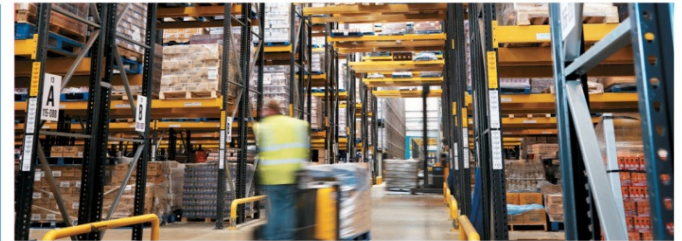


Food Distribution



Feeds



Fuels



NWF Group plc
Preliminary results year to 31 May 2009

Contents

page

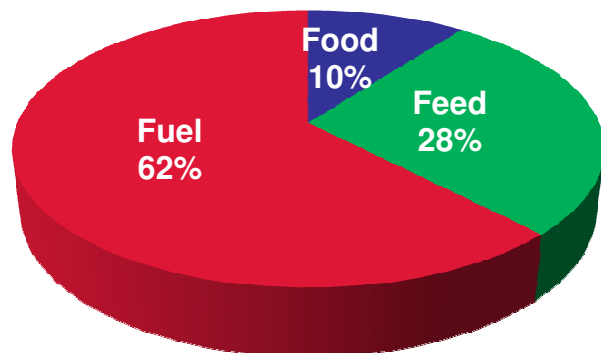
➔ Who are we?	3
➔ Group overview	4
➔ Business highlights	5
➔ Financial review	8
➔ Development outlook	12
➔ Summary	15
➔ Appendices	16
➔ Business backgrounds	
➔ Locations	
➔ Group organisation	
➔ Wardle site photo	
➔ Five year financial performance	
➔ Additional market data	

Who are we?

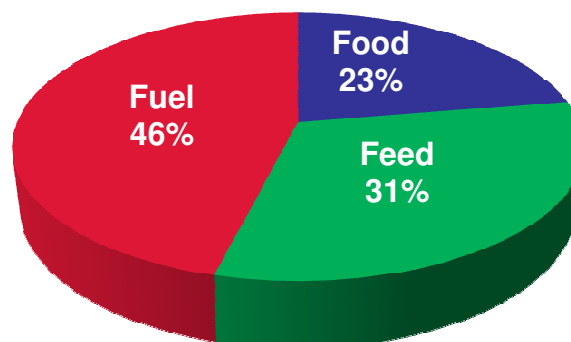
- ➔ NWF Group plc is a focused specialist distributor of food, feed and fuel



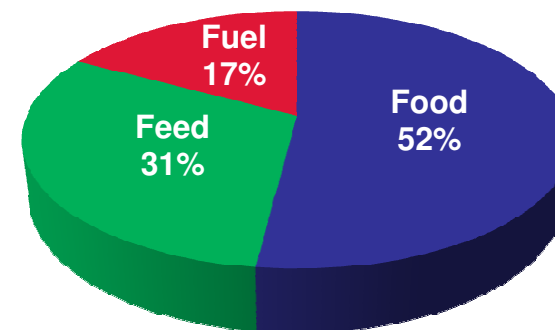
Revenue £381 million



Operating profit £8.9 million



Operating net assets £55.4 million



Group overview

- ➔ Delivered the strategy to focus as a specialist distributor of food, feed and fuel
- ➔ Record performance for NWF
- ➔ Revenue increased by 5.4% to £380.6 million (2008: £361.2 million)
- ➔ Operating profit up 53.4% to £8.9 million (2008: £5.8 million)
- ➔ Profit before taxation up 47.6% to £6.2 million (2009: £4.2 million)
- ➔ Headline basic earnings per share 10.4p (2008: 6.0p)
- ➔ Full year dividend increased by 5.1% at 4.1p per share (2008: 3.9p)
- ➔ Reduction in net debt of 63.0% to £19.3 million (2008: £52.1 million)
 - ➔ Completed the sale of the garden centres for £14.5 million



Business highlights – food distribution

	2009 £m	2008 £m	%
Revenue	39.6	33.4	+18.6
Operating profit	2.0	0.5	+300.0
Pallet spaces stored	104,000	91,000	+14.3

- ➔ Storage capacity full from August to January
- ➔ Won 7,500 pallets of new business
- ➔ Service level maintained at 99.5% - customer bonuses earned
- ➔ Strengthened management team
- ➔ Improved operational efficiency and asset utilisation
- ➔ Robust demand for ambient groceries, competitive supply chain



Business highlights – feeds

	2009 £m	2008 £m	%
Revenue	104.7	100.1	+4.6
Operating profit	2.8	3.1	-9.7
Tonnes	462,000	517,000	-10.6

- Ruminant market compound volumes down 5.1% (milk output down 1.9%)
- Raw material volatility – soya and wheat fell over 40%
- Focus on direct business with farmers – adding value
- Increasing resources deployed in the South
- Focus on margin management and cost efficiencies
- Launched added value Ultra Soy, Ultra Pro-R products and sheep nuggets



Business highlights – fuels

	2009 £m	2008 £m	%
Revenue	236.7	228.2	+3.7
Operating profit	4.1	2.2	+86.4
Million litres	355	347	+2.3

- Outstanding result, record for the division
- Excellent market conditions
 - Record falls and volatile oil price
 - Cold winter
- Strong depot based teams – increased operational focus
- Excellent results at Wardle, Nottingham, Ammanford and Burwell
- One off gain estimated at £1.0 million operating profit



