

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended to seek your own personal financial advice from an independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you sell or have sold or otherwise transferred all of your Ordinary Shares in NWF Group plc you should deliver this document together with the attached Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Application will be made for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective, and dealings in the Placing Shares will commence on 22 December 2005.

NWF GROUP PLC

(Incorporated and registered in England and Wales with No: 2264971)

Proposed Placing of 1,071,843 new Ordinary Shares at 560 pence per new Ordinary Share

Notice of Extraordinary General Meeting

This document does not constitute a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules.

Notice of an Extraordinary General Meeting of NWF Group plc to be held at the offices of Brabners Chaffe Street LLP, 1 Dale Street, Liverpool L2 2ET on 21 December 2005 at 11.00 a.m. is set out at the end of this document. Whether or not you intend to be present at the EGM you are urged to complete and return the attached Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event not later than 11.00 a.m. on 19 December 2005.

Charles Stanley & Co. Limited, which is authorised and regulated in the United Kingdom by The Financial Services Authority, is acting for NWF Group plc in connection with the Placing and for no one else in connection with the Placing and will not be responsible to anyone other than NWF Group plc for providing the protections afforded to customers of Charles Stanley & Co. Limited nor for giving advice to any other person on the contents of this document or in relation to the Placing generally. No liability is accepted by Charles Stanley & Co. Limited for the accuracy of any information or opinions contained in, or for the omission of any material information from, this document for which the directors of NWF Group plc are solely responsible.

CONTENTS

| | <i>Page</i> |
|---|-------------|
| Definitions | 3 |
| Letter from the Chairman | 4 |
| Additional Information | 7 |
| Notice of Extraordinary General Meeting | 8 |
| Form of Proxy | 9 |

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

| | |
|--|--------------------------------|
| Latest time and date for receipt of Forms of Proxy | 11.00 a.m. on 19 December 2005 |
| Extraordinary General Meeting | 11.00 a.m. on 21 December 2005 |
| Admission and dealings in the Placing Shares expected to commence on AIM | 8.00 a.m. on 22 December 2005 |

PLACING STATISTICS

| | |
|--|----------------|
| Placing Price | 560p |
| Number of Ordinary Shares in issue at the date of this document | 8,064,955 |
| Number of Placing Shares | 1,071,843 |
| Number of Ordinary Shares in issue immediately following Admission | 9,136,798 |
| Market capitalisation of the Company at the Placing Price | £51.17 million |
| Gross proceeds of the Placing receivable by the Company | £6.00 million |
| Estimated net proceeds of the Placing receivable by the Company | £5.70 million |

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

| | |
|--|--|
| “Act” | the Companies Act 1985, as amended |
| “Admission” | the admission of the Placing Shares to trading on AIM and such admission becoming effective in accordance with the AIM Rules |
| “AIM” | AIM, a market operated by the London Stock Exchange |
| “AIM Rules” | the rules governing the admission to, and operation of AIM contained in the document entitled the “AIM Rules” published by the London Stock Exchange |
| “Charles Stanley” | Charles Stanley & Co. Limited |
| “Company” or “NWF” | NWF Group plc |
| “Directors” or the “Board” | the directors of NWF, whose names appear on page 4 of this document |
| “EGM” or “Extraordinary General Meeting” | the Extraordinary General Meeting of the Company convened for 11.00 a.m. on 21 December 2005 by the Notice of EGM and any adjournment thereof |
| “Form of Proxy” | the form of proxy attached to this document for use at the EGM |
| “Group” | the Company and its subsidiary undertakings |
| “London Stock Exchange” | London Stock Exchange plc |
| “Notice of EGM” | the notice of EGM set out at the end of this document |
| “Ordinary Shares” | ordinary shares of 25 pence each in the share capital of the Company |
| “Placing” | the conditional placing of the Placing Shares with institutional and other investors, as described in this document |
| “Placing Agreement” | the agreement dated 25 November 2005 between the Company and Charles Stanley in connection with the Placing |
| “Placing Shares” | the 1,071,843 Ordinary Shares which are proposed to be allotted and issued pursuant to the Placing Agreement |
| “Resolution” | the resolution set out in the Notice of EGM |
| “Shareholders” | holders of Ordinary Shares |

