

## **SITESERV PLC**

### **Acquisition of Sierra Communications Limited**

Siteserv plc (“Siteserv” or the “Company”) is pleased to announce that it has agreed terms to acquire leading utilities services provider, Sierra Communications Limited (“Sierra”). Sierra, which was established in 1979, is a leading provider of services to the power, telecommunications and civil engineering markets in Ireland. Sierra operates from sites at Nangor Road, Dublin 12, Dunboyne, Co Meath, Ballyjamesduff, Co Cavan and Spierstown, Co Donegal.

Completion of the acquisition is conditional on signing of a share purchase agreement and is also subject to Competition Authority approval under Section 21(1)(a) of the Competition Act 2002. Competition Authority approval is expected to be received within a four to six week period of signing.

The consideration for the acquisition comprises an initial payment of €46 million on completion, €41.4 million of which will be in cash with the remainder being satisfied through the issue of 7,796,610 Siteserv ordinary shares at €0.59 (being the average share price over the preceding 30 business days). Additional amounts will be payable based on the financial performance and levels of growth in profitability of Sierra over its next three financial years up to 30 June 2010. The maximum additional consideration payable under these arrangements has been capped at €6.0 million. Sierra is being acquired on a debt-free/cash-free basis. In addition to the consideration Siteserv will issue 885,000 share options to senior managers in Sierra at an exercise price of €0.59 per share with vesting four years after issue.

In the year ended 30 June 2007, Sierra had audited turnover of €52.3 million and earnings before interest and tax of €7.0 million. Net assets at completion are expected to be approximately €5.3 million.

The acquisition will be funded through Siteserv’s existing resources and additional borrowings of approximately €42.9 million.

In this regard the company is pleased to announce that it has agreed banking facilities with its lender of €115.35 million which provide for the refinancing of existing debt together with acquisition debt facilities of €71.35 million (including the debt finance for the Sierra transaction).

The Siteserv ordinary shares which will be issued as part of the consideration are subject to 12 month lock-up. Application will be made for the new ordinary shares to be admitted to trading on the IEX market of the Irish Stock Exchange and the AIM market of the London Stock Exchange following completion.

The beneficiaries of the sale are Desmond Whyte, the founder of the Company and the four executive directors, Kevin Hctor, Managing Director, Elliott Whyte, Operations Director, T.J. Malone, Field Operations Director and Steven Quinlan, Finance Director all of whom will remain with the company going forward. In addition Des Whyte will continue as a consultant to Sierra.

Commenting on the acquisition, Brian Harvey, Chief Executive said: “We are delighted with the acquisition of Sierra which is a leader in the provision of utility and infrastructural services in Ireland. The acquisition of Sierra fits within the Siteserv strategy to develop into a broadly based site services group and re-emphasises our plans to grow the company both organically and

through acquisitions.”

Following completion of the acquisition, the residential business is expected to account for approximately 35% of group revenues.

For further information please contact:

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