Financial review – income statement summary

	2009 £m	2008 £m	%
Revenue			
Food Distribution	39.2	32.9	19.1%
Feeds	104.7	100.1	4.6%
Fuels	236.7	228.2	3.7%
Total revenue	380.6	361.2	5.4%
Operating profit			
Food Distribution	2.0	0.5	300.0%
Feeds	2.8	3.1	-9.7%
Fuels	4.1	2.2	86.4%
Total operating profit	8.9	5.8	53.4%
Finance costs	(2.7)	(1.6)	68.8%
PBT	6.2	4.2	47.6%
Tax	(1.3)	(1.4)	-7.1%
PAT (Headline)	4.9	2.8	75.0%
Headline EPS (pence)	10.4	6.0	73.3%
DPS (pence)	4.1	3.9	5.1%
Dividend Cover	2.5	1.5	64.9%
Interest Cover (excl IAS 19 finance costs)	3.3	3.2	3.1%

Financial review – balance sheet summary

	2009 £m	2008 £m
Fixed assets	42.1	43.1
Net Working Capital	12.3	19.5
Assets Employed	54.4	62.6
Assets held for sale	-	25.4
Pension deficit	(6.7)	(4.4)
Tax provisions	(4.5)	(1.0)
Net Debt	(19.3)	(52.1)
Net Assets	23.9	30.5
Gearing	81%	171%
Net Debt : EBITDA	1.6	4.8

Financial review – net debt summary

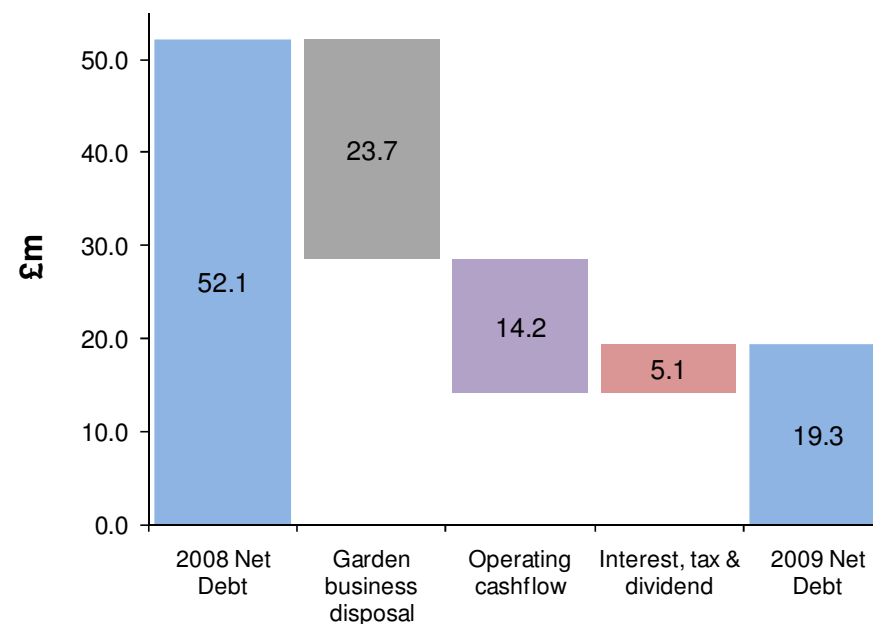
Debt Summary

- Total committed facilities of £41.6m with RBS until May 2011. In addition £7m of HP finance is available.

<u>£m</u>	<u>Facility</u>	<u>Drawn</u>
Overdraft	1.1	1.0
Invoice Discounting	32.8	13.8
Revolving Credit Facility	7.7	-
Banking facilities	41.6	14.8
Hire Purchase	7.0	4.5
Total	48.6	19.3

- Average cost of net debt: Base + 1.7%
- Borrowing covenants - Net debt : EBITDA & EBIT: Interest cost
- £15m Interest swap in place at 5.045% until Dec 2010

Movement in net debt



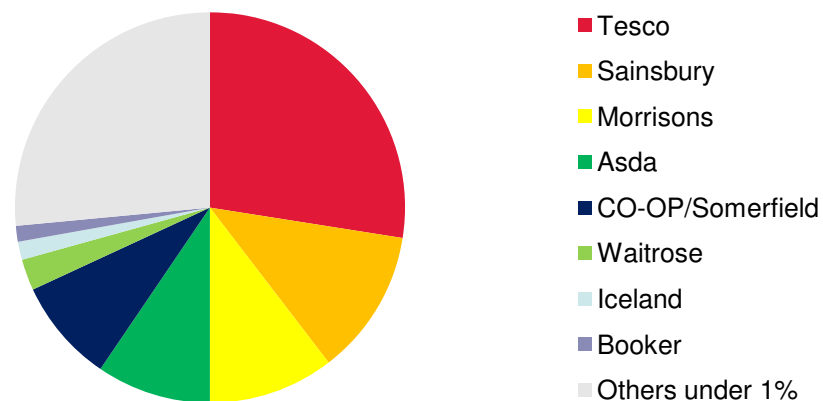
Financial review – cash flow

	2009	2008
	£m	£m
Operating profit	8.8	6.8
Depreciation & amortisation	3.5	4.0
Working capital	5.6	(6.7)
Other	(0.2)	(0.1)
Operating cash flow	17.7	4.0
Interest	(3.0)	(3.5)
Tax	(0.2)	(1.3)
Net cash flow from operating activities	14.5	(0.8)
Capital additions	(2.8)	(7.8)
Disposal proceeds	13.2	0.0
Deferred acquisition payments	(0.6)	(1.3)
	24.3	(9.9)
Dividends	(1.8)	(1.8)
Net cash flow	22.5	(11.7)

