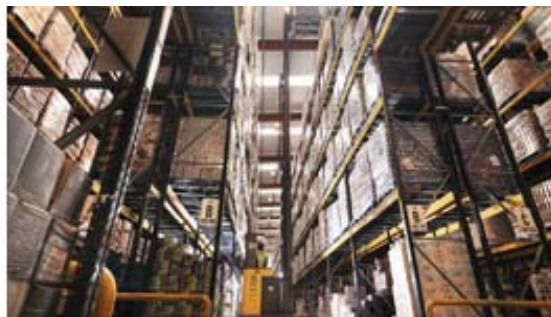




NWF GROUP PLC

PRELIMINARY RESULTS YEAR TO 31 MAY 2010



**SPECIALIST
DISTRIBUTOR OF
FOOD, FEED AND FUEL**

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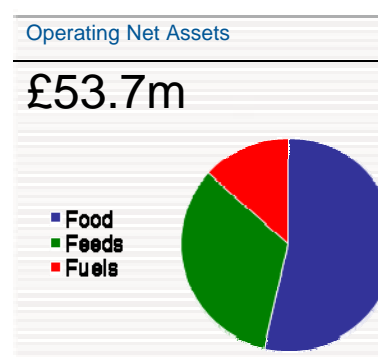
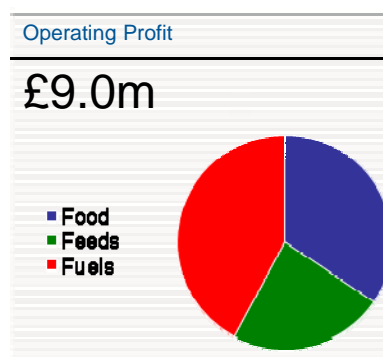
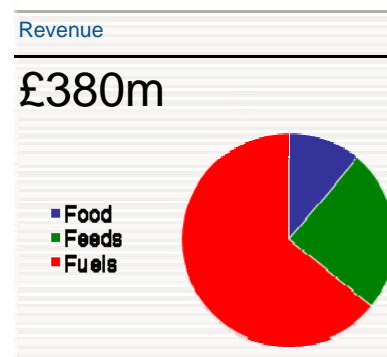
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NWF Group plc – who we are

- NWF Group plc is a specialist distributor of Food, Feed and Fuel



- 923 employees
- Operations across the UK, based in Cheshire, England
- Listed on AIM , market cap c.£50 million



Results summary

- Record performance for NWF
- Revenue £379.8 million (2009: £380.6 million)
- Operating profit up 1.1% to £9.0 million (2009: £8.9 million)
- Profit before taxation up 14.5% to £7.1 million (2009: £6.2 million)
- Headline basic earnings per share of 10.4p (2009: 10.4p)
- Full year dividend increased by 4.9% to 4.3p per share (2009: 4.1p)
- Reduction in net debt of 28.0% to £13.9 million (31 May 2009: £19.3 million)
- Debt to EBITDA at 1.1 times (31 May 2009: 1.6 times)
- New £51.0 million banking facilities in place to October 2013



Operational highlights – Food

	2010 £m	2009 £m	%
Revenue	42.2	39.2	+7.7
Operating profit	3.1	2.0	+55.0
Average pallet spaces stored	100,000	103,000	(2.9)

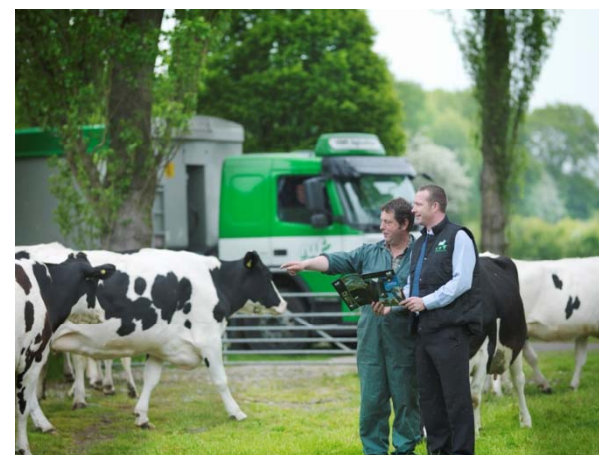
- Record operating profit for the division
- Delivering on the investment to double the size of the business in 2008
- 2010 result delivered through increased utilisation and increased efficiencies
- Outloads up 8%, backloads up 41%, service levels up to 99.6%
- Improved warehouse and distribution efficiency
- Won additional business, renewed major contracts



