



NWF Group plc

2006/07 Preliminary Results

Year to 31 May 2007





Group overview

- 52nd company to list on AIM in 1995 (founded in 1871)
- Based in Wardle, Cheshire, with 24 other locations
- Four growing businesses with a common history:
 - **Distribution** - grocery logistics to supermarkets
 - **Feeds** - mainly for dairy cows
 - **Fuels** - for homes, businesses and vehicles
 - **Garden Centres** - six large garden centres
- Market value - £100m @ £10.66 per share
- 1,500 shareholders, 20% share turnover p.a.
- 33% held by institutions, remainder by private individuals

Main site: Wardle

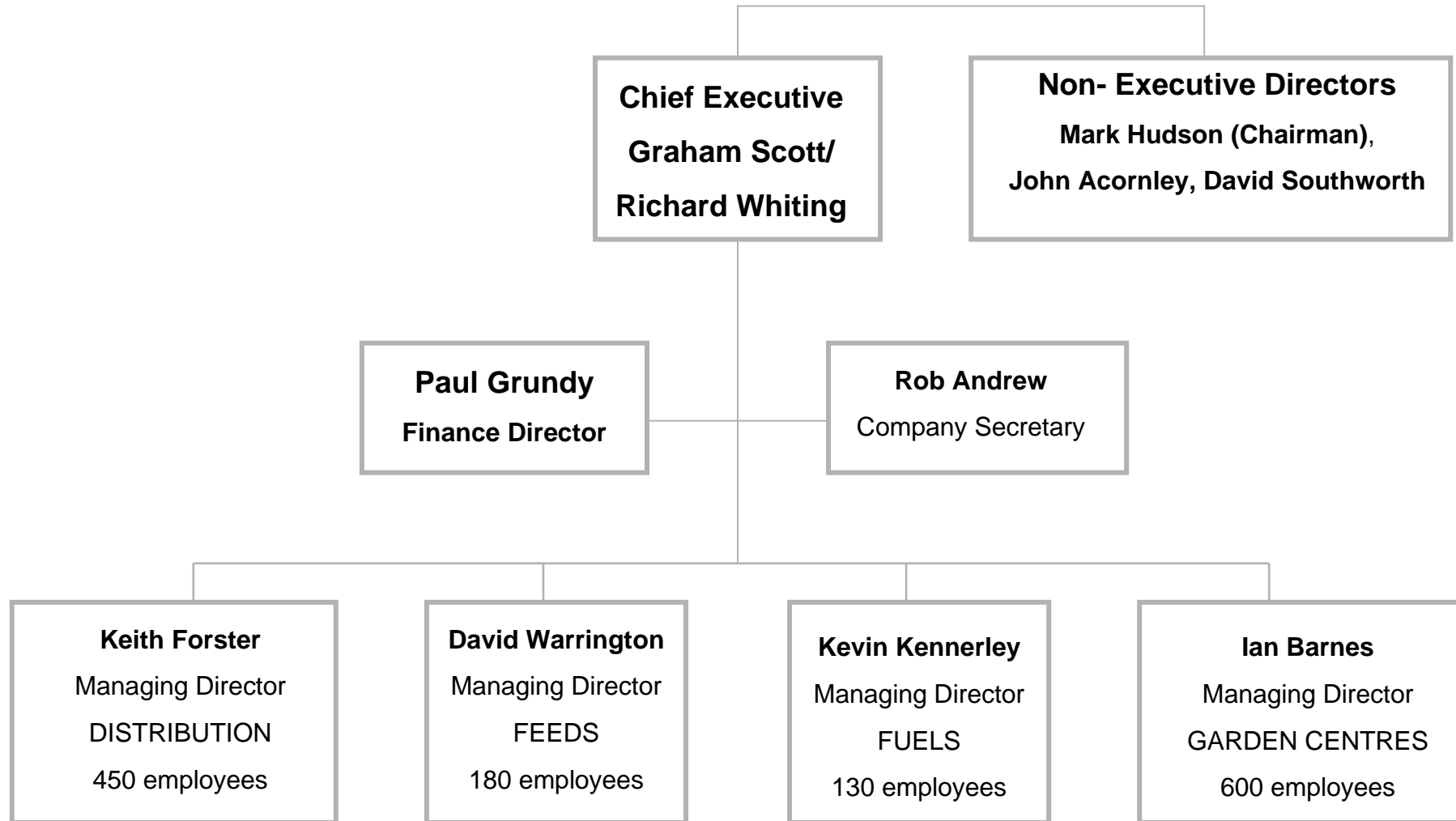


- New warehouse build started June 2006, completion summer 2007
- Creating room for 60,000 pallets - predicted to be at full capacity May 08

