



NWF Group plc
Interim Results
Six months to 30 November 2008



Distribution



Feeds



Fuels

Contents

	Page
➤ Group overview	3
➤ Operational highlights	4
➤ Financial review	8
➤ Market opportunities and short term outlook	12
➤ Summary	15
➤ Appendices	16
➤ Group organisation	
➤ Group / divisional historical performance	
➤ Business backgrounds	
➤ Locations	
➤ The Board	

Group overview

- Group focused as a specialist distributor of food, feed and fuel
- Strong performance in the first half
- Revenue¹ up 21.8% to £198.1 million (2007: £162.6 million)
- Operating profit¹ up 68.2% to £3.7 million (2007: £2.2 million)
- Profit before tax¹ up 12.5% to £1.8 million (2007: £1.6 million)
 - Interest charge includes £0.6m fair value loss on the market value of certain interest rate hedging instruments; PBT £2.4m up 50% if excluded
- Headline earnings per share^{1,2} up 21.7% to 2.8p (2007: 2.3p)
- Interim dividend maintained at 1.0p
- Net debt reduced by £22.4 million to £29.7 million (31 May 08: £52.1 million)
- Successful sale of garden centres for £14.5 million – H1 loss on Garden centres £3.8 million
- Well positioned for the second half, in line to meet market expectations

1 from continuing operations only, excluding Garden Centres; H1 2007 figures restated.

2 excluding £1.3 million (H1 2007: £Nil) exceptional deferred tax charge arising from the phased withdrawal of industrial building allowances

Operational highlights - Distribution



£m	H1 2008/9	H1 2007/8	%
Sales	20.5	15.7	+30.6
Operating profit	1.0	0.5	+100.0
Pallet spaces (period end)	110,000	95,000	+15.8

- Warehousing at 95% of capacity, from August 2008
- Successful exit from leased facility at Winsford (£0.3 million cost in the result)
- Focused operation; two large centres at Wardle & Deeside; service level at 99.5%
- Strengthened management team
- Focus on efficiency improvements
- Demand robust



Operational highlights - Feeds

£m	H1 2008/9	H1 2007/8	%
Sales	49.4	41.2	+19.9
Operating profit	1.4	1.2	+16.7
Tonnes	213,000	230,000	-7.4

- Continued significant volatile raw material markets
(Jan 09 £ wheat / tonne: 152 ➔ 87)
- Milk production below quota, down 2.1% on prior year
- Strengthened sales team
- Focus on margins
- Effective raw material procurement
- New product line: Ultra Soy

Operational highlights - Fuels

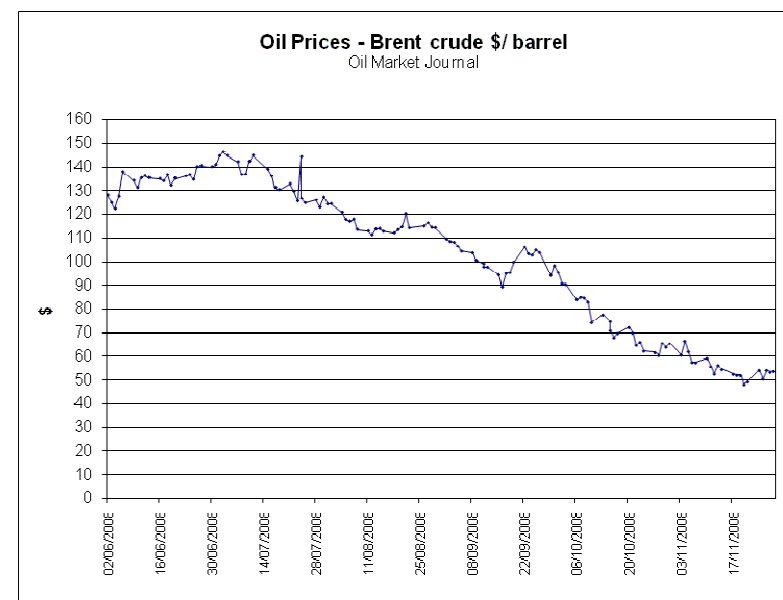


£m	H1 2008/9	H1 2007/8	%
Sales	128.2	105.7	+21.3
Operating profit	1.3	0.5	+160.0
Litres (million)	167	169	-1.2

➔ Record high oil prices significant volatility
(Brent crude \$128 / barrel ➔ \$147 / barrel ➔ \$53 / barrel)

➔ Very strong performance:

- ➔ Focused management team
- ➔ New business in Midlands & North West
- ➔ Improved margins with volatile prices
- ➔ National shortage of Kerosene
- ➔ Improved tanker fleet
- ➔ Cold start to winter