Operational highlights – Feeds

	2010 £m	2009 £m	%
Revenue	93.7	104.7	(10.5)
Operating profit	2.1	2.8	(25.0)
Tonnes	449,000	457,000	(1.8)

- Strong second half offsetting a poor H1
- Compounds direct to farms; volumes up 5.6%
- Blending at Wixland mill reduces costs
- Continued development of new products: protected feeds - launched Ultra Starch-W
- Increased efficiency being delivered through strengthened management team



Operational highlights – Fuels

	2010 £m	2009 £m	%
Revenue	243.9	236.7	+3.0
Operating profit	3.8	4.1	(7.3)
Million litres	350	355	(1.4)

- Outstanding result for the division, following a record year in 2009
- Excellent customer service, particularly in harsh winter conditions
- Coldest winter for over 30 years: £0.8m operating profit benefit
- Card marketing profits up on prior year
- Notable performances from Wardle, Stoke, Dyserth, Nottingham and Browns of Burwell

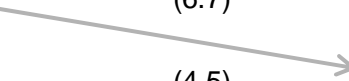


Financial review – income statement summary

	May 2010 £m	May 2009 £m	Inc / (Dec) %
Continuing operations			
Revenue			
Food	42.2	39.2	7.7%
Feeds	93.7	104.7	(10.5%)
Fuels	243.9	236.7	3.0%
Total revenue	379.8	380.6	(0.2%)
Operating profit			
Food	3.1	2.0	55.0%
Feeds	2.1	2.8	(25.0%)
Fuels	3.8	4.1	(7.3%)
Total operating profit	9.0	8.9	1.1%
Finance costs	(1.9)	(2.7)	29.6%
Profit before tax	7.1	6.2	14.5%
Tax	(2.2)	(1.3)	(69.2%)
Profit after tax (headline)	4.9	4.9	-
Continuing Operations			
Headline EPS (basic)	10.4	10.4	-
DPS	4.3	4.1	4.9%
Dividend cover	2.4	2.5	(4.0%)
Interest cover (excluding IAS 19 finance costs)	6.4	3.3	93.9%

Financial review – balance sheet summary

	May 2010 £m	May 2009 £m
Fixed assets	42.3	42.1
Net Working Capital	11.0	12.3
Assets Employed	53.3	54.4
Pension deficit	(12.3)	(6.7)
Tax provisions	(3.5)	(4.5)
Net Debt	(13.9)	(19.3)
Net Assets	23.6	23.9
Net Debt : EBITDA	1.1	1.6



Pension Scheme	May-10 £m	May-09 £m
Liabilities	(35.7)	(26.7)
Assets	23.4	20.0
Deficit	(12.3)	(6.7)

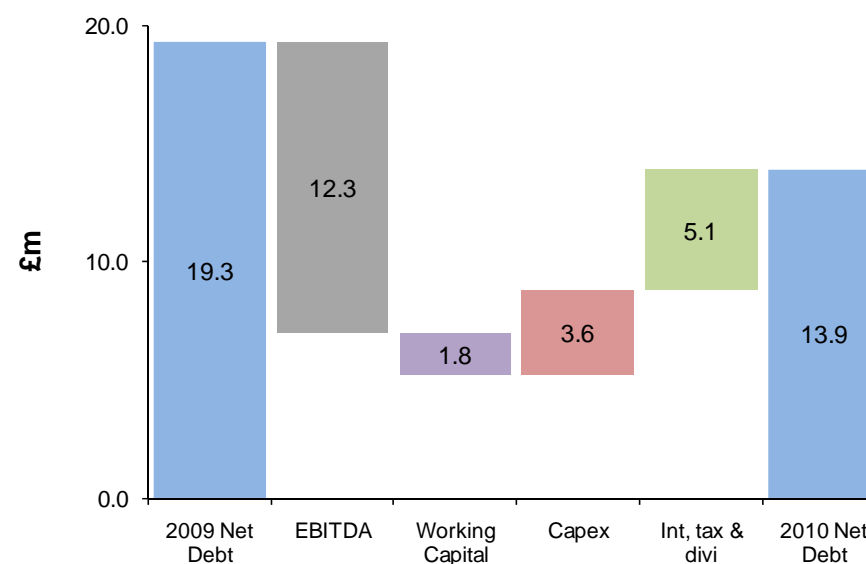
Financial review – net debt summary

Debt Summary

- New committed facilities of £51.0m with RBS until Oct 2013. In addition £7m of HP finance is available.