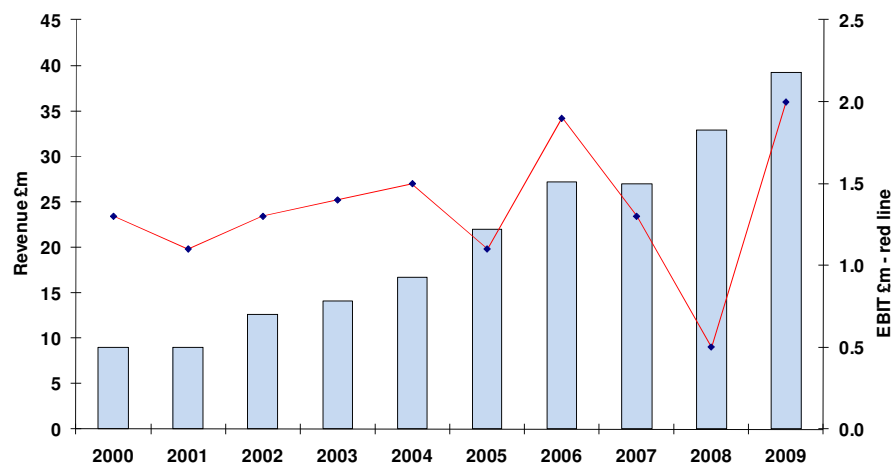
Development outlook – food distribution

- Robust demand for ambient groceries
- Boughey has a leading position in North West
- Competitive supply chain
- Asset utilisation key – high service and efficiency required, move to 24/7 operations
- Outlook for consolidators
 - Retailers favour the consolidator solution
 - Lowest cost supply chain

NWF distribution destinations
% case shipped



Food Distribution

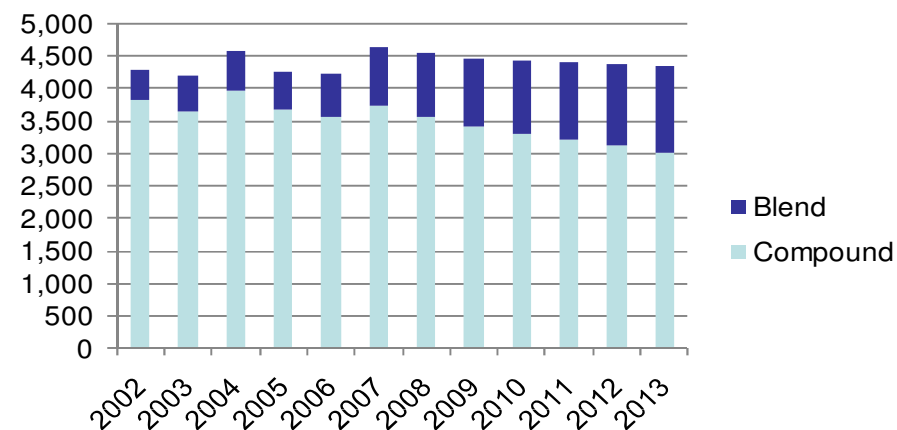


Development outlook – feeds

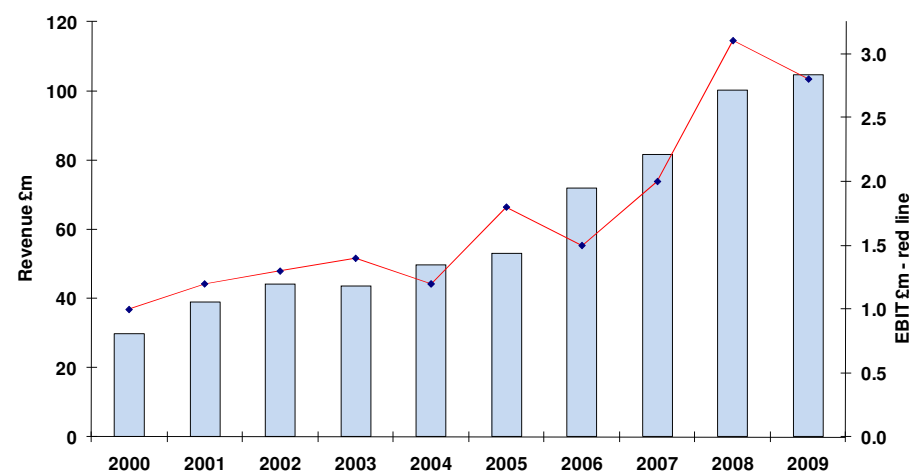
- Strong national sales team
- Strategy to build direct business with farmers, continue development in the South
- Volatile raw materials increase risk – winter 2009 – straights significantly lower than compound feed
- Lower milk prices causing pressure on farmers
- Continue to invest in added value products and services
- Ongoing focus on cost reduction and asset utilisation
- Maintaining excellent customer service