Garden Centres (discontinued operations)

£m	H1 2008/9	H1 2007/8
Profit after tax	-3.8	-0.5

- Successful sale in October 2008 for gross consideration of £14.5 million
- Four key reasons for sale
 - Focus on specialist distribution businesses & exit retail
 - Historic low returns from the division
 - High levels of capital required to invest in additional centres
 - Opportunity to reduce high level of Group debt
- Proceeds strengthened the balance sheet and reduced debt

Financial review – segmental income statement

	Nov 2008 £m	Nov 2007 £m	Growth %
Continuing operations			
Revenue			
Distribution	20.5	15.7	30.6%
Feeds	49.4	41.2	19.9%
Fuels	128.2	105.7	21.3%
Total revenue	198.1	162.6	21.8%
Operating profit			
Distribution	1.0	0.5	100.0%
Feeds	1.4	1.2	16.7%
Fuels	1.3	0.5	160.0%
Total operating profit	3.7	2.2	68.2%

Financial review - income statement

	Nov 2008 £m	Nov 2007 £m	Growth %
Continuing operations			
Revenue	198.1	162.6	21.8%
Operating profit	3.7	2.2	68.2%
Net finance costs:			
Fair value losses on interest rate swaps	(0.6)	0.0	-
Other net finance costs	(1.3)	(0.6)	-116.7%
Profit before tax	1.8	1.6	12.5%
Income tax expense	(1.8)	(0.5)	-260.0%
Profit for the period before exceptional deferred tax charge	1.3	1.1	18.2%
Exceptional deferred tax charge	(1.3)	0.0	-
Profit from continuing ops	0.0	1.1	-
Loss from discontinued ops	(3.8)	(0.5)	-
(Loss)/profit for year	(3.8)	0.6	-

Continuing operations

Headline EPS (basic)	2.8	2.3	21.7%
DPS	1.0	1.0	0.0%
Dividend cover	2.8	2.3	21.7%
Interest cover (excluding fair value loss)	2.8	3.7	-24.3%

Financial review – balance sheet summary

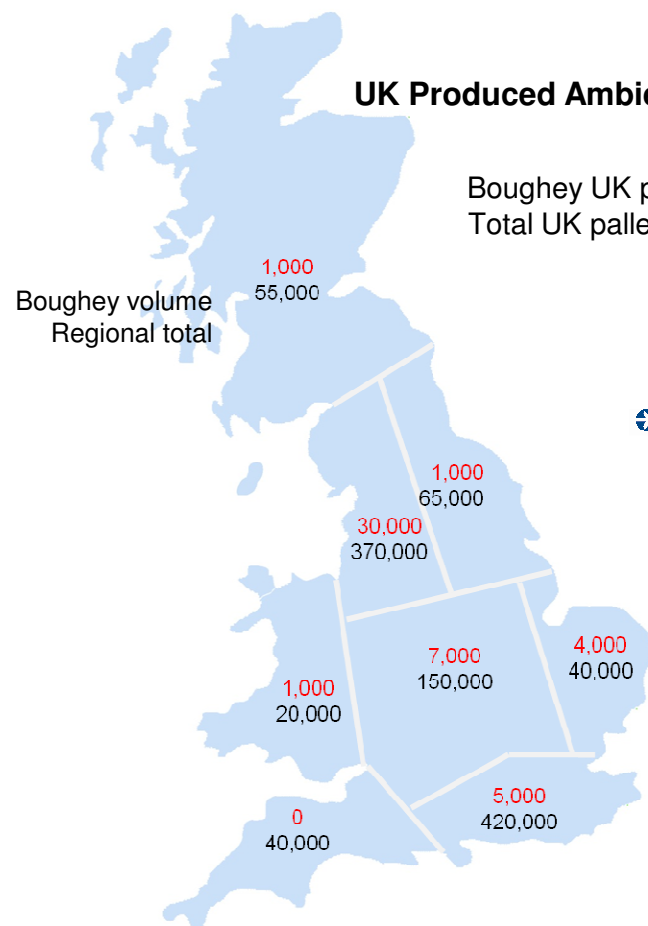
	Nov 2008 £m	Nov 2007 £m
Non current assets		
Property, plant and equipment	37.6	57.0
Intangible assets	5.4	10.2
Deferred tax asset	1.2	1.0
Current assets		
Inventories	4.7	9.6
Trade and other receivables	53.5	47.9
Derivative financial instruments	0.4	1.7
Cash and cash equivalents	0.0	0.1
Current liabilities		
Trade and other payables	(38.7)	(37.1)
Current income tax liabilities	(0.7)	(0.4)
Borrowings	(9.2)	(24.2)
Derivative financial instruments	(1.8)	(1.3)
Non current liabilities		
Borrowings	(20.5)	(29.9)
Retirement benefit obligations	(4.1)	(3.4)
Deferred tax liability	(3.0)	(1.4)
Net assets	24.8	29.8
Net debt	29.7	54.0
Gearing %	120%	181%

