



DJ MECP Acquisition

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Mechan Controls Plc announces the acquisition of a certification and calibration company

The company confirms that it has completed contractual arrangements to acquire Yorkshire based PJO Group Limited (Holding company) and its 100% subsidiary PJO Industrial Limited (Trading company). PJO Industrial Limited offers a broad service provision to utility companies. The main income streams are derived from offering calibration, testing and repair to the gas, electric and water industries and also the manufacture and supply of mining consumables, methane extraction equipment and mining machinery.

PJO Industrial Limited had turnover for the year to 31 December 2010 of GBP1,446K and generated unadjusted pre-tax profits of GBP93K. Net assets at 31 December 2010 were GBP296K. The unaudited figures for the 9 months to 30 September 2011 are turnover of GBP1,225K with unadjusted pre-tax profit of GBP101K and net assets of GBP372K

The company has acquired 100% of the share capital of PJO Group Limited for a consideration of GBP830k. There is a further GBP0.5m contingent consideration which will become payable in the event that EBITDA in either of the two years to December 2012 or 2013 reaches an agreed level.

The purchase has been funded by new and existing Group banking facilities. These facilities include provision for payment of the contingent payment in the event that it becomes due.

The Directors are pleased to make a second acquisition as part of their long term strategic plan to expand Mechan's operations across the safety, security and controls sector.

The Directors accept responsibility for this announcement.

(END) Dow Jones Newswires

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