Ruminant Feed Market – tonnage '000s

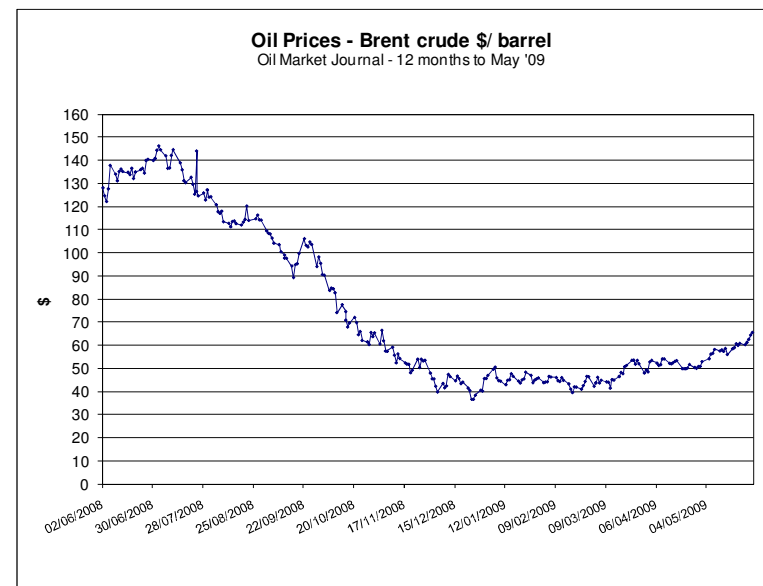


Feeds

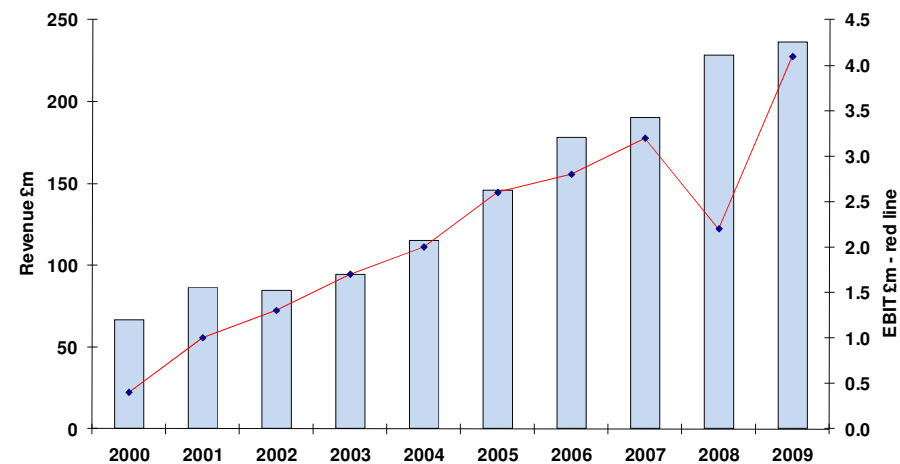


Development outlook – fuels

- Proven performance in volatile markets
- Proven track record – successful depot based operating model
- Developing tomorrow's depot managers in house
- Managing increasing credit risk key as credit insurers reduce cover
- Clear opportunity for bolt on acquisitions and start ups
- Management team structured for development opportunities



Fuels



Summary

- ➔ Delivered strategy to focus as a specialist distributor of food, feed and fuel
- ➔ Delivered record profitability for NWF
- ➔ Debt reduced by over 60%
- ➔ Markets large and robust
- ➔ Experienced, capable management team
- ➔ Good organic development plans being delivered
- ➔ Significant medium term development opportunities in all three divisions
 - ➔ Food Distribution : geographic expansion
 - ➔ Feeds: organic growth utilising capital base , industry consolidation opportunities
 - ➔ Fuels: proven bolt on acquisition capability, start ups, industry consolidation opportunities



Appendix

- ➔ Business backgrounds
- ➔ Locations
- ➔ Organisation
- ➔ Main site, Wardle
- ➔ Five year financial performance

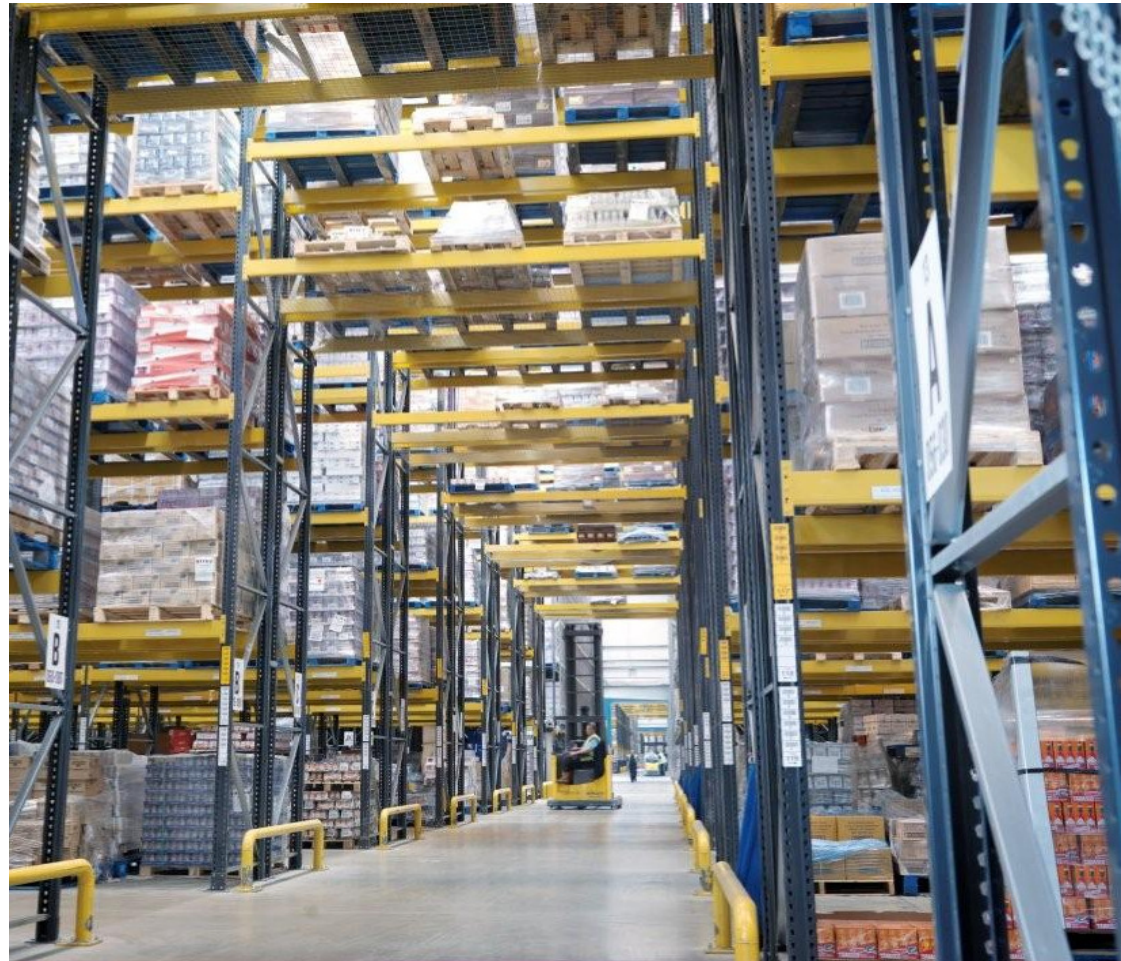
Business background – food distribution

Market

- Consolidation of ambient grocery products to UK supermarkets

Our business

- 115,000 pallet spaces
- 900,000 ft² of warehousing in Wardle and Deeside (North West)
- 584 people
- 135 trucks, 267 trailers
- 99.5% service level
- 200 customers including Princes, Pataks/Blue Dragon & Typhoo
- Packing room for added value work