Financial review - cash flow summary

	Nov 2008 £m	Nov 2007 £m	Change £m
Cashflows from operating activities			
Operating profit	3.6	2.1	1.5
Depreciation of property, plant and equipment	1.7	1.9	(0.2)
Increase in working capital	(0.1)	(8.5)	8.4
Other	(0.2)	(0.1)	(0.1)
Operating cash flow	5.0	(4.6)	9.6
Interest paid	(1.8)	(1.7)	(0.1)
Tax paid	(0.2)	(0.9)	0.7
Net cash generated from / (absorbed by) operating activities	3.0	(7.2)	10.2
Cash flows from investing activities			
Purchase of PPE/intangible assets (net)	(2.1)	(4.8)	2.7
Disposals, net of cash disposed of	13.0	0.0	13.0
Deferred acquisition payments	(0.5)	(1.3)	0.8
Net cash generated from / (absorbed by) investing activities	10.4	(6.1)	16.5
Net cash inflow / (outflow) before financing	13.4	(13.3)	26.7
Borrowings and HP finance movements	(15.6)	(0.1)	(15.5)
Issue of ordinary share capital	0.0	0.5	(0.5)
Dividends paid	(1.4)	(1.3)	(0.1)
Net decrease in cash and cash equivalents	(3.6)	(14.2)	10.6

Distribution

Market opportunities & short term outlook



UK Produced Ambient Grocery Market

Boughey UK pallets **50,000**
Total UK pallets 1,160,000

Imported Ambient Grocery Market

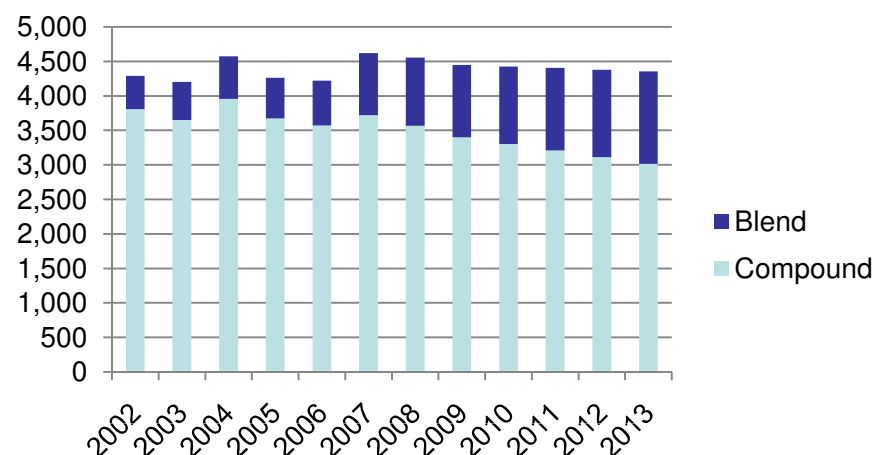
Boughey imported pallets **60,000**
Total imported pallets 2,000,000

➤ Market volumes remain robust

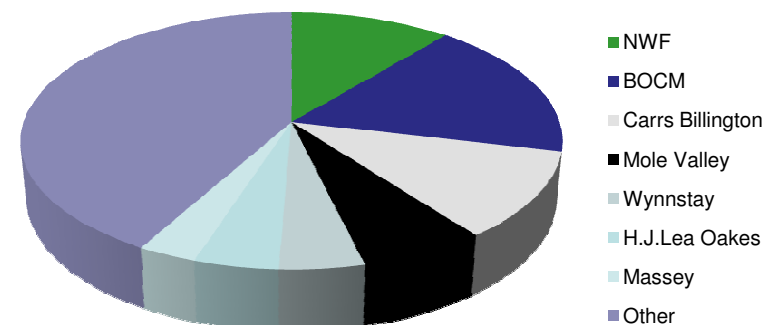
- Ambient grocery demand is stable
- NWF customers typically a non discretionary purchase
- Continued move to consolidators
- Trend to more own label products
- Shifts between customers and destinations
- Supermarkets fighting for share and price
- Sub contract hauliers available to support distribution
- Ready supply of labour