Locations



Group organisation



c.1370 employees



Operational highlights

- **Distribution**
 - progressed warehouse building project (first use May 2007)
 - acquired new customers
- **Feeds**
 - invested to improve quality and capacity in Wixland
- **Fuels**
 - acquired Browns of Burwell (Suffolk) (July 2006)
- **Garden Centres**
 - acquired AA Gent (garden centre site, Manchester) (July 2006)
 - Constructed and opened Ashton Park (March 2007) (same site)

Financial key points



- turnover up 9% to £320m (£293m)
- pre-tax profit before goodwill amortisation up 7% to £6.4m (£6.0m)
- pre-tax profit after goodwill amortisation up 7% to £5.9m (£5.5m)
- full year dividend per share up 8% to 19.4p (18.0p)
- net assets inc. pension liability up 10% to £30.4m (£27.6m)
- net capex cash flow £20.0m (£2.7m)
- interest cover 5.7 times (6.2 times), gearing 97% (46%)

Profit and loss



	Year ended May 2007	Year ended May 2006		
	£'000	£'000		Growth %
Turnover				
Distribution	26,985	27,226		(0.9)
Feeds	81,522	71,911		13.4
Fuels	190,402	178,151		6.9
Garden Centres	21,456	15,585		37.7
Total turnover	320,365	292,873		9.4
Operating profit				
Distribution	1,411	2,072		(31.9)
Feeds	1,861	1,543		20.6
Fuels	3,126	2,823		10.7
Garden Centres	653	284		129.9
Total operating profit	7,051	6,722		4.9
Interest	(1,244)	(1,088)		(14.3)
FRS17 finance cost	69	(127)		154.3
PBT	5,876	5,507		6.7
EPS (basic), p	41.2	41.7		(1.2)
DPS, p	19.4	18.0		7.8
Dividend cover	2.1 times	2.2 times		
Interest cover	5.7 times	6.2 times		

Balance sheet



	May 2007		May 2006		Growth
	£'000		£'000		%
Intangible assets	9,254		9,285		(0.3)
Tangible assets	44,296		25,005		77.1
Stocks	8,063		7,094		13.7
Debtors	40,027		39,515		1.3
Cash and bank	66		945		(93.0)
Creditors due within one year	(47,547)		(34,646)		(37.2)
Total assets less current liabilities	54,159		47,198		14.7
Creditors due after more than one year	(20,077)		(15,219)		(31.9)
Deferred tax	(1,197)		(1,112)		(7.6)
Net assets excluding pension liability	32,885		30,867		6.5
Pension liability	(2,455)		(3,223)		23.8
Net assets	30,430		27,644		10.1
Net debt	29,459		12,811		(130.0)
Gearing	97%		46%		

Cash flow



	Year ended		Year ended	
	May 2007		May 2006	Change
	£'000		£'000	£'000
Operating profit	7,051		6,722	329
Goodwill amortisation	545		468	77
Depreciation charge	3,091		2,728	363
Decrease/(increase) in working capital	1,504		(639)	2,143
Diff between pension charge and cash cont	(49)		(128)	79
Other	(97)		(40)	(57)
Operating cash inflow	12,045		9,111	2,934
Interest paid	(1,617)		(1,210)	(407)
Tax paid	(1,868)		(1,598)	(270)
Dividends	(1,673)		(1,421)	(252)
Net purchase of tangible fixed assets	(20,042)		(2,723)	(17,319)
Acquisitions incl cash acquired	(1,639)		(3,075)	1,436
Deferred acquisition payments	(1,830)		(1,030)	(800)
Deferred disposal receipts	592		0	592
Net cash outflow before financing	(16,032)		(1,946)	(14,086)
Term loan and HP finance movements	(347)		(1,461)	1,114
Medium term loan received	5,972		2,000	3,972
Shares issued including premium	4		5,983	(5,979)
(Decrease)/increase in cash in the period	(10,403)		4,576	(14,979)