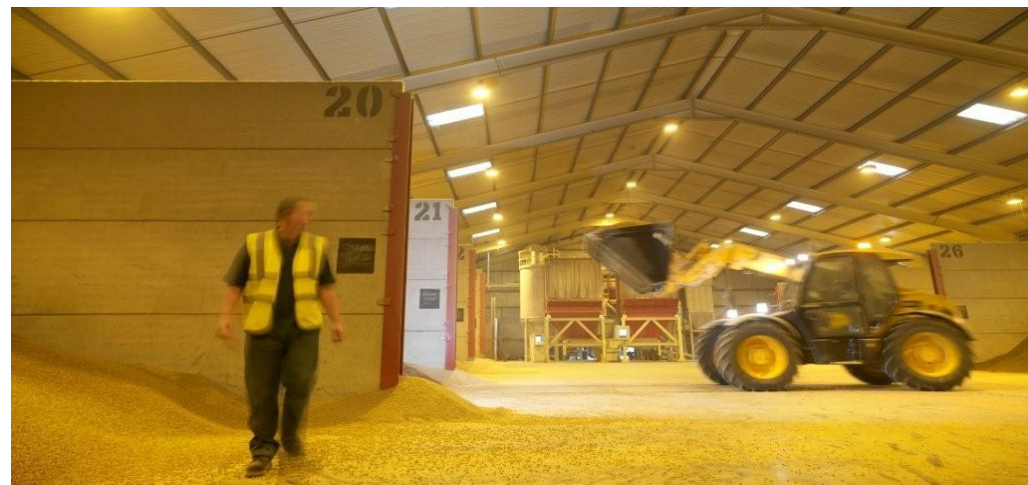
Business background – feeds

Markets

- Supply of feed to ruminants in the UK – principally dairy
- Market split into compound & blends

Our business

- National player – 14% market share
- 460,000 tonnes produced in 2008/9
- 168 people
- 28 trucks, 11 trailers
- Compound mills in Cheshire and Devon
- Blend sheds in Ayrshire, Cumbria, Cheshire and Devon
- Business grown by a factor of 10 in last 14 years



Business background – fuels

Markets

- ➔ 1.5 m homes use oil fired heating
- ➔ Commercial customers
- ➔ Service stations
- ➔ Fuel cards

Our business

- ➔ 146 people
- ➔ 56 tankers
- ➔ 13 depots across the UK
- ➔ Supply 80 retail petrol stations
- ➔ Fuel card marketing
- ➔ 350 million litres per annum