Feeds Market opportunities & short term outlook

Ruminant Feed Market – tonnage '000s



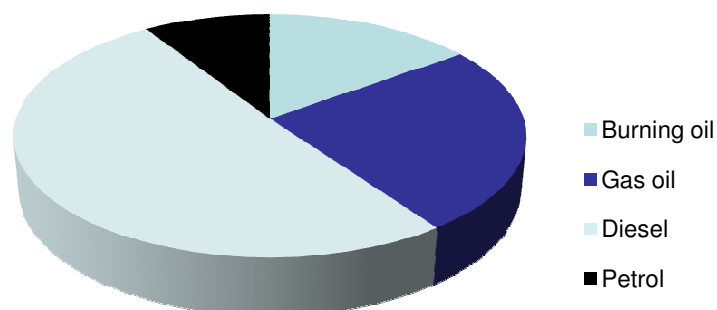
Ruminant Feed Market – tonnage



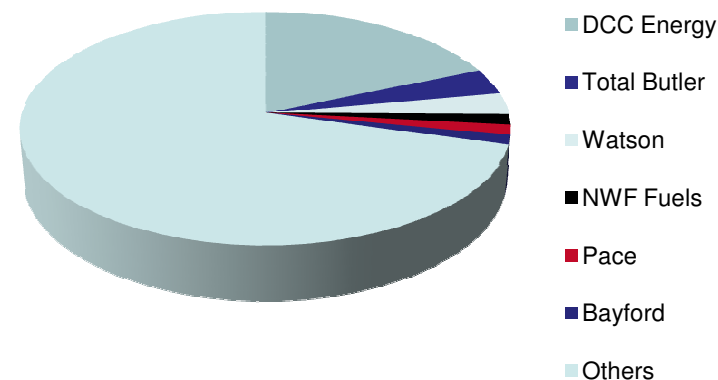
- Good demand for liquid milk and cheese, dairy herd unlikely to increase until 2011, continued farm consolidation
- Move to more blend in 2008/9 as anticipated, faster with falling spot prices
- Milk prices falling 1 – 2 p in 2009
- Continued raw material volatility
- Focus on cash and debt collection

Fuels Market opportunities & short term outlook

UK Fuel Market 25.2 billion litres



UK Fuel Market - NWF 1.4% share



- Lower overall market demand for fuel (Q3 2008 down 5.8% on prior year)
- Short term trading opportunities offsetting any demand reductions
 - Competitors challenged by post acquisition integration
- Focus on cash collection and working with a tighter credit insurance market
- NWF business model depot based, others rely on centralisation: call centre approach
- Team has a strong track record of growth and successful acquisition integration