<u>£m</u>	<u>Facility</u>	<u>Drawn</u>
Overdraft	1.0	0.4
Invoice Discounting	40.0	10.2
Revolving Credit Facility	10.0	-
Banking Facilities	51.0	10.6
Hire Purchase	7.0	3.3
Total	58.0	13.9

Movement in net debt



- Majority of debt Invoice Discounting now at a cost of Base + 1.75%
- Borrowing covenants - Net debt : EBITDA & EBIT: Interest cost
- £15m interest swap in place at 5.045% until Dec 2010

Financial review – cash flow

	May 2010 £m	May 2009 £m
Cashflows from operating activities		
Operating profit	9.0	8.8
Depreciation and amortisation	3.3	3.5
Working capital	2.0	5.6
Other	(0.2)	(0.2)
Operating cash flow	14.1	17.7
Interest paid	(1.3)	(3.0)
Tax paid	(1.9)	(0.2)
Net cash from operating activities	10.9	14.5
Cash flows from investing activities		
Capital additions	(3.6)	(2.8)
Disposal proceeds	-	13.2
Deferred acquisition payments/disposal receipts	-	(0.6)
	7.3	24.3
Dividends paid	(1.9)	(1.8)
Net cash flow	5.4	22.5

Development outlook: Resilience of NWF – strong platform for development

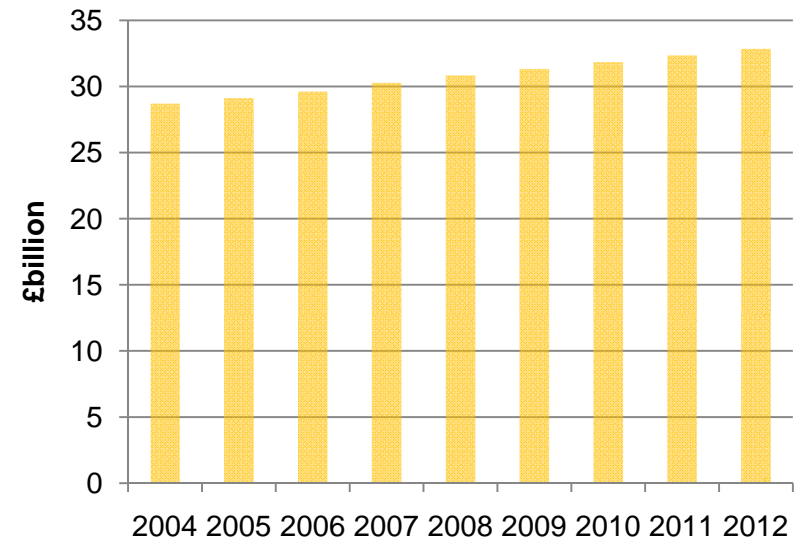
- Strong operational performance through the recession and global financial crisis. Two record years for NWF
- **Food** has over 200 customers, many with long term contracts; reliant on ambient grocery volumes which remained stable through the recession and are forecast to show ongoing modest growth
- **Feeds** supplies over 4,000 dairy farmers; consumer demand for milk and dairy products stable through the recession and forecast to grow modestly
- **Fuels** supplies nearly 30,000 customers across the UK with all major oil categories. Volumes and margins not impacted during the recession (record results in last 2 years) and forecast demand for oil is stable
- Substantial asset base
- All divisions profitable, cash generative with experienced management teams
- Long term competitive debt finance in place
- Group has established a strong platform for development

Development outlook – Food

- Robust demand for ambient groceries
- Boughey has a leading position in North West
- Close relationship with major food retailers
- Implemented 24/7 working: day 1 for day 2 for Tesco & Sainsburys
- Service key to continued development
- Opportunities for improved efficiencies and customer development
- Investing in improved systems and processes to support development



