

8 July 2010

Green Compliance plc (“**Green Compliance**” or “**the Company**”)  
Acquisition of Envirocare GB Limited

In accordance with the Company’s strategy of building a business focussed on its selected “blue collar” compliance markets, the Board of Green Compliance is pleased to announce its first strategic acquisition within the pest control sector of the market.

On 7 July 2010 the Company completed the acquisition of the entire issued share capital of Envirocare GB Limited (“Envirocare”).

Envirocare was acquired for an initial cash consideration of £1.825m. Debt facilities of £883,000 have also been assumed or repaid. Further deferred consideration will become payable conditional on Envirocare achieving specified profit targets for the 12 month period following completion. For every £1 of EBITDA generated over £350,000 the vendors will receive an additional £7 in deferred consideration which will be paid in cash. The total consideration (including assumed debt) has been capped to £4m.

The initial component of the consideration will be financed from existing cash and £2.1m bank debt increasing therefore the amount drawn down from the existing facility with HSBC to £4.2m.

The business has traded as Envirocare since being acquired by Peter Priestley, the former majority shareholder, in 2001. The company provides a range of pest control services and associated products on a nationwide basis having four regional offices across the UK. Envirocare has a strong client base including a number of national contracts across a range of sectors including leading food retailers, leisure, commerce and industrial companies and also Government bodies.

It should be noted that the trade and assets of GP Environmental Limited, based in Glasgow, acquired by Envirocare in April 2008 does not form part of the acquisition by Green Compliance, as this has been sold to local management.

For the financial year ended 30 April 2010 the proforma financial performance excluding the Glasgow business is as follows: Revenue of £3.776m and EBITDA of £307,000. Net assets were £1.145m.

Peter Priestley, the Managing Director of Envirocare and the senior management team will remain with the business post completion.

Commenting on the acquisition John Prowse, CEO of Green Compliance plc, said:

“The acquisition of Envirocare establishes Green Compliance as a player in the national pest control sector with a number of significant clients, particularly in the food and leisure industries. We are excited about this opportunity as the strong regional management team within the business will enable Green Compliance to grow

with this market sector and also exploit cross selling opportunities. In addition to the high quality revenue there is significant opportunity to drive margins through productivity and efficiency improvements along with overhead savings. Along with our existing presence within water hygiene and treatment, fire protection and energy services the acquisition establishes Green Compliance as a national player within the “blue collar” compliance marketplace. ”

Enquiries :

**Green Compliance plc**

John Prowse, Chief Executive Officer

Tel: 01285 770978

**Hansard Communications**

John Bick and Kirsty Corcoran

Tel : 0207 245 1100 or 07872 061007

**Collins Stewart**

NOMAD and Broker

Bruce Garrow and Ileana Antypas

Tel: 020 7523 8350