

## NWF Group plc

### INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 NOVEMBER 2002

#### Chairman's Statement

Once again, we have seen an excellent interim performance by the Group with pre-tax profit up 26% to £1,514,000 from last year's £1,203,000. Turnover was £76m compared to £74m last time and basic earnings per share climbed 25% from 10.5p to 13.1p. Each one of our businesses improved its performance against the same period last year.

In line with our policy of rewarding shareholders, the Board has approved an interim dividend of 4.0p per share (2001: 3.6p) which will be paid on 1 May 2003 to shareholders on the register on 28 March 2003. The shares will go ex-dividend on 26 March 2003.

The **Agriculture** business again improved operating profit from £469,000 to £545,000. This was achieved by better volumes and margins, with total feeds and blends sales up 6% to 122,000 tonnes in the period.

**Distribution** raised its operating profit from £608,000 to £667,000 by keeping its facilities fully employed and by improved margins as indicated in my 2001/02 Chairman's Statement.

**Fuels** did well against a background of firm oil product prices to improve operating profit from £462,000 to £520,000. Volumes overall were 5% higher than last year but the mild autumn slowed heating oil demand.

In **Retail**, sales improved after a rainy early summer and operating profit rose to £41,000 compared to £6,000 last year. This is very much the minor half-year for our retailing outlets.

Since the half-year end, we have announced the acquisition in January of the business of T Splitt Ltd, an established fuel company based in Burnley. This move brings our total number of fuels sales offices to thirteen, nine of them being depots with storage tanks.

Tony Stanton, who had been a Non-Executive Director for nine years, retired in November and we thank him for his valuable counsel through this time.

The Board remains confident about the outlook for the second half year when the majority of the Group's profit is normally earned.

**J Roy Willis**  
Chairman  
30 January 2003

#### Group Profit and Loss Account Half year to 30 November 2002

Unaudited Half year to 30 November 2002	Unaudited Half year to 30 November 2001	Audited Year to 31 May 2002
-----	-----	-----
£'000	£'000	£'000

Turnover	76,478	73,883	154,741
Operating costs	(74,705)	(72,338)	(149,887)
Operating profit	1,773	1,545	4,854
Interest payable	(259)	(342)	(648)
Profit on ordinary activities before taxation	1,514	1,203	4,206
Taxation	(469)	(373)	(1,300)
Profit after taxation	1,045	830	2,906
Equity dividends payable	(318)	(285)	(1,035)
Profit transferred to reserves	727	545	1,871
Earnings per share (see note 1)			
Basic	13.1p	10.5p	36.7p
Diluted	12.9p	10.5p	36.7p
Dividends per share	4.0p	3.6p	13.0p

### Summarised Group Balance Sheet At 30 November 2002

	Unaudited 30 November 2002	Unaudited 30 November 2001	Audited 31 May 2002
	£'000	£'000	£'000
Intangible assets	2,566	687	2,634
Tangible assets	17,563	17,434	17,158
Stocks	5,441	4,562	5,256
Debtors	18,736	18,372	18,887
Cash and bank balances	24	22	218
Creditors: amounts falling due within one year	(22,867)	(22,639)	(22,399)
Total assets less current liabilities	21,463	18,438	21,754
Creditors: amounts falling due after more than one year	(4,733)	(3,840)	(5,741)
Provision for liabilities and charges	(905)	(1,008)	(915)
Net assets	15,825	13,590	15,098
Total equity shareholders' funds	15,825	13,590	15,098

### Reconciliation of Movements in Equity Shareholders' Funds Half year to 30 November 2002

	Unaudited Half year to 30 November 2002	Unaudited Half year to 30 November 2001	Audited Year to 31 May 2002
	£'000	£'000	£'000
Profit after taxation	1,045	830	2,906
Dividends	(318)	(285)	(1,035)
Share capital issued including premium	-	19	119
	-----	-----	-----
Net addition to equity shareholders' funds	727	564	1,990
Opening equity shareholders' funds	15,098	13,026	13,108
	-----	-----	-----
Closing equity shareholders' funds	15,825	13,590	15,098
	-----	-----	-----