Overview - Distribution



- The Market
 - Consolidation of groceries en route to UK supermarkets
- Our Business
 - Boughey Distribution services all of the UK
 - Destinations are primarily RDC's of supermarket chains
 - Ambient warehousing for 138,000 pallets on three sites
 - Old capacity full – new capacity full by May 2008
 - Around 200 customers – manufacturers and importers
 - Packing room for added-value work

Overview - Feeds



- The Market
 - 12,000 important dairy farmers in Britain, 1.9m dairy cows
 - Around 3 million tonnes of dairy feeds per annum
 - Reasonably steady demand
- Our Business
 - One of only two national players
 - Around 16% market share
 - Capacity for 400,000 tonnes of pelleted feeds at Wardle & Wixland
 - Capacity for 100,000 tonnes of blended feeds at Wardle, Ayr, Penrith, Exeter
 - Our feeds volume grown by factor of ten in 13 years

Overview - Fuels



- The Market
 - 900,000 homes with oil fired heating (and growing)
 - Rural service stations
 - Industrial/off-road users of gas oil
 - Freight and passenger transport companies
- Our Business
 - 13 locations in England and Wales, 10 with storage tanks
 - Texaco's largest independent distributor in Britain
 - Also sell Conoco, Total and other fuel brands
 - Supply contracts with around 80 retail service stations
 - Always actively increasing geographical coverage

Overview – Garden Centres



- The Market

- Gardening and leisure enthusiasts
- Market has doubled since 1991 and is still growing
- Destination garden centres becoming dominant
- Players becoming more professional

