

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or about what action you should take you should immediately seek your own personal advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all or part of your shares in the Company, this document and the enclosed Form of Proxy should be passed to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman which is set out on pages 4 to 6 of this document and which recommends you to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below.

Sirdar PLC

(Registered in England and Wales with number 00526657)

PROPOSED DISPOSAL OF BECTIVE MILLS AND ENSOR MILL and NOTICE OF EXTRAORDINARY GENERAL MEETING

The Directors, whose names appear on page 4 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Brewin Dolphin Securities, which is a member of the London Stock Exchange and is regulated by the Financial Services Authority, is acting for Sirdar PLC and will not be responsible to anyone other than Sirdar PLC for providing the protections afforded to customers of Brewin Dolphin Securities or for providing advice in relation to the matters described in this document.

Notice of an Extraordinary General Meeting of the Company to be held at the offices of the Company's advisors, Brewin Dolphin Securities, 34 Lisbon Street, Leeds, LS1 4LX at 11.30 am on 30 July 2007 is set out at the end of this document. To be valid, Forms of Proxy for use at the meeting must be completed and returned in accordance with the instructions printed thereon so as to be received by the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham BR3 4ZB no later than 48 hours before the commencement of the meeting.

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EXPECTED TIMETABLE OF EVENTS

Latest time and date for receipt of Forms of Proxy	11.30 am on 28 July 2007
Extraordinary General Meeting	11.30 am on 30 July 2007
Completion of the Property Sale	31 July 2007

DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

“Bective Mills”	freehold land and buildings at Bective Mills, Flanshaw Lane, Alverthorpe, Wakefield
“the Board” or “ the Directors”	the Directors of the Company whose names are set out on page 4 of this document
“Brewin Dolphin Securities”	Brewin Dolphin Securities Limited
“the Company”	Sirdar PLC
“Completion”	the completion of the Property Sale currently anticipated to be on 31 July 2007
“Consideration”	the total amount receivable by the Group of £16,250,000, payable in cash on Completion, in respect of the Property Sale
“Ensor Mill”	freehold land and buildings on the north side of Queensway, Rochdale, known as Ensor Mill
“Eddisons”	Eddisons Commercial Limited
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 11.30 am on 30 July 2007 by the notice set out at the end of this document, or any adjournment thereof
“Form of Proxy”	the form of proxy accompanying this document for use by Shareholders in connection with the EGM
“the Group”	the Company and each of its subsidiaries
“Ordinary Shares”	ordinary shares of 25 pence each in the Company
“the Property Sale”	the sale of Bective Mills and Ensor Mill to Stirling Investments
“the Proposal”	the proposed sale of Bective Mills and Ensor Mill to Stirling Investments for the Consideration
“the Resolution”	the resolution to be proposed at the EGM, as set out in the notice of extraordinary general meeting included with this document
“Ryalux Carpets”	Ryalux Carpets Limited, a wholly owned subsidiary of the Company
“Shareholder”	a holder of Ordinary Shares
“Sirdar Spinning”	Sirdar Spinning Limited, a wholly owned subsidiary of the Company
“Stirling Investments”	Stirling Investments (Sheffield) LLP
“the Trustees”	the trustees of the Sirdar PLC Retirement Benefits Plan (1974)

PART 1

LETTER FROM THE CHAIRMAN

SIRDAR PLC

(Registered in England and Wales with number 00526657)

Directors:

Richard Bagnall Vernon (Chairman)*
Steven Richard Harrison (Chief Operating Officer)
Kevin Francis Henry (Finance and Planning Director)
Carolyn Jane Tobin*

Registered Office:

Flanshaw Lane
Alverthorpe
Wakefield
West Yorkshire
WF2 9ND

*non executive

10 July 2007

To holders of Ordinary Shares

Dear Shareholder,

THE PROPOSED SALE OF BECTIVE MILLS AND ENSOR MILL

1. INTRODUCTION

I am writing to you to explain the background to, and reasons for, the proposal to sell the freehold properties known as Bective Mills and Ensor Mill and to explain the actions you should take. As set out in the Interim Report, dated 29 March 2007, the Board had decided to conduct a review of the Company's property strategy and assess the benefits of selling the Bective Mills and the Ensor Mill sites. Following this review, and the receipt of a suitable offer from Stirling Investments for the two sites, the Directors believe that it is in the best interests of the Shareholders to dispose of these two sites and to use the proceeds to reduce debt, address the Group's pension deficit and invest in the ongoing business.

This matter will require Shareholders' approval at an EGM which has been convened for 11.30 am on 30 July 2007, at the offices of the Company's advisors, Brewin Dolphin Securities, 34 Lisbon Street, Leeds, LS1 4LX. A notice of extraordinary general meeting is set out at the end of this document.

I set out herein the reasons why the Directors believe the Proposal to be in the Shareholders' interests, and why I am asking you to vote in favour of the Proposal at the EGM.

2. BACKGROUND TO AND REASONS FOR THE PROPOSAL

As set out in the Interim Report for the six months ended 31 December 2006, and other recent announcements, the the Group has been undergoing a period of change and rationalisation which, amongst other changes, has resulted in a reduction of the number of sites from which the Group is operating.

