will strengthen the Company's balance sheet and provide general working capital for the Group. The Placing is conditional, *inter alia*, upon the Company obtaining approval from its Shareholders to grant the Board authority to allot the Placing Shares and to disapply statutory pre-emption rights which would otherwise apply to, *inter alia*, the allotment of the Placing Shares. The Placing, which has been arranged and fully underwritten by Evolution Securities pursuant to the terms of the Placing Agreement, is also conditional upon Admission.

2. Information on Plant Health Care

Plant Health Care was established in 1995 and is a leading provider of environmentally responsible natural products for plants and soil. Its products are provided to the agriculture, horticulture and turf industries. Plant Health Care's products create both environmental and economic benefits for its customers and capitalise upon long-term trends towards natural systems and biological products which enhance plant health and growth. The Company's two major proprietary technologies, over which it has extensive intellectual property rights, are Harpin and Myconate®.

The Company currently exploits two routes to market its proprietary technologies, namely via partnerships with major agrichemical companies, and a product sales business selling product directly to growers and distributors for use in the agriculture and horticulture and turf markets. The Directors believe that this strategy mitigates risk through diversifying the Company's sources of revenue whilst raising its market profile and understanding.

Further Information on Plant Health Care can be found on the Company's website (www.planthealthcare.com).

Harpin

Plant Health Care's Harpin-based products are based on Harpin proteins that activate a plant's intrinsic ability to protect itself through growth and stress-defence responses. Harpin proteins link to receptors in the plant which alert the plant to the presence of disease pathogens. The proteins contain no pathogens, but stimulate these receptors, activating the plant's self-defence and growth systems. Once this has occurred Harpin proteins quickly degrade in the environment, not having entered the plant.

Harpin is capable of being delivered as a seed treatment, as a foliar spray, in co-formulation with herbicides or fungicides, or by the use of the underlying genes. Current Harpin products include ProAct™ Plant Health Regulator, N-Hibit™ Seed Treatment, Employ™ Plant Health Regulator, Messenger® STS Foliar Spray, and MightyPlant™ All-Purpose Plant Food, which is Harpin protein combined with foliar nutrients.

In December 2007, an agreement was reached with Monsanto to evaluate, develop and commercialise Harpin technology as a seed treatment on certain major row crops. Subsequently, in February 2008, Monsanto announced that it had established a Global Seed Treatment Platform to invest in growth areas for agriculture to complement its seed strategy and yield-enhancing technologies. The success of the Company's testing with Monsanto was evidenced when in December 2008 Monsanto signed a 15 year contract to commercialise Harpin as a seed treatment in corn, soybeans, cotton, canola (oilseed rape) and selected vegetables. Further details of the Monsanto Agreement are set out in paragraph 3 below.

In September 2008, it was announced that a long-term licence agreement had been signed with Bayer CropScience AG for the use of Plant Health Care's current generation of Harpin genes in brassica oilseeds. The arrangement covers all geographic areas, except Canada, the USA and Mexico, and an agreed structured schedule of payments will be made to Plant Health Care.

Myconate®

Over 80 per cent. of all plant species in the world are dependent on mycorrhizal fungi, which occur naturally in soil and contribute to healthy root development. However, the quantities of mycorrhizal fungi occurring in treated or intensively cultivated agricultural soils tend to be significantly less than in natural environments, such as forests, because mycorrhizal populations can be affected by fertilizers, herbicides and other pest management chemicals.

Myconate® encourages more mycorrhizal fungi to colonize the roots of crops. Small amounts of Myconate®, when added to soil during planting, helps activate the mycorrhizal colonization on roots. This enhances root function, even during drought, stress or other conditions such as low soil fertility. The Company's test programmes and large scale field trials have shown considerable yield advantage when using Myconate®, especially on acres that suffer from overworked soil or lack of moisture.

Since the termination of the exclusive agreement in relation to Myconate® with Bayer CropScience AG in December 2008, discussions are underway with several large, multinational agrichemical and seed companies with a view to entering into an agreement or agreements to commercialise and supply Myconate® in major row crops.

The Directors believe that the yield enhancement and drought resistance properties of Myconate® make it an attractive proposition to agrichem companies and the Board remains confident that, as a product of these discussions, the Company will conclude another agreement or agreements in 2010.