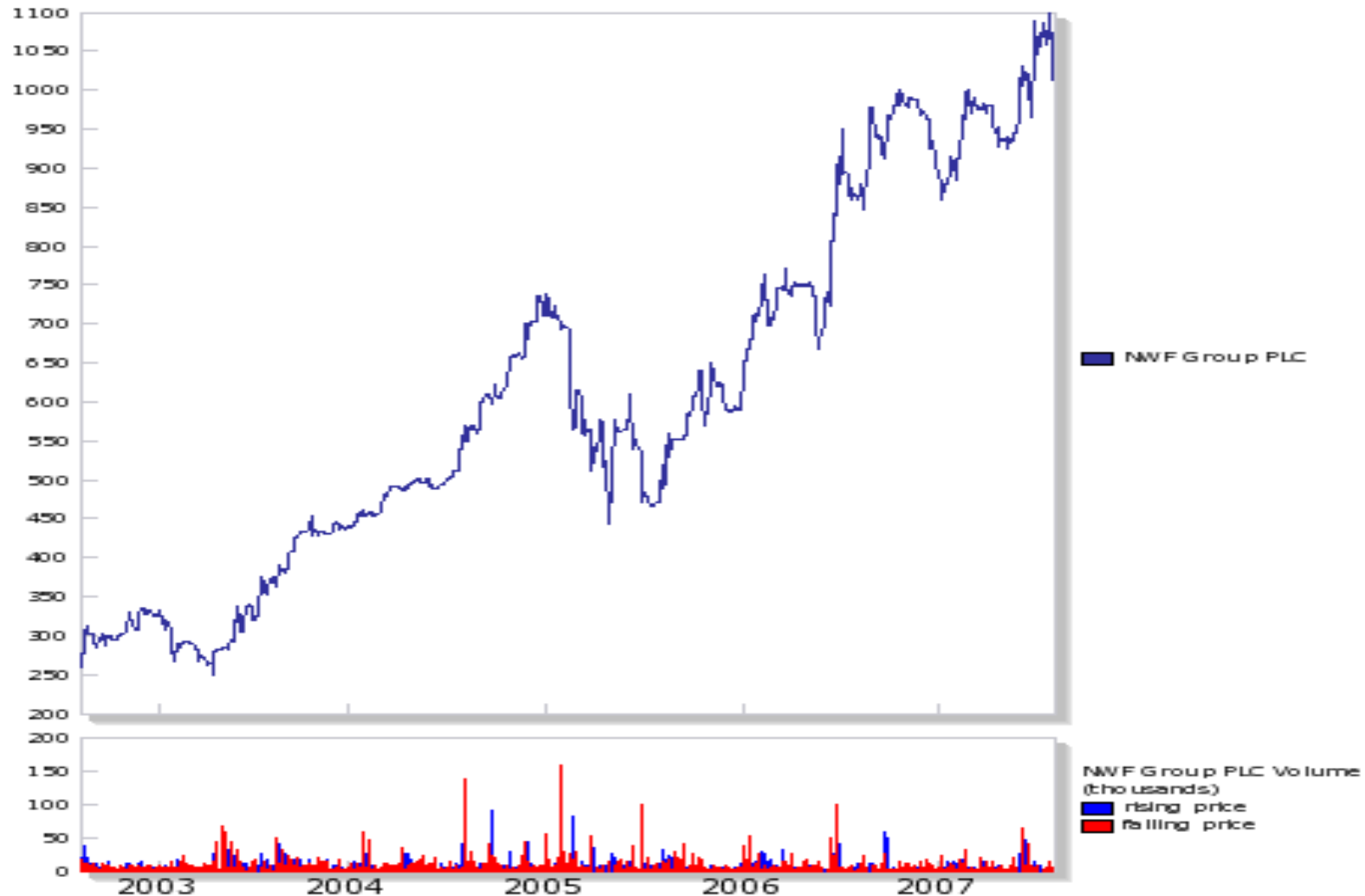
- **Our Business**

- Six large garden centres:
- | | |
|----------------------|-----------------|
| Rivendell | Cheshire |
| Wheatcroft | Nottingham |
| Dukeries | Nottinghamshire |
| Victoria | Yorkshire |
| Woodford Park | Cheshire |
| Ashton Park | Manchester |