UK Ambient grocery market



Source: Market data analytics, Datamonitor

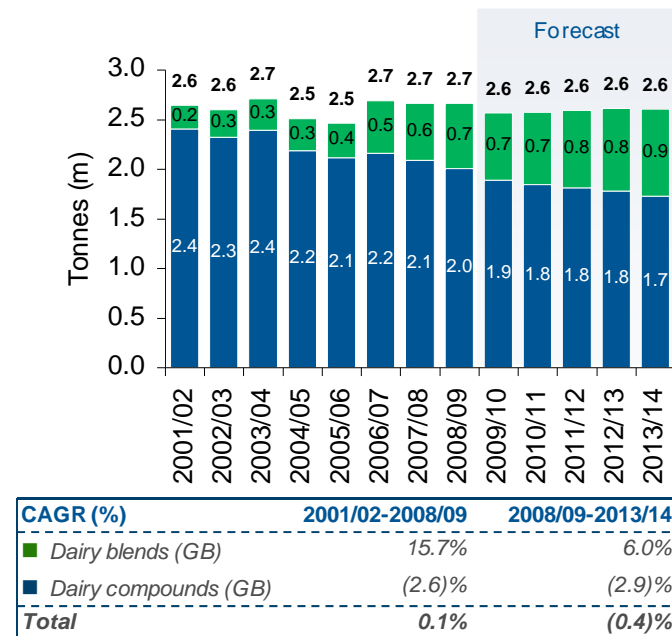
Volume growth rate 1.6% per annum (2008-2012)

Development outlook – Feeds

- Strong national sales team, the dairy experts
- Long term stable demand
- Continued consolidation of small farmers
- Volatile raw materials increase risk
- Continue to invest in added value products and services
- Ongoing focus on cost reduction and asset utilisation
- Maintaining excellent customer service
- Strategy to build direct business with farmers and grow share of the dairy market



Dairy feed market (Great Britain) 2001-2014

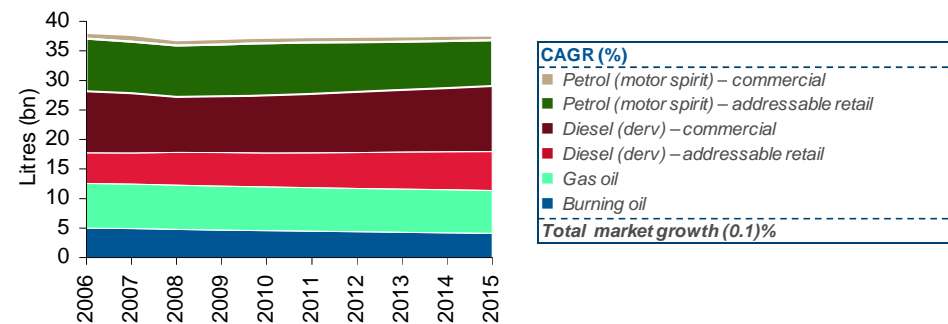


Source: DEFRA, Kite, DairyCo

Development outlook – Fuels

- Demand for fuel stable
- Proven performance in volatile oil price markets
- Proven track record – successful depot based operating model
- Developing management team to support development opportunities
- Clear opportunity for bolt on acquisitions and start ups
- Acquisition criteria established; active programme in place

UK fuel market (by volume)
2006-2015



Source: Energy Market Outlook; DECC



Summary

- Another record performance for NWF in a tough economic climate
- Operational focus and strong management teams delivering performance:
 - Profit before tax up 14.5% to £7.1 million
 - Debt reduced to £13.9 million and debt to EBITDA 1.1 times
 - New debt facilities in place to October 2013 (£51.0 million)
- Markets we operate in are resilient and stable
- Track record being established with all stakeholders
- Financial and operational platform in place to enable us to focus on development opportunities
 - Development opportunities in all three divisions
 - Active acquisition search programme in Fuels

Appendices

- Business backgrounds
- Locations
- Group organisation
- Wardle site
- Five year financial performance
- Divisional financial track record
- Additional market data

Business background

FOOD

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)
- Market leader in the North West
- 616 people
- 135 trucks, 267 trailers
- 99.6% service level
- 200 customers including Princes, Pataks/Blue Dragon & Typhoo
- Packing room for added value work



Business background

FEEDS

Supply of feed to ruminants in the UK – principally dairy

Our Business

- National player – 14% market share
- 449,000 tonnes produced in 2009/10
- 4,000 customers
- 160 people
- 28 trucks, 11 trailers
- Compound mills in Cheshire and Devon
- Blend plants in Ayrshire, Cumbria, Cheshire and Devon