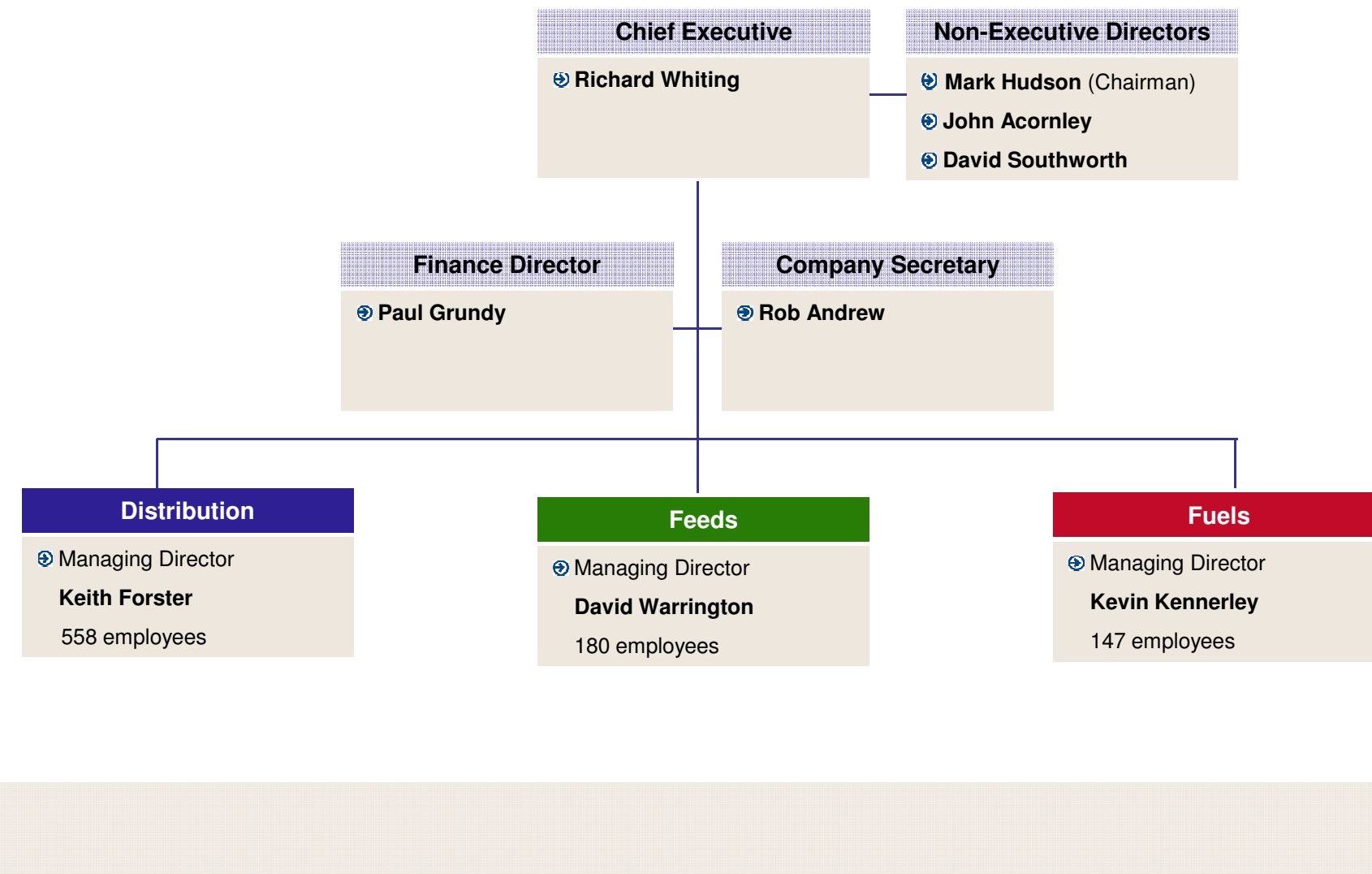
Summary

- Group focused as a specialist distributor of food, feed and fuel
- Strong performance in the first half
- Trading good across all three divisions
- Well positioned for the second half, in line to meet market expectations
- Robust markets and focused businesses
- Medium term good development opportunities
 - Distribution : geographic expansion
 - Feeds: organic growth utilising capital base + industry consolidation opportunities
 - Fuels: proven bolt on acquisition capability + industry consolidation opportunities

Appendices

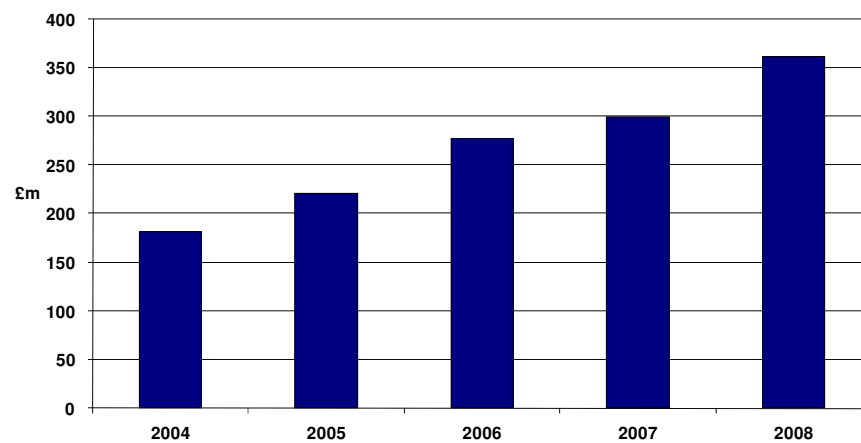
- Group organisation
- Group / divisional historical performance
- Business backgrounds
- Locations
- The Board

Group organisation

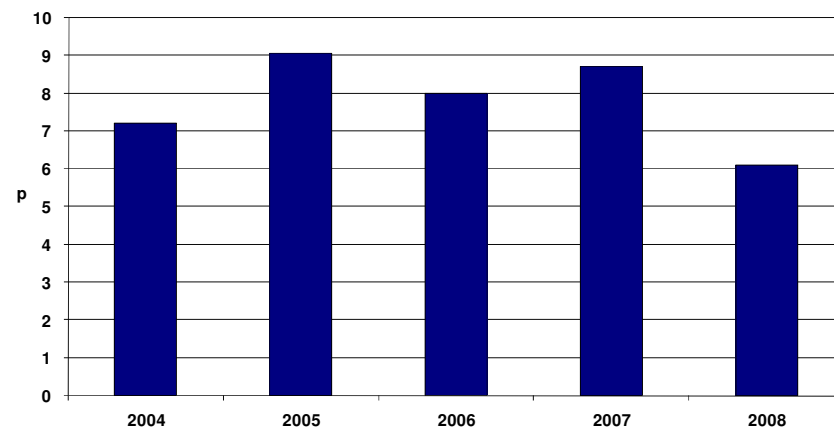


Group performance (continuing operations)