3. The Monsanto Agreement

Under the Monsanto Agreement, Monsanto has exclusive worldwide (save for certain developing African countries) rights to commercialise the Company's current generation of Harpin for seed treatment. The Monsanto Agreement, which lasts for 15 years, allows Monsanto to utilise the technology in its own new generation of corn, soybean, cotton, canola (oilseed rape) and selected vegetable seeds. The Monsanto Agreement, which only covers seed coating, does not permit Monsanto to use the technology in foliar applications or in combination with fungicides, insecticides and herbicides (glyphosate) or any other product, or grant access to any future generations of Harpin technology.

Under the Monsanto Agreement, the Group has received certain milestone payments and will, in the future, receive product purchase payments based upon the quantities of Harpin delivered to Monsanto for use in the following year's growing season as well as royalty fees based upon the amount of Harpin used by Monsanto in its seeds production. The product is sold at an agreed fixed price, payment being due within 60 days of the delivery date. Royalty fees are payable following the end of the contract year and based on the amount of product used by Monsanto. For these purposes, the contract year ends on 31 August in each year.

The initial order under the Monsanto Agreement, for five tonnes for the 2009 planting season, was delivered to Monsanto in December 2008. As announced on 2 April 2009 and following the release of guidance by Monsanto increasing its expected soybean acres in 2010 from 5 to 6 million acres to 7 to 8 million acres, the Company received a larger than expected order for delivery in 2009 for the 2010 planting season. The Directors expect an additional order in 2009 with further significant increases from 2010 onwards in order to meet

Monsanto's accelerated roll-out of Roundup Ready 2 Yield™ for soybean acreage. Monsanto has estimated that by 2012, Roundup Ready 2 Yield™ will be applied to 40-50 million acres of soybeans in the USA. Monsanto has also indicated that South America could contribute a further 50-60 million acres of demand with rollout commencing in 2012.

4. Company Development Strategy

In light of the Monsanto guidance described above, the Directors believe that the demand for its Harpin product over the next two years will increase substantially from the 7 to 8 million acres to which it will be applied in 2010 if Monsanto is to be able to achieve its stated expectations for the USA and South American soybean acreage by 2012.

In addition to soybeans, the Directors also expect to commercialise the Company's Harpin-based technology as a key component in Monsanto's seed treatment package for other row crops and vegetables covered by the Monsanto Agreement.

Other Harpin products

The development of Harpin and Harpin products has involved considerable investment by the previous owners of the technology, Eden Bioscience Corporation, whose assets, together with the relevant licences, were acquired by Plant Health Care in February 2007. It was this investment which allowed the development of the Harpin technology and Plant Health Care to advance the negotiations with Monsanto. The Directors believe that Plant Health Care now has the opportunity to achieve further commercialisation of the Harpin technology and expand and diversify the Company's current position in the seed treatment market.

The Company is currently in discussions with several major agrichem companies concerning supply agreements for foliar applications of Harpin and is endeavouring to action agreements of a similar format to the Monsanto Agreement. The Directors expect to conclude at least one such agreement during 2010. In order to achieve this, the Company will need to conduct further field trials to demonstrate the effectiveness of such foliar applications and to incur certain registration and product formulation costs.

The Company has also begun to develop a further generation of Harpin technologies for major row crops and vegetables which will be made available for licensing to major agrichemical companies. The development of these technologies, which the Directors expect to generate first products within 3 to 5 years, will involve a certain amount of further laboratory work and field trials as the Company seeks to create appropriate formulations and combinations.

Myconate®

The successful commercial exploitation of Myconate® remains key to PHC's value proposition. Discussions are currently in progress with several major agrichem companies and the Directors are confident that an agreement will be reached with one of these interested parties in 2010 following field trials and the completion of formulation work in 2009. It is the Board's intention to seek a commercialisation agreement that is similar in structure to the Monsanto Agreement providing upfront payments and further payments based upon volumes used in return for an exclusive licence agreement based upon specific crops and/or geographies.

In order to achieve a successful outcome to these negotiations, the Group will be required to incur some additional costs in relation to the field trials and the finalisation of formulations.

Product Sales

Despite the challenging economic conditions, the Group generated revenues of \$19m from product sales other than under partnership agreements in 2008, comprised of \$12.1 million from US sales and \$6.9 million from the rest of the world. With its strong margins, this

business made a valuable contribution to the central costs of the business. Although the revenues in the US will decline initially in 2009 as restrictions under the Monsanto Agreement take effect, the Directors believe that there will be continued growth from the rest of the world. Moreover, the ability to sell product outside of the partnership agreements provides diverse revenue streams and increases the Company's market profile and understanding and therefore represents an important element of its strategy.