PART I
LETTER FROM THE CHAIRMAN

NWF GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with No: 2264971)

Directors:

Roy Willis (*Non-executive Chairman*)
Graham Scott (*Chief Executive*)
Paul Grundy (*Finance Director*)
Mark Hudson (*Non-executive Director*)
John Acornley (*Non-executive Director*)

Registered Office:

Wardle
Nantwich
Cheshire
CW5 6BP

Company Secretary:

Rob Andrew

25 November 2005

To Shareholders

Dear Shareholder,

Introduction

The Company is pleased to announce that, subject *inter alia* to the approval of its Shareholders NWF proposes to raise approximately £6.0 million by way of a Placing of 1,071,843 new Ordinary Shares at a price of 560 pence per Ordinary Share.

The purpose of this document is to provide you with information on and to outline the reasons for the Placing and to explain why the Board considers the Placing to be in the best interests of the Company and Shareholders as a whole and why it recommends that you vote in favour of the Resolution.

An Extraordinary General Meeting has been convened for 21 December 2005, at which Shareholders will be asked to consider, and if thought fit, approve the Resolution in order to implement the Placing. Details of the Extraordinary General Meeting are set out in the Notice of EGM which is set out at the end of this document.

Background and reasons for the Placing

The Group has previously announced that it has obtained planning permission to build three new warehouses and associated infrastructure at its Wardle site to enable the expansion of the Distribution division's storage capabilities. The proposed development will increase the Distribution division's capacity by approximately 42,000 pallets, which represents a 54 per cent. increase in the division's on and off-site capacity.

The three new warehouses will be built on 18.5 acres of land adjoining the existing Wardle site, over which the Group has an option to acquire for a consideration of approximately £1.8 million. The Board anticipates that this freehold land (including a further small parcel of land required to improve site access) will be acquired prior to the end of the Group's current financial year. It is expected that the proposed development work will commence in the first half of 2006 with an anticipated completion date of early 2007.

The total cost of the proposed development, including fees and other related infrastructure costs, is estimated at £15 million. The proceeds of the Placing, together with the financing facilities with the Royal Bank of Scotland Group, further details of which are outlined below, will be used to provide the funds required for the proposed development. The financing facilities will also provide additional working capital facilities for the Group.

Financing

The Group has entered into new facility agreements with the Royal Bank of Scotland Group which provide the Group with banking facilities of £52.7 million. The new facilities comprise:

- £7 million term loan for the development (repayable on or by 30 November 2008);
- £9 million revolving credit facility (available until 30 November 2008);
- £2.7 million term loan (repayable on or by 30 November 2008);
- £25 million invoice discounting facility (available until 30 November 2008);
- £5 million overdraft facilities; and
- £4 million of asset lease facilities.

Current trading and prospects

The Board's stated strategy is to deliver growth through the continued expansion of its four separate operating divisions through ongoing development of the existing operations or through appropriate acquisitions.

The proposed development of the Wardle site will increase the Distribution division's storage capacity by 54 per cent. and will add significant scale to this division. The Board is confident that it can gain further customers to utilise the three new warehouses, as well as providing increased ambient storage facilities for its existing customers. Continued demand exists for the Distribution division's services from both grocery food suppliers and supermarkets. The division has recently won a new contract with Somerfield Stores Limited, as announced on 11 August 2005, and the Deeside warehouse is now fully utilised as a result of contracts with Patak's Food Limited, HP Foods and others.

The Feeds division is continuing to increase its market share and has increased its combined production capacity of compound feeds at Wardle (Cheshire) and Wixland (Devon) to around 400,000 tonnes per annum. In addition to producing compound feeds the division also manufactures blended feeds at Wardle and Wixland and new blend plants have been established at Ayr (Scotland), Penrith (Cumbria) and Exeter (Devon). The Feeds division, with its two major feed mills and three satellite operations, is able to provide an increased service to its livestock farming customers located on the western side of Britain.