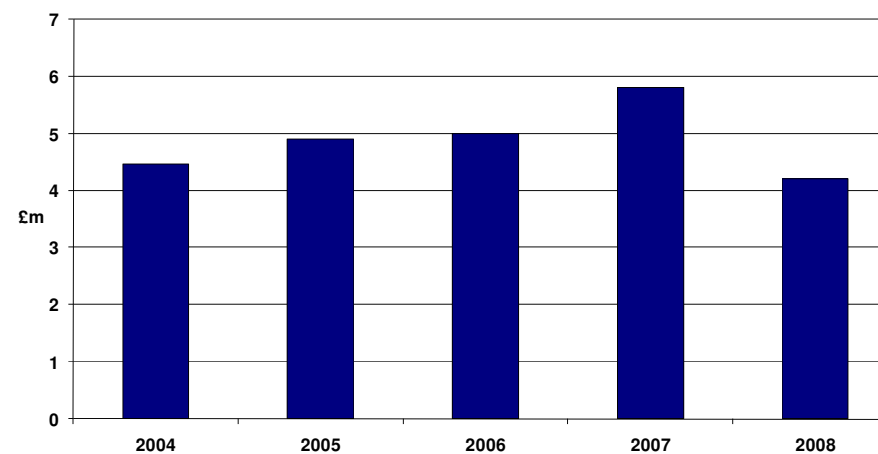
Revenue



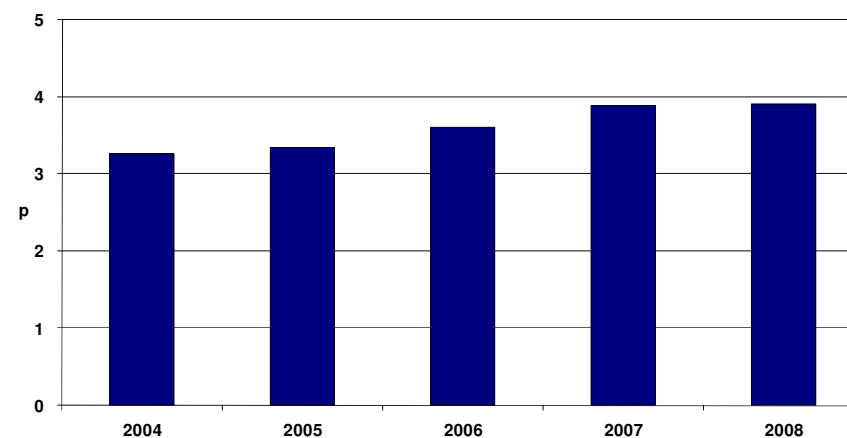
EPS*



PBT



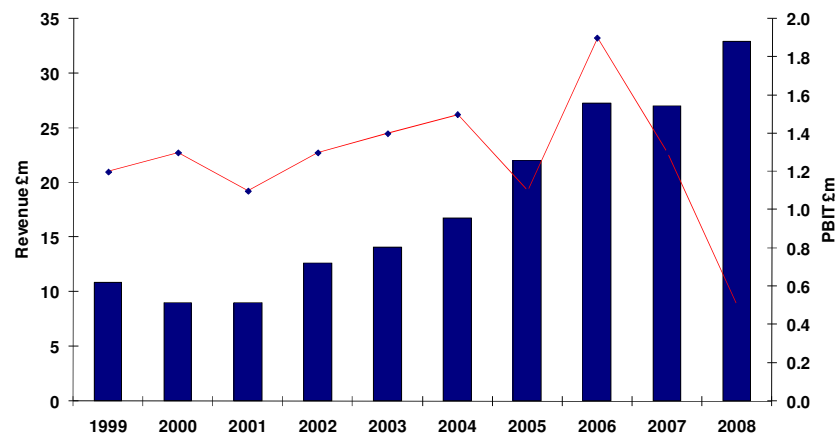
DPS*



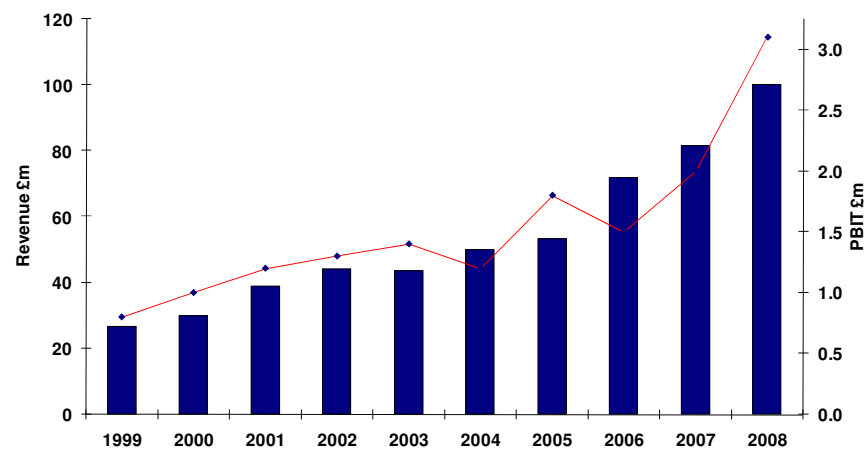
* restated for bonus issue of shares (4 for 1) on 4 October 2007

Divisional performance

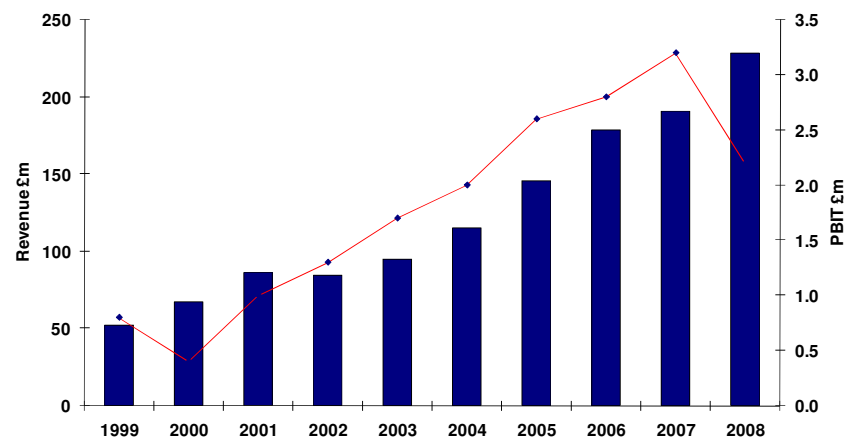
Distribution




Feeds



Fuels



 = Revenue

 = Operating profit

Business background - Distribution

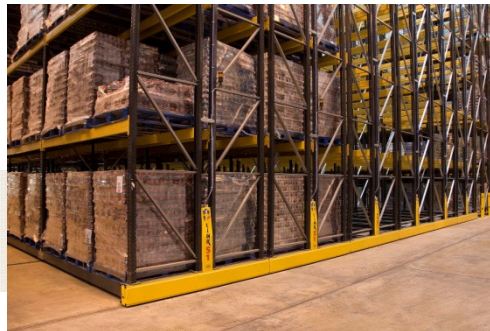


Market

- Consolidation of groceries en route to UK supermarkets

Our business

- Boughey Distribution: national business
- Destinations are primarily RDC's of supermarket chains
- Ambient warehousing for 115,000 pallets on two sites
- Around 200 customers – manufacturers and importers
- Packing room for added-value work





Business background - Feeds

Market

- 12,000 important dairy farmers in England
- 1.9m dairy cows
- Around 3 million tonnes of dairy feeds per annum
- Reasonably steady demand

Our business

- One of only two national players
- Around 16% market share
- Capacity for 400,000 tonnes of compound feeds at Wardle & Wixland
- Capacity for 150,000 tonnes of blended feeds at Wardle, Ayr, Penrith, Exeter
- Volume grown by factor of ten in 13 years