Ashton Park Garden Centre



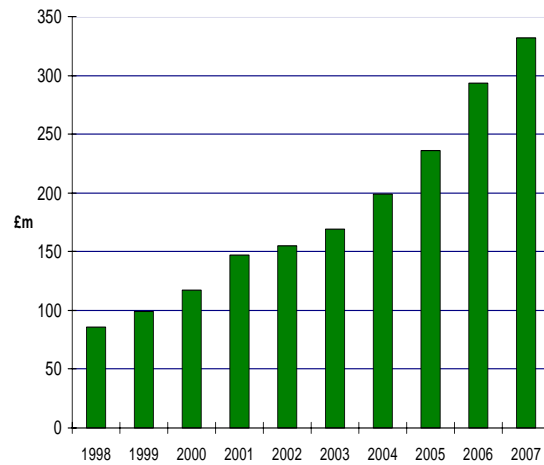
Share price - 5 years



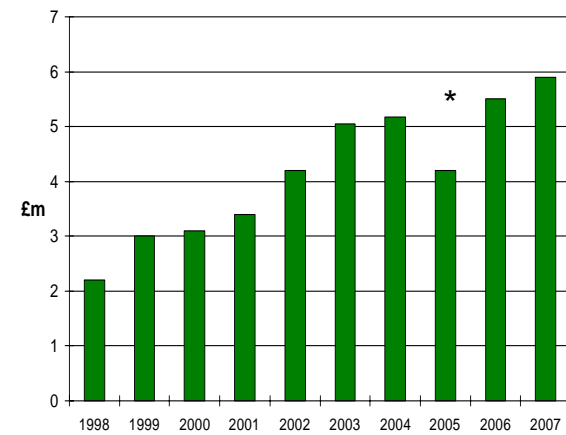
10 year group growth



SALES

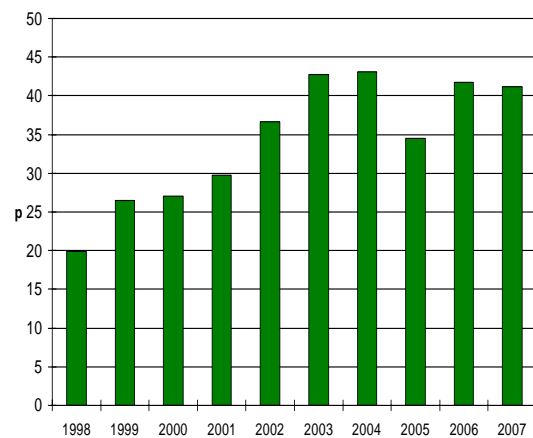


PBT

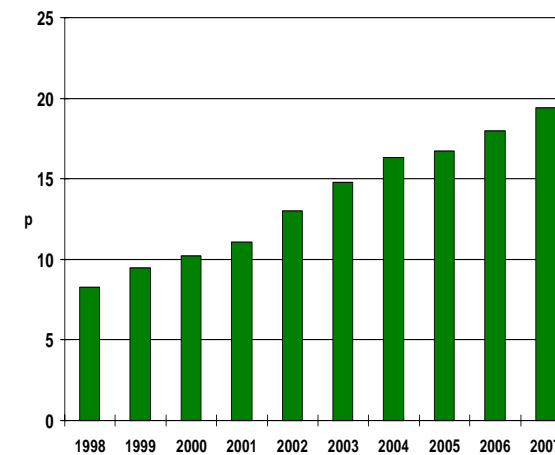


* Before exceptional disposal loss

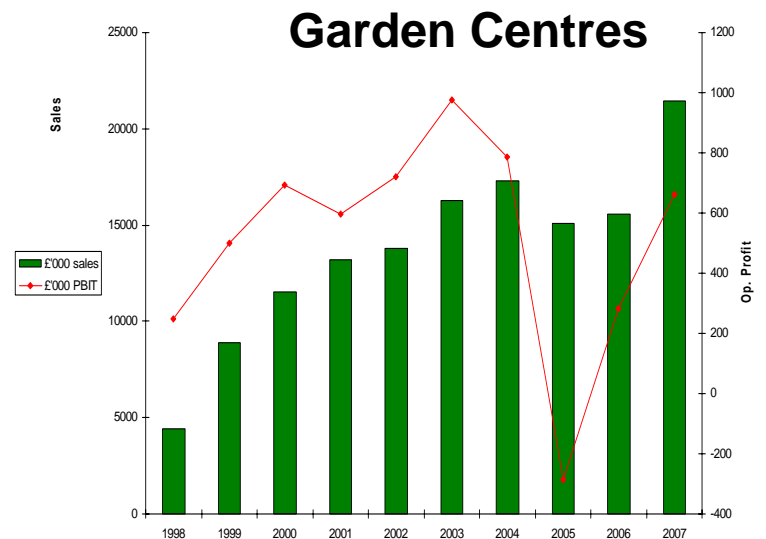
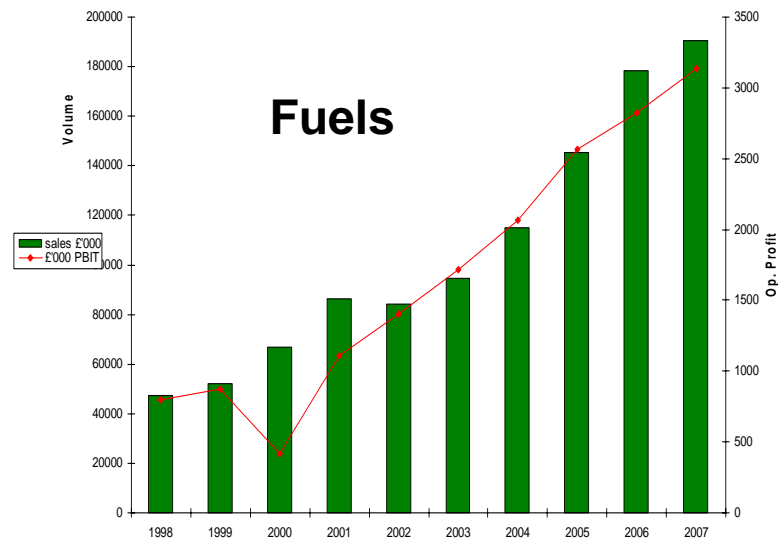
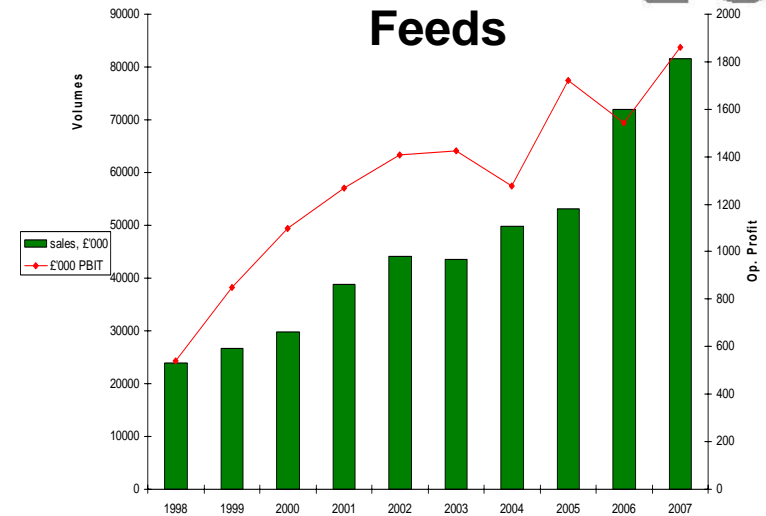
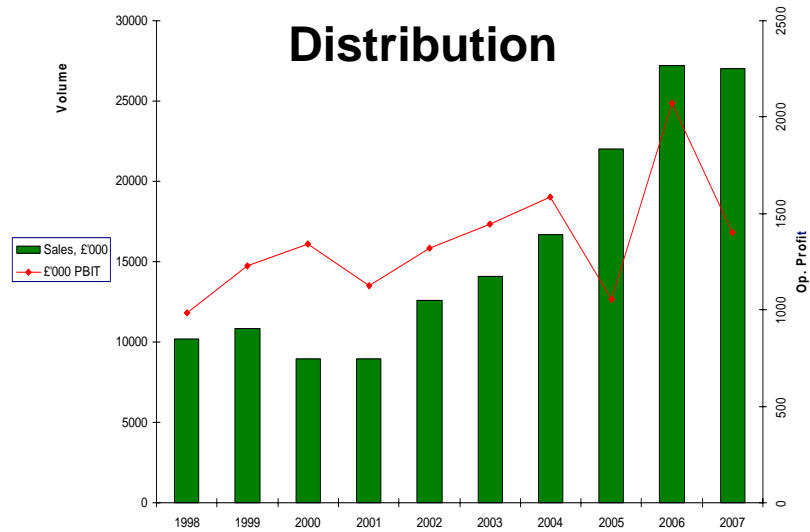
EPS