The Fuels division continues to trade in line with the Board's expectations and the acquisition of Broadland Fuels Limited, based in Norfolk, in August 2005 extends the division's geographical reach to East Anglia.

The Garden Centre division, despite trading conditions remaining tough, is trading ahead of the prior year period with improved margins and profits. The division has continued with its strategy of developing its existing sites during the current year and the Board is satisfied with the progress of Victoria Garden Centre, acquired during November 2004.

As a result the Board is confident of the financial and trading prospects and outlook of the Group for the short, medium and longer term.

Details of the Placing

The Company is proposing to raise £5.7 million (net of expenses), by way of a placing of 1,071,843 new Ordinary Shares at 560 pence per Ordinary Share. Charles Stanley, as agent for the Company, has conditionally agreed to use its reasonable endeavours to procure subscribers for the Placing Shares pursuant to the Placing Agreement. The Placing Shares will represent 11.7 per cent. of the issued share capital of the Company as enlarged by the Placing. The Placing Price of 560 pence per share represents a 10.0 per cent. discount to the middle market closing price of 622.5 pence per Ordinary Share on 24 November 2005 (the latest practicable date prior to the announcement of the Placing).

The Board considers that it would be in the Group's and Shareholders' best interests for the funds to be raised by the Placing. An offer to allow all existing shareholders to subscribe for the Placing Shares would have necessitated the production of a prospectus at significant additional cost, diversion of management time and a delay in the Company receiving the proceeds of the Placing.

The Placing is conditional, *inter alia*, on the passing of the Resolution at the EGM, the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms and Admission.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that trading will commence on 22 December 2005.

The Placing Shares will, when issued and fully paid, rank *pari passu* in all respects with the Company's existing Ordinary Shares, including the right to receive any dividend or other distribution thereafter declared, made or paid.

It is expected that the Placing Shares will be delivered in CREST on 22 December 2005 and that share certificates for the Placing Shares to be held in certificated form will be despatched by 5 January 2006.

Extraordinary General Meeting

A notice convening the Extraordinary General Meeting to consider and, if thought fit, pass the Resolution is set out on page 8 of this document.

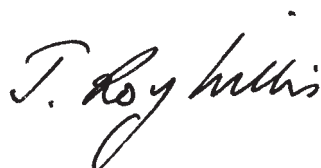
Action to be taken

Shareholders will find a Form of Proxy attached to this document for use at the EGM. Whether or not you intend to be present at the EGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon as soon as possible. To be valid, completed Forms of Proxy must be received by, Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR not later than 11.00 a.m. on Monday, 19 December 2005, being 48 hours before the time appointed for holding the EGM. Completion of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

Recommendation

Your Board believes that the Placing and the passing of the Resolution set out in the notice of EGM to be in the best interests of the Company and Shareholders as a whole. Accordingly, the Board unanimously recommends that you vote in favour of the Resolution as they have irrevocably undertaken to do in respect of their own aggregate holdings of 405,700 Ordinary Shares, representing approximately 5.03 per cent. of the existing ordinary share capital of the Company.

Yours faithfully



Roy Willis
Non-executive Chairman

PART II
ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names are set out on page 4, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the importance of such information.

2. Litigation

There are no legal or arbitration proceedings (nor are there any such proceedings which are pending or threatened of which the Directors are aware) involving any member of the Group which may have, or have had during the last 12 months, a significant effect on the financial position of the Group.

3. Significant change

There has been no significant change in the trading position of the Group since 31 May 2005, the date to which the last audited financial statements have been prepared.

4. Documents available for inspection

Copies of this document are available for inspection or collection, free of charge, at the registered office of the Company and at the offices of Charles Stanley, 25 Luke Street, London EC2A 4AR during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) from the date hereof until the date falling one month after the date of Admission.