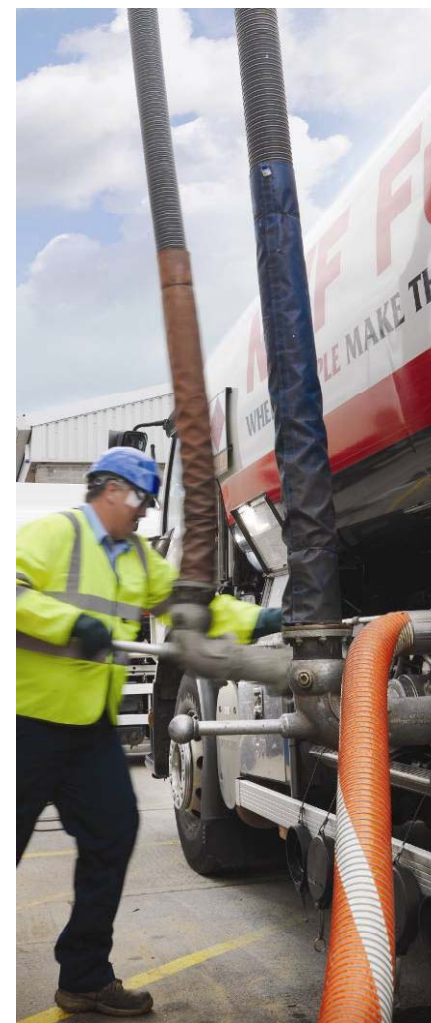
Business background

FUELS

Supply of fuels and fuel cards to commercial, domestic and retail customers across the UK.

Our business

- Fourth largest distributor in the UK
- 30,000 customers
- 147 people
- 13 depots across the UK
- 55 tankers
- Supply 80 retail petrol stations
- Fuel card marketing
- 350 million litre per annum



