

NWF Group plc Trading Update

NWF Group plc ("NWF"), the diversified sales and distribution business, is today providing the market with a trading update for the year ended 31 May 2005.

As reported in the Interim Statement announced on 31 January 2005, the Group has undertaken an unprecedented level of investment across most of the businesses to lay the foundations for further profitable development.

Earlier in the year, the Feeds Division acquired JGW Thomas & Son Limited, an animal feed manufacturer based in Devon, the Garden Centres Division acquired Victoria Garden Centre in Yorkshire and disposed of its six country stores, and in the Distribution business a new warehouse has been brought into use at Deeside, Chester and planning permission has been obtained for building warehouses at Wardle in Cheshire.

Current trading

Distribution has suffered in the short term due to high fuel costs and an increase in labour costs, particularly associated with staffing our start-up Deeside operation. **Feeds** is currently experiencing higher volumes and profits than the comparative period last year, but results will still be slightly lower than expected. Our **Garden Centres** business is also delivering higher sales than last year, but a late start to Spring trading will impact its year end profitability. Finally our **Fuels** business is performing well having coped with extremely high and volatile product prices.

While the Board remains confident of the outlook for 2005/2006 as a result of the significant investment undertaken by the Group in the current year, the factors outlined above will impact upon the Group's trading performance in the year ending 31 May 2005.

Preliminary Results

The Company will update the market further on current trading in August when it announces preliminary results for the year ended 31 May 2005.

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For further information please visit www.nwf.co.uk or contact:

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