The recent adverse market conditions in the residential floor coverings sector have resulted in the Directors implementing a number of changes within the Group's residential floor coverings business. One of the changes initiated by the Directors has been the closure of a number of manufacturing sites and the consolidation of these sites into centres of excellence. Once the process is completed, currently expected to be by December 2007, the residential floor coverings business will have been reconfigured from seven sites into three centres of excellence. As a result of the restructuring, occupancy of Ensor Mill (owned by Ryalux Carpets) will be gradually reduced over the six months from completion, during which period Stirling Investments will allow Ryalux Carpets to remain in occupancy under a short-term lease.

As stated previously, the Directors are exploring options to sell Sirdar Spinning, the specialist yarns division of the Group. The Bective Mills site is wholly owned and partly occupied by Sirdar Spinning, with other areas of the site being occupied by the Company, the residential floor coverings business and third party tenants. As part of the Property Sale process, the Directors have made arrangements to lease back the areas of Bective Mills that are still being used by the Group. Further details of this are set out in Section 3 of this letter.

The Directors consider that the Group should continue to focus on its core business and accordingly have decided to sell the two properties and to use the proceeds of the sale to repay debt, address the Group's pension deficit and reinvest in the Group's operations. Further details of this are set out in Section 4 of this letter.

3. DETAILS OF THE PROPOSAL

The Board is proposing the sale of Bective Mills and Ensor Mill to Stirling Investments for a total consideration of £16,250,000. The details of each disposal are set out below.

Bective Mills

Description of the property being sold	Bective Mills, Flanshaw Lane, Alverthorpe, Wakefield.
Current use of the property being sold	This site is currently being used by the Company, the specialist yarns division, the floor coverings division and external tenants.
Consideration	£13,250,000 payable upon completion.
Seller	Sirdar Spinning.
Purchaser	Stirling Investments.
Principal Terms & Conditions	The sale is conditional upon shareholder approval. On 29 June 2007 the Company entered into an agreement with Sirdar Spinning to lease approximately 135,000 square feet of the premises at Bective Mills for a period of ten years from 29 June 2007. The annual rent payable is £420,160. Upon completion of the sale, Sirdar Spinning will enter into an agreement with Stirling Investments to lease approximately 150,000 square feet of the premises at Bective Mills for a period of ten years. The annual rent payable is £555,574.

Ensor Mill

Description of the property being sold	The property on the north side of Queensway, Rochdale known as Ensor Mill.
Current use of the property being sold	The site is currently occupied by the floor coverings division.
Consideration	£3,000,000 (plus VAT) payable upon Completion.
Seller	Ryalux Carpets.
Purchaser	Stirling Investments.
Principal Terms & Conditions	The sale is conditional upon shareholder approval.

Valuation

An independent valuation of Bective Mills and Ensor Mill has been carried out by Eddisons. A valuation certificate has been included in Part 2 of this document. The Directors consider, having taken into account the valuation of Bective Mills and Ensor Mill by Eddisons, that the Consideration to be received is reasonable and represents good value for Shareholders.

4. USE OF THE PROPERTY SALE PROCEEDS

The total net debt of the Group as at 31 December 2006 was approximately £4.9 million. The Directors intend to use some of the proceeds of the Property Sale to reduce the level of debt and are currently in discussions with the debt providers to determine the most appropriate way to restructure or repay this debt.

The Group operates a defined benefit, final salary, pension scheme for certain employees. The scheme is now closed to new entrants and accrual of salary related benefits for current members has ceased. As set out in the Interim Report, dated 29 March 2007, the net pension deficit of the Company at 31 December 2006 was £9.1 million. The Directors will consider using part of the proceeds of the Property Sale to address this pension deficit and are in discussions with the Trustees to determine how this is to be effected.

Further to recent investments in people, products and processes within the floor coverings business, it is the intention of the Board to continue to grow this area of the Group. An amount of the proceeds from the Property Sale will be reinvested into modernising operating methods, rationalisation and upgrading of the product range, re-branding and an increased focus on customer needs.

5. CURRENT TRADING

Current trading continues to be in line with the Directors' expectations.

6. EXTRAORDINARY GENERAL MEETING

You will find enclosed with this document a notice convening an Extraordinary General Meeting, to be held at 11.30 am on 30 July 2007 at the offices of the Company's advisors, Brewin Dolphin Securities, 34 Lisbon Street, Leeds, LS1 4LX, together with your Form of Proxy.

At the Extraordinary General Meeting you will be asked to vote on the Resolution to approve the Proposal.

The Resolution is an ordinary resolution and requires a simple majority to be passed.

7. ACTION TO BE TAKEN

A Form of Proxy for use by Shareholders in connection with the Extraordinary General Meeting accompanies this document. Whether or not you intend to be present at the Extraordinary General Meeting, you are requested to complete and sign the Form of Proxy and return it to the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, BR3 4ZB, no later than 48 hours before the commencement of the meeting.