Locations

Locations: Food Distribution

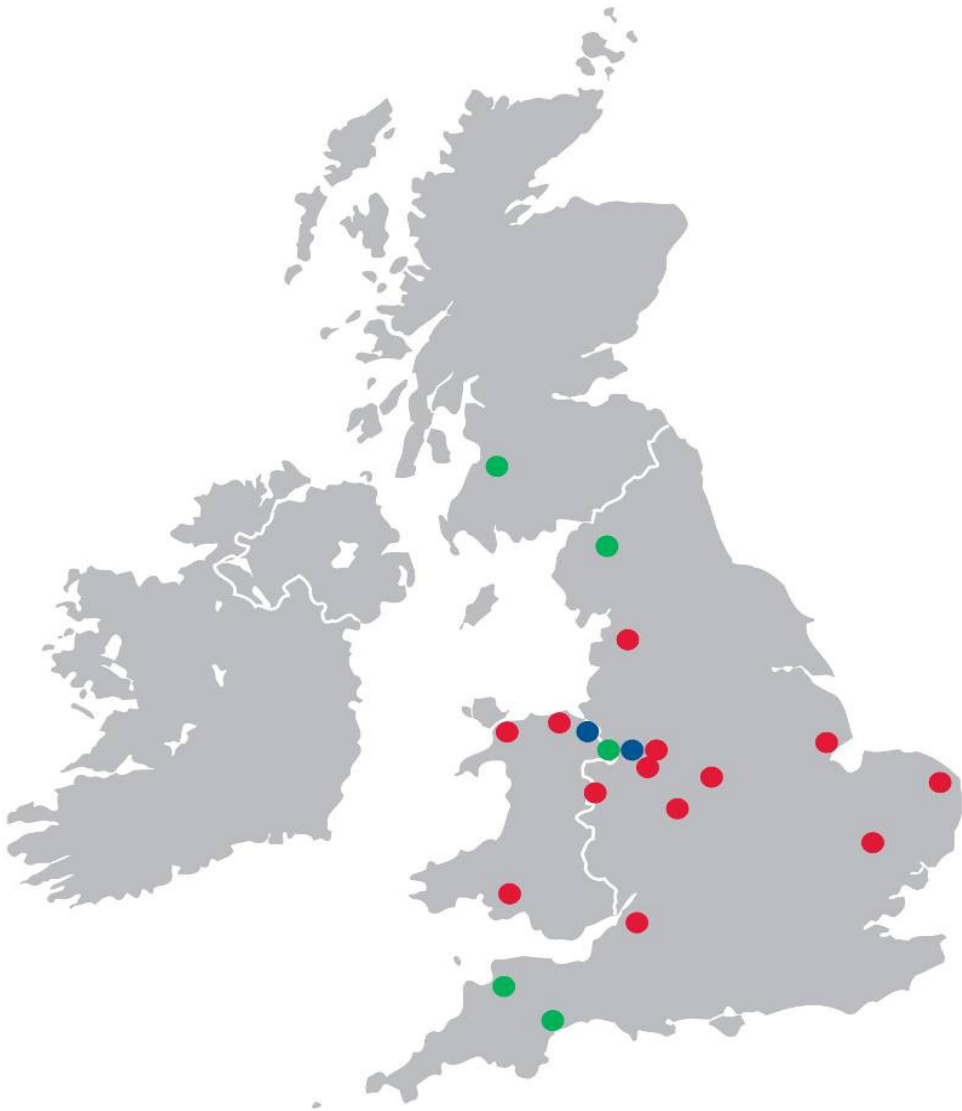
Wardle
Deeside

Locations: Feeds

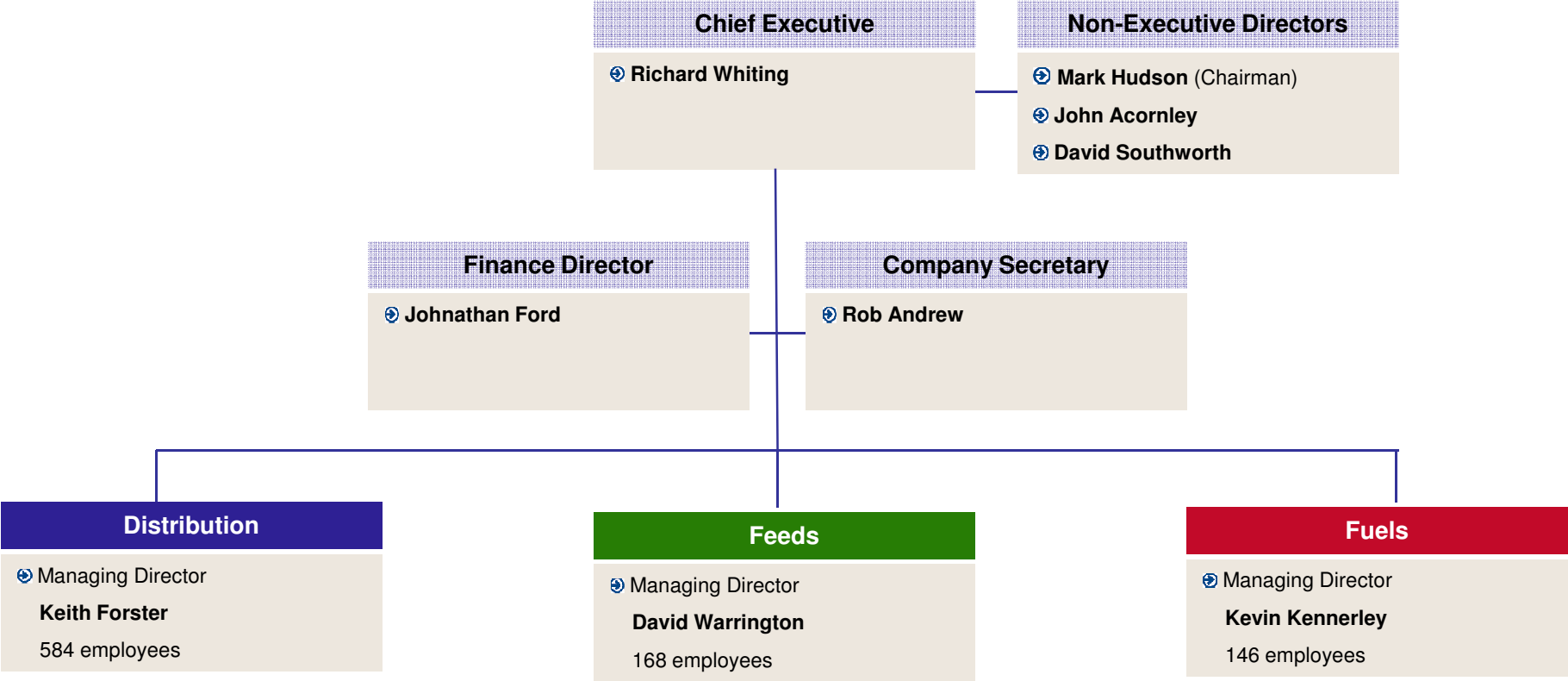
Ayr
Penrith
Wixland
Exeter
Wardle

Locations: Fuels

Bangor
Dyserth
Burnley
Ammanford
Yate
Burwell
Kingsbury
Leaton
Nottingham
Stoke
Boston
Acle
Wardle



