

NWF GROUP PLC

("NWF" or the "Company")

Bonus Issue

The Board of NWF Group plc is pleased to announce a proposal to increase the issued share capital of the Company, by way of a bonus issue of four new ordinary shares of 25 pence each for every ordinary share held (the "Bonus Issue"). This will increase the number of ordinary shares available for trading through the AIM market of the London Stock Exchange with a view to enhancing the liquidity and marketability of the Company's ordinary shares.

Commenting on the Bonus Issue Mark Hudson, Chairman of NWF, said: "We have been conscious for some time that the rise in our share price to its relatively high current level may have created a barrier to investment for some potential investors. The expected adjustment to the Company's share price as a result of this Bonus Issue will hopefully provide increased liquidity and marketability of our shares."

Details of the Bonus Issue

The Board is proposing that, for each ordinary share held by a Shareholder at the close of business on 4 October 2007 (the "Bonus Issue Record Date"), four new ordinary shares will be issued. In order to effect the Bonus Issue, £9,378,211 will be capitalised from reserves, as to which £6,612,895 will be capitalised from the Share Premium Account, £1,394,964 will be capitalised from the Revaluation Reserve, £301,888 will be capitalised from Other Reserves and £1,068,464 will be capitalised from the Profit and Loss Account which at 31 May 2007 was £9,882,762.

The Bonus Issue will result in the issue of 37,512,844 new ordinary shares and the Company will have an aggregate of 46,891,055 ordinary shares in issue at the date that the new ordinary shares are admitted to AIM.

Holders of ordinary shares, whose names appear on the register at the close of business on the Bonus Issue Record Date, will receive four new ordinary shares, credited as fully paid, for each ordinary share held by them on the Bonus Issue Record Date.

Rights of the new ordinary shares and effect of the Bonus Issue

As a result of the Bonus Issue each Shareholder will hold five ordinary shares in place of every one ordinary share held at the Bonus Issue Record Date. The new ordinary shares to be issued pursuant to the Bonus Issue will be issued and credited as fully paid to Shareholders on the register of members at the close of business on the Bonus Issue Record Date. The number of new ordinary shares to be issued and allotted will be 37,512,844. The market price of the Company's shares is expected to adjust correspondingly to reflect the Bonus Issue.

The new ordinary shares will, on Admission, rank *pari passu* in all respects with the existing issued ordinary shares and will rank in full for all dividends and other distributions thereafter declared, made or paid from the ordinary share capital of the Company, except for the final dividend declared by the Company on 14 August 2007, which is payable to Shareholders on 1 November 2007.