



Hill & Smith Hldgs PLC
01 November 2004

HILL & SMITH HOLDINGS PLC

Acquisition of Business and Assets

The Board of Hill & Smith Holdings PLC ('Hill & Smith') announces that the Group has entered into agreements, through a number of its subsidiary undertakings, with the administrative receivers of Lionweld Kennedy Limited ('Lionweld Kennedy') to purchase part of the business and assets of that company.

The Group has acquired two freehold properties, plant and equipment, stock and goodwill, together with the businesses of the flooring, highways and galvanizing divisions of Lionweld Kennedy, for a cash consideration of approximately £2.6 million. The acquired businesses are engaged in galvanizing and the manufacture of industrial flooring and handrailing systems and highway safety barriers. In the year ended 31 December 2003, the acquired businesses had a combined turnover of £14.1 million and an operating profit, before financing and central administration costs which it is not practicable to allocate to the acquired businesses, of £0.1 million.

The total book value of the assets of Lionweld Kennedy Limited, as shown in its audited accounts at 31 December 2003, was £12.0 million, comprising £4.9 million attributable to freehold property, plant and equipment, stock and goodwill and £7.1 million of other assets. Hill & Smith have acquired only a part of the company's property, plant and equipment, stock and goodwill and did not acquire any of the company's other assets.

The Directors of Hill & Smith believe that the acquired businesses will be an excellent fit with the Group's existing operations and, once fully integrated, should be earnings enhancing. This statement should not, however, be taken to mean that earnings per share following the acquisition will necessarily be greater than those for the relevant preceding financial period.

Further information:

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