Group organisation

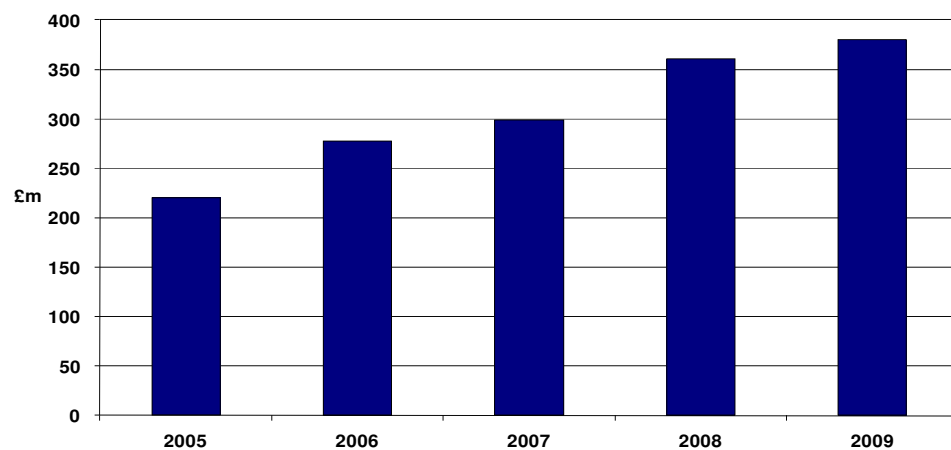


Wardle site

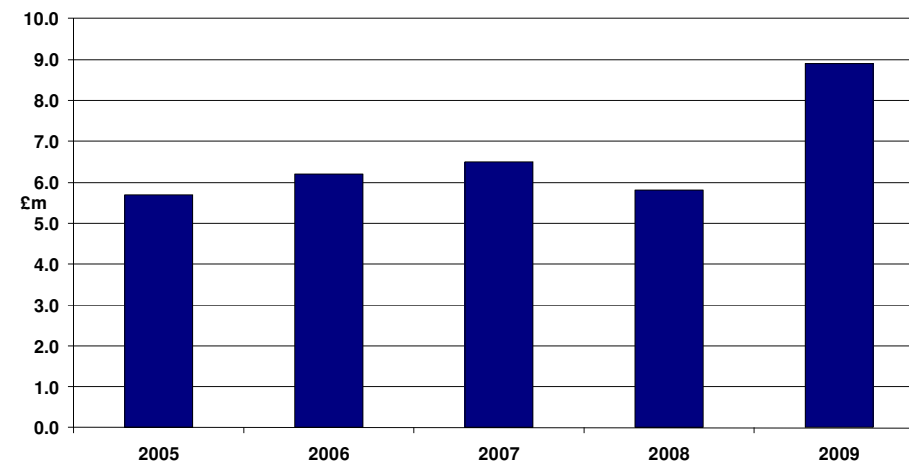


Five year financial performance

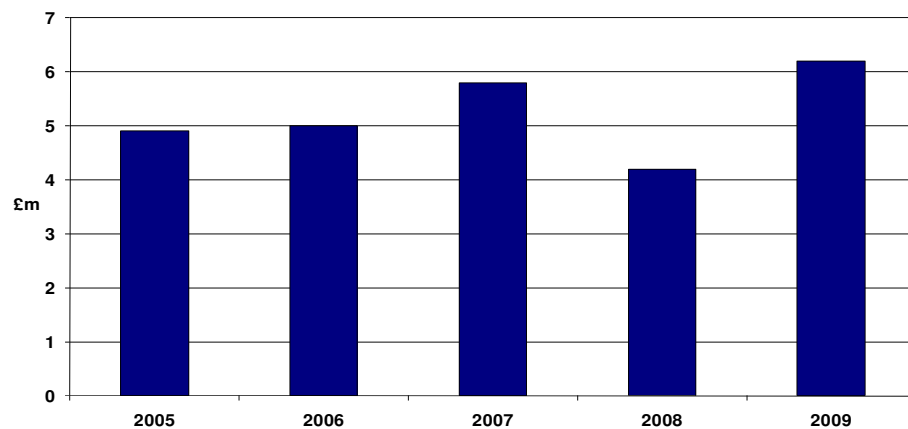
Revenue



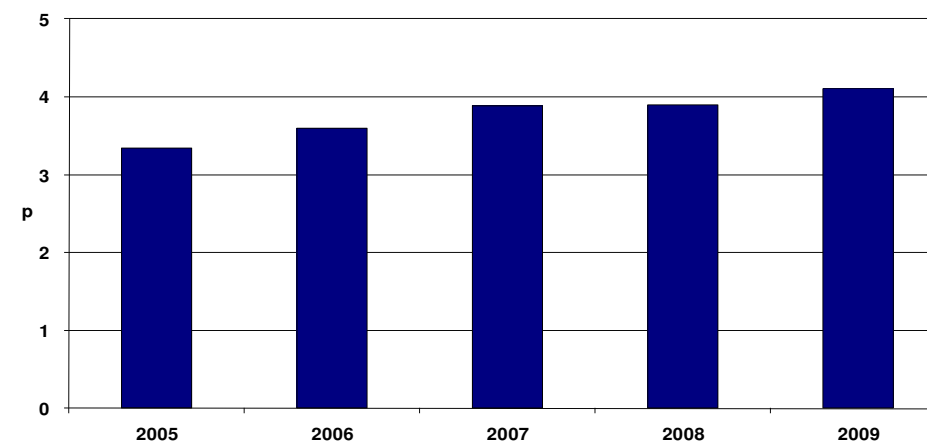
Operating Profit



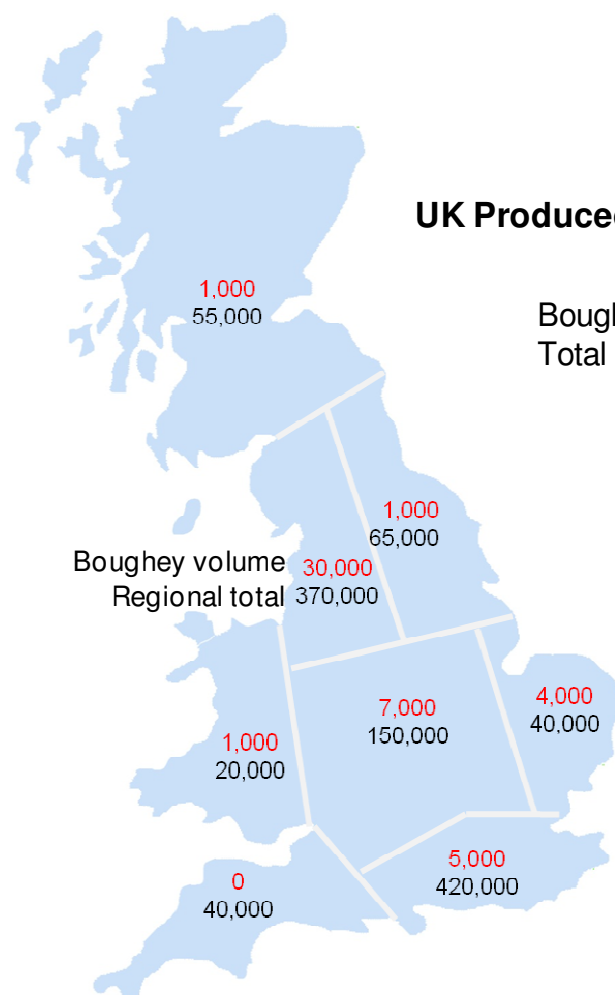
PBT



DPS



Food Distribution – additional market data



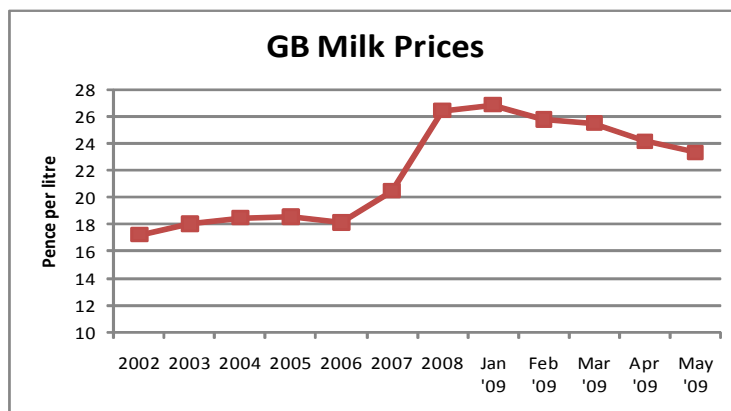
UK Produced Ambient Grocery Market