Business background - Fuels

Market

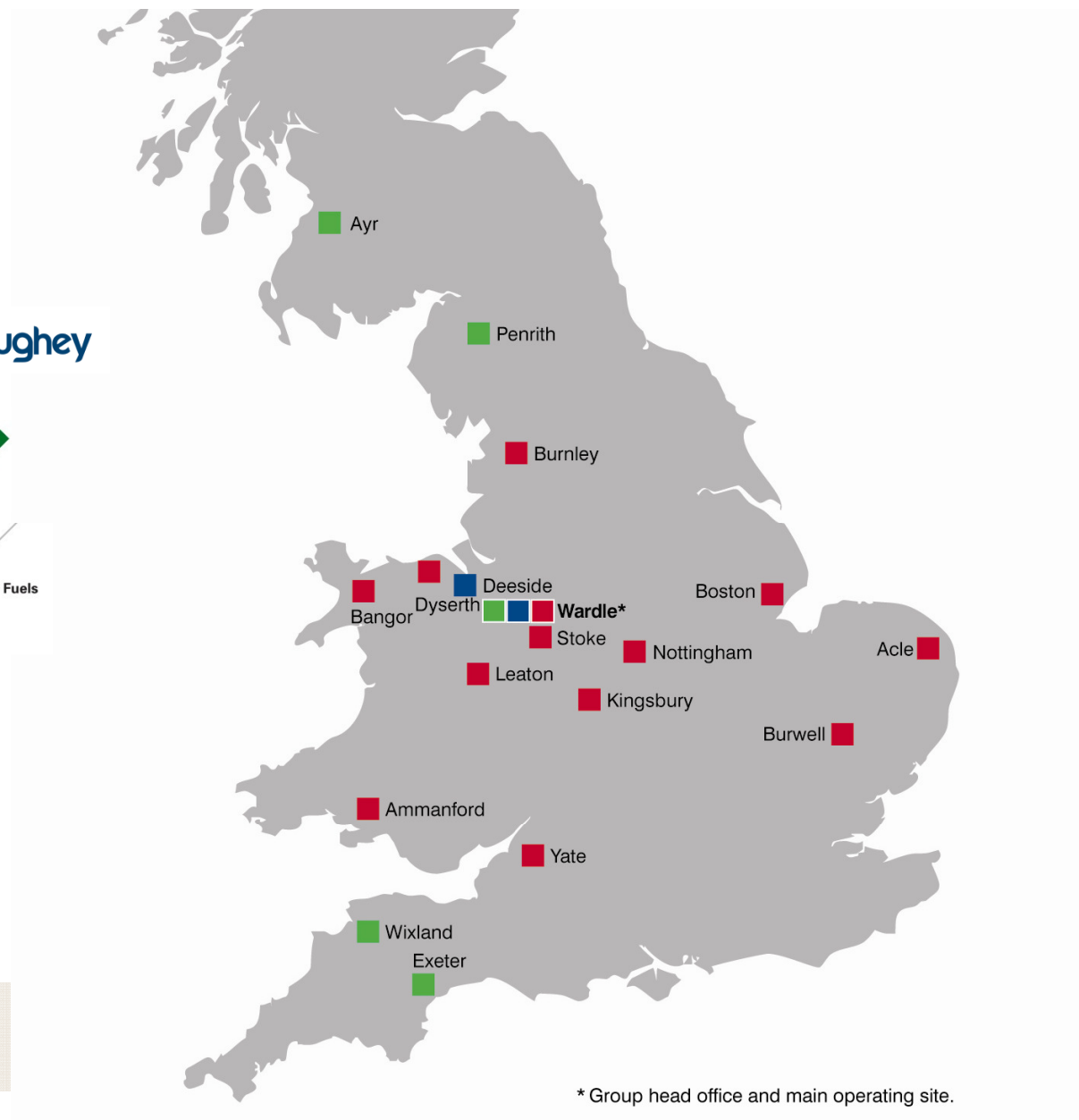
- 1.5 million homes with oil fired heating in Great Britain (and growing)
- Freight and passenger transport
- Local authorities
- Service stations
- Agriculture
- Industrial heating and off road automotive
- Diesel bunkering
- Oil fired boiler servicing, repairs and replacement

Our business

- 13 strategic depot locations in England and Wales, 10 with bulk storage
- Major distributor of Texaco products also sells Conoco, Total and other fuel brands
- Supply contracts with around 80 retail petrol stations
- Growing national Fuel Card marketing division
- Always increasing geographical coverage via proactive sales activity, acquisitions and cold starts



Locations



The Board

Mark Hudson – Chairman (age 62)

Joined the Board in 1985. Chairman 2006. Mark is an agricultural business adviser and dairy farmer. Past President of the CLA. Chair of Game Conservancy Trust. Council Member Duchy of Lancaster.

Richard Whiting – Chief Executive (age 44)

Richard joined NWF on 1 October 2007 having been Group FD of Heywood Williams Group plc. He was previously with Brand-Rex Ltd and Caradon plc.

Paul Grundy FCA – Finance Director (age 52)

Paul joined NWF in 2004 from N Brown Group plc. He had previously been with Hilti and Sharp Electronics.

John Acornley FCA - Non-executive Director (age 55)

Joined the Board in 2001. John is Chairman or NED of a number of companies. He was previously a director of Baxi plc and Rainford Group plc.

David Southworth FCCA - Non-executive Director (age 59)

Joined the Board in 2006. David is Chairman or NED of a number of companies. He previously led Skillsgroup.