Unless the Form of Proxy is received by the date and time mentioned in the instructions, it will be invalid. The completion and return of the Form of Proxy will not prevent you from attending the Extraordinary General Meeting and voting in person, if you so wish.

8. RECOMMENDATION

Your Board, having taking into consideration the valuation carried out by Eddisons, considers the Proposal to be fair and reasonable as far as the Shareholders of the Company are concerned. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of the Resolution as they intend to in respect of their own shareholdings.

Yours faithfully,

Richard B Vernon
Chairman

PART 2

VALUATION CERTIFICATE

Our Ref: SJC/JIC/709.

Your Ref:



Sirdar PLC
Bective Mills
Flanshaw Lane
Alverthorpe
Wakefield
WF2 9ND

Pennine House
Russell Street
Leeds LS1 5RN

Telephone 0113 243 0101

Fax 0113 242 1364
Email property@eddisons.com
www.eddisons.com

2 July 2007

Dear Sirs

Ensor Mill, Queensway, Rochdale – (“Ensor Mill”)
Bective Mills, Flanshaw Lane, Alverthorpe, Wakefield – (“Bective Mills”)

In accordance with your verbal instructions dated 20 June 2007, we have made an inspection and valuation of the above properties in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors on behalf of Sirdar PLC for financial reporting purposes.

You have asked us to provide Market Valuations on the following basis:

VALUATION as at 2 July 2007

Assuming:

- Ensor Mill is sold with the benefit of vacant possession with Ryalux Carpets Limited occupying the premises for a period of six months following completion by way of a short term lease at a peppercorn rent.
- Bective Mills is sold subject to the lease entered into between Sirdar PLC and Sirdar Spinning Limited on 29 June 2007 and the lease proposed to be entered into between Sirdar Spinning Limited and Stirling Investments (Sheffield) LLP at completion.
- The properties are valued jointly on the basis that any sale is a simultaneous transaction including both properties.
- Both properties have freehold unencumbered titles.
- Neither property has any contamination issues.

**On the above basis our valuation is £16,250,000
(Sixteen Million Two Hundred and Fifty Thousand Pounds)**

Yours faithfully

A handwritten signature in black ink, appearing to read "S J Croft".

S J Croft MRICS
Eddisons

Reviewed by:

A handwritten signature in black ink, appearing to read "A L Spencer".

A L Spencer MRICS
Eddisons

Sirdar PLC

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the Company will be held at the offices of the Company's advisors, Brewin Dolphin Securities, 34 Lisbon Street, Leeds, LS1 4LX at 11.30 am on 30 July 2007 for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

THAT:

- the proposed disposal by Sirdar Spinning Limited (a wholly owned subsidiary of the Company) of the property at Bective Mills, Flanshaw Lane, Alverthorpe, Wakefield on the terms and conditions contained in the disposal agreement dated 6 July 2007 between (1) Sirdar Spinning Limited and (2) Stirling Investments (Sheffield) LLP ("Stirling Investments") ("the First Sale Agreement"); and
- the proposed disposal by Ryalux Carpets Limited (a wholly owned subsidiary of the Company) of the property on the north side of Queensway, Rochdale, known as Ensor Mill on the terms and conditions contained in the disposal agreement dated 6 July 2007 between (1) Ryalux Carpets Limited and (2) Stirling Investments ("the Second Sale Agreement"),

the terms of the First Sale Agreement and the Second Sale Agreement (together "the Sale Agreements") being more particularly described in the circular to the Company's shareholders dated 10 July 2007 of which this notice forms part, be and are hereby approved, subject to such non-material amendments or variations to the Sale Agreements and any agreements incidental to or forming part of the Sale Agreements necessary, expedient or desirable to complete or give effect to or otherwise in connection with the disposals referred to above and/or any agreement executed to give effect thereto and any matters incidental to any of them.

By Order of the Board

Kevin F Henry
Secretary

Registered office:

Flanshaw Lane
Alverthorpe
Wakefield
West Yorkshire
WF2 9ND

Dated 6 July 2007

Notes:

- (1) A member entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend and, on a poll, vote instead of him/her. The proxy need not be a member of the Company. Completion and return of a Form of Proxy will not prevent a member from attending and voting at the meeting in person should he/she wish to do so.
- (2) A Form of Proxy is provided with this notice and instructions for use are shown thereon. To be effective, the completed Form of Proxy must be deposited with the Company's Registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham BR3 4ZB no later than 48 hours before the commencement of the meeting.
- (3) Only those holders of Ordinary Shares registered in the register of members of the Company at 11.30 am on the date which is two days prior to the meeting or any adjournment of it shall be entitled to attend and vote at the meeting or adjourned meeting. Entries on the register of members after 11.30 am on that date shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- (4) In the case of joint holders, the signature of only one of the joint holders is required on the Form of Proxy but the vote of the first named on the register of members of the Company will be accepted to the exclusion of the other joint holders.
- (5) CREST users should note that they can lodge their proxy votes for the meeting through the CREST Proxy Voting System. For further instructions, users should refer to the CREST user manual. Any CREST sponsored member should contact their CREST sponsor.