DPS



10 years per business



Group strategy



Continue organic and acquisitive growth within chosen markets:

- **Distribution**
 - Continued significant demand for services
 - Complete and fill new Wardle warehouses
- **Feeds**
 - Organic growth, increase market share
 - Opportunities for consolidation and expansion
- **Fuels**
 - More business around existing depots
 - Acquisition opportunities in rural areas
- **Garden Centres**
 - Further development of existing sites
 - Opportunities for acquisitions and start-ups

Directors



Mark Hudson – Chairman (age 60)

Joined the board in 1985. Chairman 2006. Mark is an agricultural business adviser and dairy farmer. Past President of the CLA. Chair of Game Conservancy Trust. Council Member Duchy of Lancaster.

Graham Scott – Chief Executive (age 62)

Joined NWF in 1995 as CE. Previously with Unilever and BP. Chairman of Dee Valley Group plc. NED of Butchers Pet Care Ltd.

Richard Whiting – Chief Executive w.e.f. 1 Nov 2007 (age 43)

Richard joins NWF on 1 October 2007 having been Group FD of Heywood Williams plc. He was previously with Brand-Rex Ltd and Caradon plc.

Paul Grundy FCA – Finance Director (age 50)

Paul joined NWF in 2004 from N Brown Group plc. He had previously been with Hilti and Sharp Electronics.

John Acornley FCA - Non-executive Director (age 53)

Joined the board in 2001. John is Chairman or NED of a number of companies. He was previously a director of Baxi plc and Rainford Group plc.

David Southworth FCCA - Non-executive Director (age 58)

Joined the board in 2006. David is Chairman or NED of a number of companies. He previously led Skillsgroup and has had several other directorships.



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