

NWF Group plc

HP Foods Ltd Contract New Warehouse Lease



NWF Group plc ("NWF Group" or the "Company"), the diversified sales and distribution business is pleased to announce that its distribution division, Boughey Distribution Ltd ("Boughey"), has entered into a two year contract with HP Foods Ltd ("HP Foods") to undertake the warehousing and distribution of HP Food's products into the grocery retail sector. The work will include trunking product from HP Food's factories in the Midlands to a new warehouse facility in Deeside and national deliveries into the retail sector, integrating with traffic from Boughey's other two nearby sites at Wardle and Winsford.

Boughey has entered into a 15 year lease on a shared warehouse facility at Deeside, which has a capacity for 19,500 pallets. [The lease has a break clause at 5 years.]

It is anticipated that the HP Foods contract will utilise approximately 50% of the site immediately and the Board anticipate that the remaining capacity will be fully utilised from new and existing Boughey customers by early 2005. This new warehouse facility will increase Boughey's capacity by over 30 per cent. to approximately 73,000 pallets.

Mike Guest Boughey's Managing Director commented: "HP Foods is a national brand and one with which we are delighted to be working. We have built a good relationship over the last two years with HP and we are now looking forward to building upon this on a larger platform. The fit of the HP business with our other ambient grocery business is excellent and future new business that is earmarked for the Deeside operation will further enhance our consolidation."

Dave Hall Operations Director at HP Foods commented: "We have been working with Boughey for two years on a small part of our retail business. We have been pleased with how they operate and because they focus on the ambient grocery market their knowledge and experience in this area is considerable. We are looking forward to developing a strong relationship with Boughey over the coming years and ensure our service offering continues to be of the highest quality."

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