Locations

Food

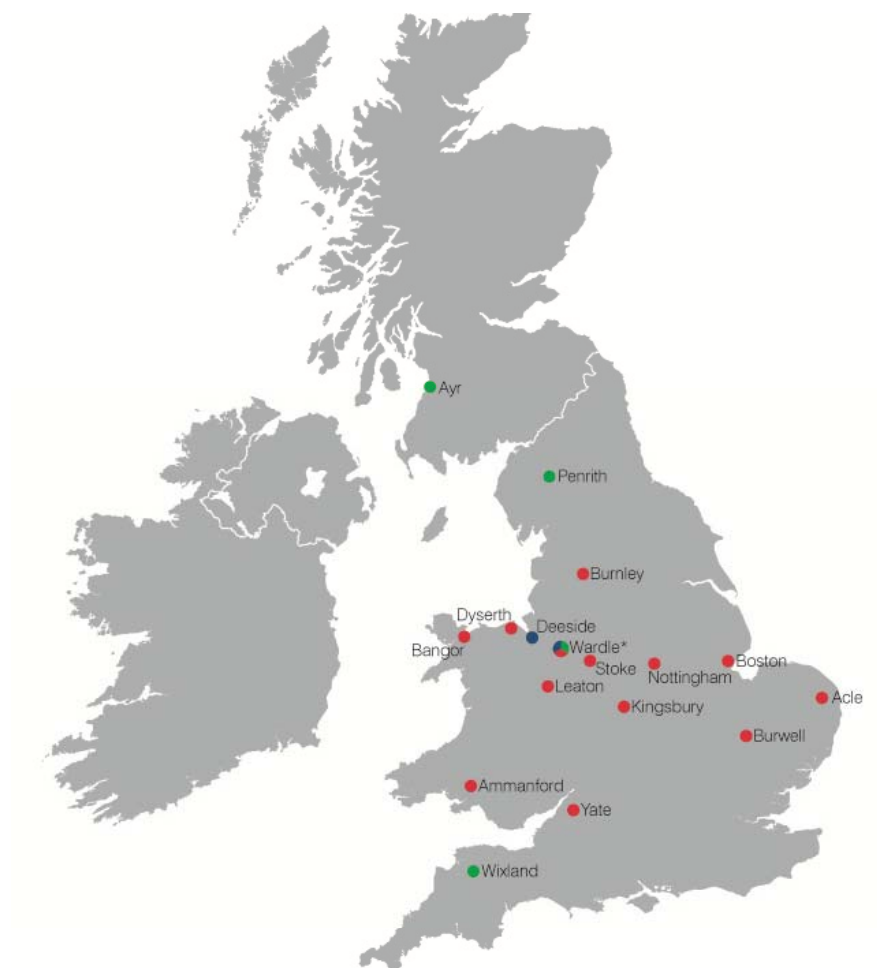
- 1 Deeside
- 2 Wardle*

Feeds

- 1 Ayr
- 2 Penrith
- 3 Wardle*
- 4 Wixland

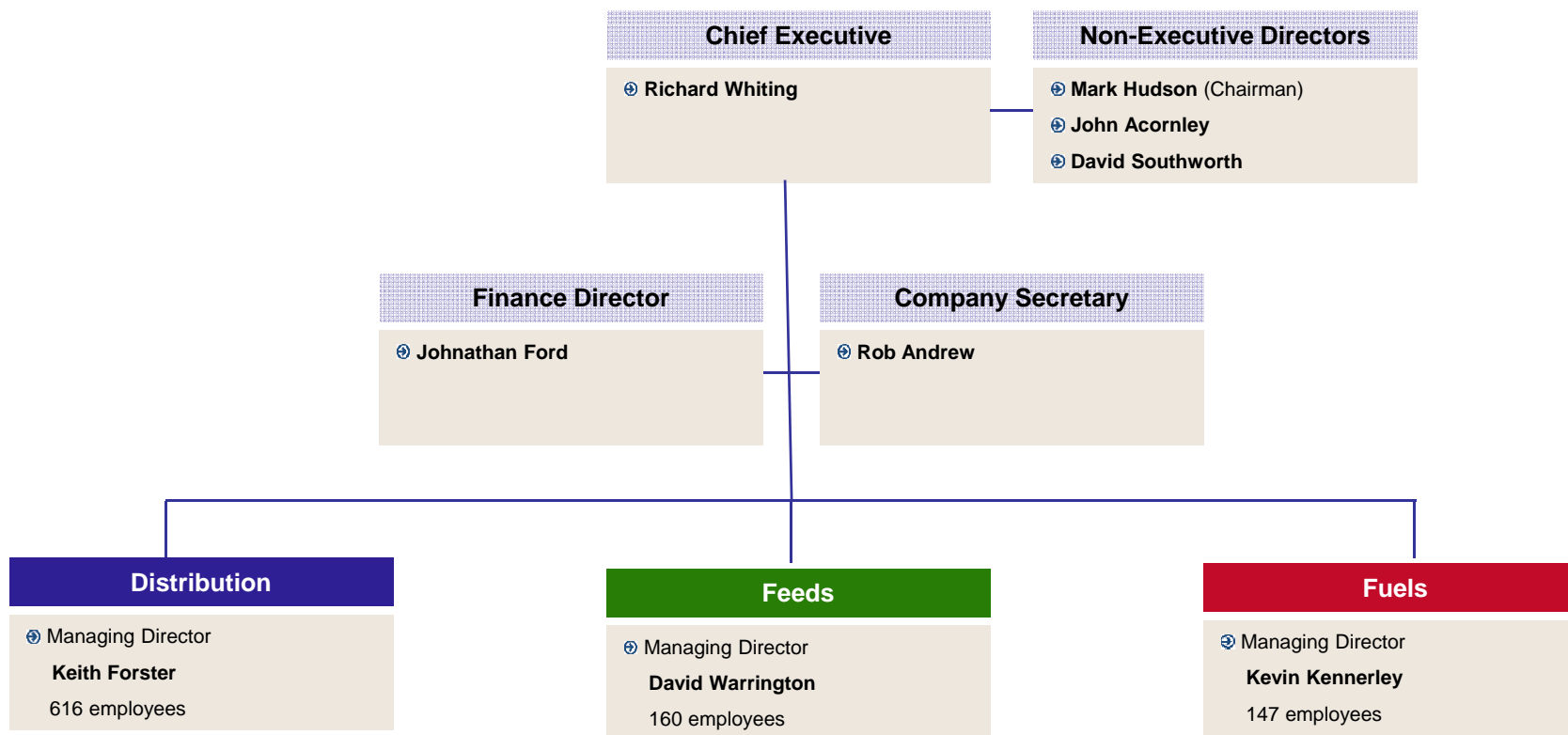
Fuels

- 1 Acle
- 2 Ammanford
- 3 Bangor
- 4 Boston
- 5 Burnley
- 6 Burwell
- 7 Dyserth
- 8 Kingsbury
- 9 Leaton
- 10 Nottingham
- 11 Stoke
- 12 Wardle*
- 13 Yate



* Group head office and main operating site.