5. Background to and reasons for the Placing

The Company is proposing to raise £10.0 million (US\$14.5 million) (net of expenses) for the following uses:

Monsanto Order - £2.5 million

Whilst the significantly larger purchase order from Monsanto is positive news for the Company, it does create an additional working capital requirement as the Company will need to place an order with its manufacturing partner in advance of it receiving payment from Monsanto. This initial order combined with the anticipated further orders expected from Monsanto to enable the accelerated roll-out announced on 2 April 2009 will create an additional working capital requirement of up to £2.5million.

Future Harpin Development - £2.5 million

The Company is already committing resources to the development of additional Harpin applications, in combinations with fungicides and glyphosate for example. However, it has also identified a number of proteins which would be suitable for further development to create a further suite of technologies. The Board believes that it is important to sustain a development programme to expand and diversify PHC's current position in the market. This will require a development laboratory at a capital cost of approximately \$1.0 million, together with additional development personnel and related resources at an estimated operating cost of \$1.5 million per annum.

General Working Capital - £5.0 million

Despite the contribution being generated from product sales and the start of revenues from the Monsanto Agreement, the Company is still in a cash consumptive phase of its development. It is important that the Company is able to demonstrate its financial strength to potential commercial partners to ensure that it has the strongest position possible when involved in negotiations with these significantly larger companies. The Directors therefore consider it prudent to raise an additional £5.0 million to strengthen its balance sheet and fund the Company's growth through to profitability in 2010.

6. The Proposed Placing

The Company proposes to raise approximately £10.0 million (net of expenses) through the issue of the Placing Shares at the Placing Price. The Placing Price represents a discount of 7.7 per cent. to the closing middle market price of 162.5 pence per Ordinary Share on 23 April 2009, being the last practicable date prior to the publication of this announcement. The Placing Shares will represent approximately 13.4 per cent. of the Company's issued ordinary share capital immediately following Admission.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Evolution Securities has conditionally agreed to use its reasonable endeavours, as agent for the Company, to place the Placing Shares at the Placing Price with certain institutional and other investors. The Placing has been fully underwritten by Evolution Securities. The Placing Agreement is conditional upon, *inter alia*, the Resolutions being duly passed at the General Meeting and Admission becoming effective on or before 8.00 a.m. on 13 May 2009 (or such later time and/or date as the Company and Evolution Securities may agree, but in any event by no later than 8.00 a.m. on 31 May 2009).

The Placing Agreement contains warranties from the Company in favour of Evolution Securities in relation to, *inter alia*, the accuracy of the information contained in the Circular and certain other matters relating to the Group and its business. In addition, the Company has agreed to indemnify Evolution Securities in relation to certain liabilities it may incur in respect of the Placing. Evolution Securities has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular, for *force majeure* or in the event of a material breach of the warranties set out in the Placing Agreement.

Settlement and dealings

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence on 13 May 2009.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission. It is expected that CREST accounts will be credited on the day of Admission and that share certificates (where applicable) will be dispatched by first class post by 27 May 2009.

Directors' participation in the Placing

The following Directors have agreed, either directly or indirectly, to subscribe for Placing Shares at the Placing Price. Immediately after Admission, it is expected that these Directors will have the following beneficial shareholdings:

<i>Director</i>	<i>No. of Placing Shares subscribed for in the Placing</i>	<i>Total no. of Ordinary Shares held following the Placing</i>	<i>Percentage of the enlarged issued share capital immediately following Admission</i>
Dr. Albert Fisher	8,333	144,894	0.28%
Dr. David Buckeridge	66,001	70,499	0.14%
Dr. Dominik Koechlin	33,333	35,402	0.07%
Jeremy Scudamore	20,000	24,498	0.05%
Samuel Wauchope	13,333	68,564	0.13%

7. Current trading and prospects

Plant Health Care released its audited preliminary results for the year ended 31 December 2008 on 23 March 2009. The Company recorded an increase of revenue of 9 per cent. to \$19.9 million with gross margin improving from 46 per cent. to 54 per cent. due to technology partnering revenue and increased product sales of high margin Harpin business. Operating loss, before share-based payments, reduced to \$3.5 million (2007: \$4.8 million) whilst net loss reduced by 21 per cent. to \$4.3 million. At 31 March 2009 cash balances were \$4.0 million.