Boughey UK pallets **42,000**
Total UK pallets 1,160,000

Imported Ambient Grocery Market

Boughey imported pallets **58,000**
Total imported pallets 2,000,000

Feeds – additional market data

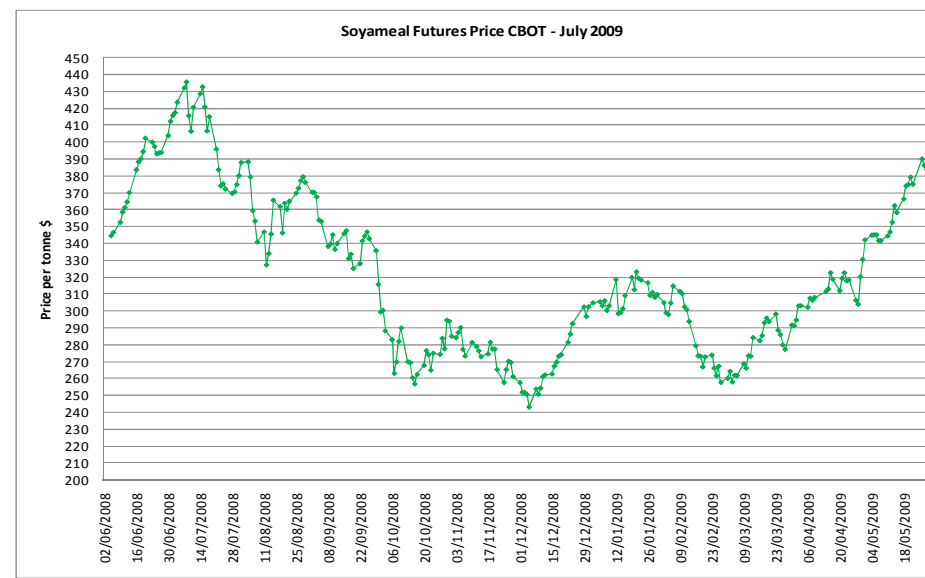
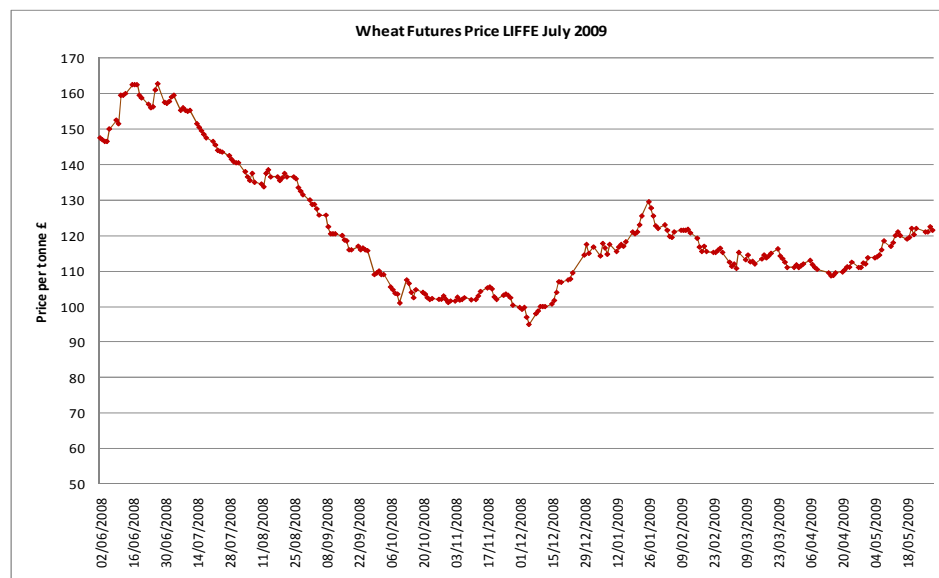


Range of prices

May '09

Dairy Crest Waitrose	27.84
Saputo/Dansco - Seasonal	19.28

source: DairyCo



Fuels – additional market data

