

27th May 2010



Wynnstay Group Plc

Acquisition of Woodheads Seeds Ltd

The Board of Wynnstay, the agricultural and retail group, is delighted to announce that it has acquired Woodheads Seeds Limited ("Woodheads"), a seed processing and supply business, based in Yorkshire, for an initial cash consideration of £2.598m (subject to a working capital adjustment). Deferred consideration of up to £0.75m will be payable in cash in July 2012 depending upon historic and future profits. The acquisition more than doubles Wynnstay's existing seed processing capacity, establishing it as one of the UK's leading participants in this marketplace, and takes the Group into a new geographic region.

Based near Selby, Yorkshire, Woodheads, which has been trading for over 200 years, is a major seed processor in the region, providing a comprehensive range of high quality, certified cereal and grass seed from its modern plant. In addition, Woodheads trades grain and supplies some fertiliser to farmers in the area. Woodheads has a well-established reputation for its high quality seed production and processing. For the year ended 30 April 2009, Woodheads generated revenues of £15.87m and operating profits of £0.57m. Net assets on completion are expected to amount to £0.38m.

The acquisition of Woodheads significantly scales Wynnstay's seed processing capability, more than doubling the Group's existing seed volumes. The acquisition also expands Wynnstay's geographic reach into a new trading area. The Directors view the Yorkshire agricultural region, with its mixed farming and bias towards arable crops, as one which offers the Group natural expansion opportunities over time. The existing management team at Woodheads will remain with the business, managing its integration within Wynnstay and the cross-selling opportunities expected to arise.

An initial consideration for Woodheads, of £2.598m (subject to a working capital adjustment) has been paid in cash, funded from the Group's existing borrowing facilities. Further consideration, up to a maximum of £750,000, may also be payable based on a formula to be applied to the average profit before tax of Woodheads for the four financial years ending 30 April 2012. Any deferred consideration would be payable in July 2012.

The Directors expect to announce Wynnstay's half year results for the six months ended 30 April 2010, on 16 June.

Ken Greetham, Chief Executive of Wynnstay, said,

"Woodheads has established a strong reputation within its Yorkshire trading region for its products and service standards. I am delighted to have agreed its acquisition and believe that Woodheads' addition to the Group establishes us as a leading processor of cereal seed in the UK.

The acquisition is also an important one for the Group strategically. Woodheads' presence in a key farming region in the north of England represents an opportunity for the Group to expand its other agricultural activities into new geographic markets.

We look forward to working together to build our business."

Enquiries:

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