Whilst only in the early months of the year and notwithstanding the difficult economic climate, the Board remains confident regarding the future prospects of the Company. The significant advances made in both the partnerships and product sales businesses provide the Company with an excellent platform for continued future growth. The commercialisation agreement with Monsanto for the Harpin-based technology provides the Group with improved revenue visibility and opportunity for further collaboration to develop this exciting seed treatment.

8. General Meeting

A General Meeting is to be held on 12 May 2009 at the offices of Reed Smith LLP, Broadgate Tower, 20 Primrose Street, London EC2A 2RS, at 11:30 a.m., at which the Resolutions will be proposed for the purposes of implementing the Proposed Placing.

Resolution 1, which will be proposed as an ordinary resolution and which is subject to the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, authorises the Directors to allot the Placing Shares in connection with the Placing provided that such authority shall expire at the next Annual General Meeting of the Company.

Resolution 2, which will be proposed as a special resolution and which is subject to the Placing Agreement becoming unconditional and not being terminated in accordance with its terms, disapplies Shareholders' statutory pre-emption rights in relation to the issue of the Placing Shares provided that such authority shall expire at the next Annual General Meeting of the Company.

Appendix 1
PLACING STATISTICS

Placing Price	150p
Number of Ordinary Shares in issue as at the date of this announcement	45,104,974
Number of Placing Shares being placed on behalf of the Company	7,000,000
Estimated proceeds receivable by the Company, net of expenses	£10.0 million
Number of Ordinary Shares in issue following Admission	52,104,974
Number of Placing Shares as a percentage of the enlarged issued ordinary share capital of the Company following the Placing	13.4 per cent.

Appendix 2

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest time and date for receipt of Forms of Proxy	11:30 a.m. on 10 May 2009
General Meeting	11:30 a.m. on 12 May 2009
Admission and dealings in the Placing Shares expected to commence on AIM	8.00 a.m. on 13 May 2009
Expected date for CREST stock accounts to be credited for Placing Shares in uncertificated form	13 May 2009
Expected date for posting of share certificates for Placing Shares	by 27 May 2009

Appendix 3

DEFINITIONS

The following definitions apply throughout this announcement unless the context otherwise requires:

“Admission”	admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with Rule 6 of the AIM Rules
“AIM”	the market operated by the London Stock Exchange
“AIM Rules”	the AIM rules for companies and guidance notes as published by the London Stock Exchange from time to time
“Circular”	the shareholder circular dated 24 April 2008 incorporating the Notes of General Meeting
“Company” or “Plant Health Care” or “PHC”	Plant Health Care plc
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001) in respect of which Euroclear UK & Ireland is the Operator (as defined in such regulations)
“Directors” or “Board”	the directors of the Company or any duly authorised committee thereof
“Evolution Securities”	Evolution Securities Limited, the Company's nominated adviser
“Form of Proxy”	the form of proxy for use in connection with the General Meeting
“General Meeting”	the general meeting of the Company to be held at 11:30 a.m. on 12 May 2009
“General Meeting Notice”	the notice convening the General Meeting which is set out in the circular
“Group”	the Company, its subsidiaries and its subsidiary undertakings
“London Stock Exchange”	London Stock Exchange plc

“Monsanto”	Monsanto Company
“Monsanto Agreement”	the seed treatment licence and supply agreement announced in December 2008 between Plant Health Care Inc. and Monsanto concerning the development and commercialisation of Harpin as part of a seed treatment for use on corn, soybeans, cotton, canola (oilseed rape) and vegetables.
“New Ordinary Shares” or “Placing Shares”	the new Ordinary Shares to be issued in connection with the Proposed Placing
“Ordinary Shares”	ordinary shares of 1p each in the capital of the Company
“Placing Agreement”	the agreement dated 24 April 2009 between the Company and Evolution Securities relating to the Placing, details of which are set out in this announcement and the Circular
“Placing Price”	150 pence per New Ordinary Share
“Proposed Placing” or “Placing”	the proposed placing of the New Ordinary Shares at the Placing Price pursuant to the Placing Agreement
“Resolutions”	the resolutions set out in the General Meeting Notice
“Shareholders”	holders of Ordinary Shares
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“\$” or “US dollar”	the lawful currency for the time being of the United States. For the purpose of currency calculations included in this announcement the Directors have used a rate of (£1 : \$1.4537), as derived from the Financial Times on 23 April 2009, being the latest practicable date prior to the publication of this announcement