### Summarised Group Cash Flow Statement Half year to 30 November 2002

	Unaudited Half year to 30 November 2002	Unaudited Half year to 30 November 2001	Audited Year to 31 May 2002
	£'000	£'000	£'000
Operating profit	1,773	1,545	4,854
Goodwill amortisation	68	18	53
Depreciation	1,017	927	1,879
(Increase)/decrease in working capital	(256)	(118)	1
Other	(5)	(28)	(34)
	-----	-----	-----
Operating cash flow	2,597	2,344	6,753
Interest	(287)	(365)	(695)
Taxation	(568)	(437)	(1,082)
Equity dividends	(748)	(624)	(911)
Purchase of tangible fixed assets	(1,513)	(1,039)	(1,348)
Sale of tangible fixed assets	86	20	39
Acquisitions	-	-	(1,479)
Deferred acquisition payments	(188)	(800)	(800)
Share capital subscribed including premium	-	19	19
	-----	-----	-----
Net cash (outflow)/inflow before financing	(621)	(882)	496
Medium term loan movements	(240)	(223)	1,146
	-----	-----	-----
(Decrease)/increase in cash in the period	(861)	(1,105)	1,642
	-----	-----	-----

### Reconciliation of Net Cash Flow to Movement in Net Debt Half year to 30 November 2002

	Unaudited Half year to 30 November 2002	Unaudited Half year to 30 November 2001	Audited Year to 31 May 2002
	£'000	£'000	£'000
(Decrease)/increase in cash per cash flow statement	(861)	(1,105)	1,642
Cash outflow/(inflow) from decrease/(increase) in debt financing	240	223	(1,146)
Change in net debt resulting from cash flows	(621)	(882)	496
Net debt brought forward	(10,430)	(10,926)	(10,926)
Net debt carried forward	(11,051)	(11,808)	(10,430)
<b>Analysis of net debt:</b>			
Cash and bank balances	24	22	218
Overdrafts	(5,635)	(7,519)	(4,968)
Short term loans	(1,007)	(471)	(739)
Medium/long term loans	(4,433)	(3,840)	(4,941)
	(11,051)	(11,808)	(10,430)

### Segmental Analysis

Half year to 30 November 2002

	Unaudited Half year to 30 November 2002	Unaudited Half year to 30 November 2001	Audited Year to 31 May 2002
	£'000	£'000	£'000
<b>Turnover</b>			
Agriculture	18,601	19,400	44,134
Distribution	6,466	6,464	12,565
Fuels	44,067	41,865	84,260
Retail	7,344	6,154	13,782
	76,478	73,883	154,741
<b>Operating profit</b>			
Agriculture	545	469	1,408
Distribution	667	608	1,318
Fuels	520	462	1,408
Retail	41	6	720
	1,773	1,545	4,854

**Net operating assets**

Agriculture	8,442	9,347	7,998
Distribution	9,748	9,398	9,257
Fuels	3,684	2,889	3,962
Retail	5,267	5,005	5,233
	27,141	26,639	26,450

**Notes:**

The calculation of basic earnings per share for the half year is based on profit after taxation of £1,045,000 (2001: £830,000) and on 7,960,241 (2001: 7,910,471) ordinary shares representing the weighted average number of shares in issue during the period.

1. The calculation of the diluted earnings per share for the half year is based on the figures shown above amended for the weighted average dilutive effect (139,590) of share options outstanding through the period (2001: 6,470).
2. The comparative figures for the year to 31 May 2002 are an abridged version of the Accounts filed with the Registrar of Companies on which an unqualified audit opinion has been given.
3. The above statements have been prepared on the basis of accounting policies set out in the 2002 Annual Financial Statements.

**2003 Financial Calendar**

Interim Dividend Paid	1 May 2003
Financial Year End	31 May 2003
Preliminary Announcement of Full Year Results	August 2003
Publication of Full Year Report and Accounts	September 2003
Annual General Meeting	25 September 2003
Final Dividend Paid	1 November 2003

Copies of the Interim Statement are being sent to shareholders on Friday, 7 February 2003. Further copies can be obtained from the Company Secretary at NWF Group plc, Wardle, Nantwich, Cheshire, CW5 6BP or viewed on the Company's Web site: <http://www.nwf.co.uk>

**For further information contact:**

**Graham Scott (Chief Executive)**  
**Alan Fulker (Finance Director)**

**01829 260260**