NWF GROUP PLC

(Incorporated and registered in England and Wales with No: 2264971)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HERBY GIVEN that an Extraordinary General Meeting of the NWF Group PLC (“Company”) will be held at the offices of Brabners Chaffe Street LLP, 1 Dale Street, Liverpool, L2 2ET on 21 December 2005 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution:

Special Resolution

THAT, in addition to the existing authority under that section conferred by a special resolution of the Company passed on 30 September 2005, the Directors be and are hereby empowered pursuant to section 95(1) of the Companies Act 1985 (the “Act”) to allot equity securities (within the meaning of section 94(2) of the Act) for cash pursuant to the authority to allot relevant securities conferred by the ordinary resolution of the Company passed on 30 September 2005 as if section 89(1) of the Act did not apply to such allotment, such power being limited to the allotment of equity securities up to a maximum aggregate nominal amount of £267,961 in connection with the placing of 1,071,843 ordinary shares as described in the circular to shareholders dated 25 November 2005 and provided that this authority shall expire on 31 December 2006 (unless and to the extent that such power is revoked, varied, renewed or extended prior to such date).

Dated: 25 November 2005

By order of the Board
S.R. Andrew
Company Secretary
NWF Group plc
Wardle
Nantwich
Cheshire
CW5 6BP

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy or proxies to attend and on a poll, vote instead of him. A proxy need not be a member of the Company. The appointment of a proxy will not preclude a member from attending and voting at the meeting in person should he subsequently decide to do so.
2. To be effective, the relevant Form of Proxy must be completed and lodged with the Company’s Registrars, Capita Registrars, Proxy Department, PO Box 25, 34 Beckenham Road, Beckenham, Kent BR3 4BR no later than 48 hours before the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, Shareholders who hold shares in uncertificated form must be entered on the Company’s register of members at 6.00 p.m. on 20 December 2005 in order to be entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at such time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

**FORM OF PROXY
NWF GROUP PLC**

For use at the Extraordinary General Meeting to be held at the offices of Brabners Chaffe Street LLP, 1 Dale Street, Liverpool L2 2ET at 11.00 a.m. on 21 December 2005

I/We
(name in full in block capitals)

of
(full postal address in block capitals)

.....
being (a) member(s) of NWF Group plc (the "Company") hereby appoint the chairman of the meeting (See note 3 below)

.....
as my/our proxy to vote for me/us on my/our behalf at the extraordinary general meeting of the Company at 11.00 a.m. on 21 December 2005 and at any adjournment of the meeting. This form of proxy relates to the resolution referred to below and to any other business transacted at the meeting.

I/We instruct my/our proxy to vote as follows:

| Special Resolution | For | Against | Abstain |
|--|-----|---------|---------|
| To empower the Directors to allot equity securities pursuant to Section 95 of the Companies Act 1985 | | | |

Please indicate how you wish your proxy to vote by inserting "X" in the appropriate box. If no indication is given, your proxy will be deemed to have the authority to vote or abstain at his/her discretion on the resolution above and on any other business transacted at the meeting.

Dated2005 Signature

Notes:

1. To be valid this form, together with any power of attorney or other written authority under which it is signed, or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power or written authority must be completed, signed and deposited with Capita Registrars by not later than 11.00 a.m. on 19 December 2005.
2. A corporation must execute this form either under its common seal or under the hand of two directors or one director and the secretary or under the hand of an officer or attorney duly authorised in writing.
3. The appointment of the chairman as proxy has been included for convenience. If you wish to appoint any other person as proxy delete the words "the chairman of the meeting" and add the name and address of the proxy appointed. A proxy need not be a member of the Company. If you complete the proxy form but do not delete the words "the chairman of the meeting" and you do not appoint a proxy, the chairman shall be entitled to vote as proxy.
4. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated and the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the shares.
5. Any alteration to this form must be initialled.
6. Returning the form of proxy will not prevent you from attending the meeting and voting in person.

Third Fold and tuck in

BUSINESS REPLY SERVICE
Licence No. MB 122



**Capita Registrars
Proxy Department
PO Box 25
34 Beckenham Road
Beckenham
Kent BR3 4BR**

Second Fold

First Fold