Group organisation

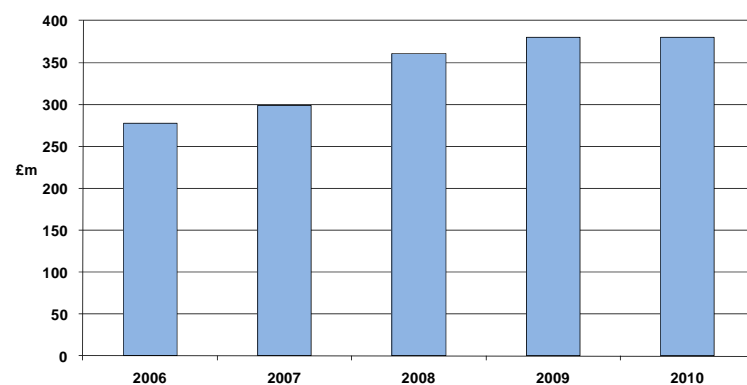


Wardle site: Group head office and major operating site

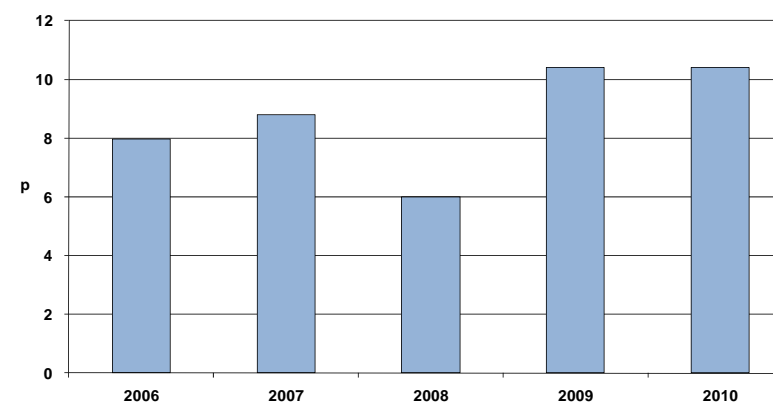


Five year financial performance

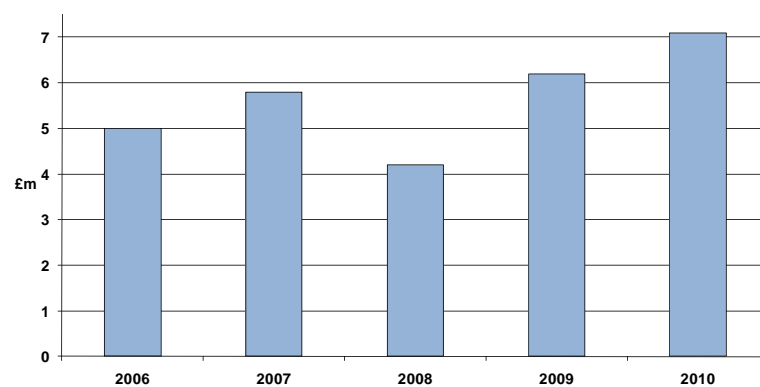
Revenue



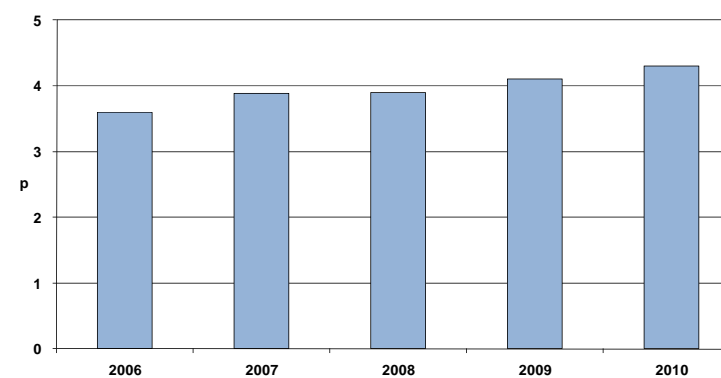
Headline EPS



PBT

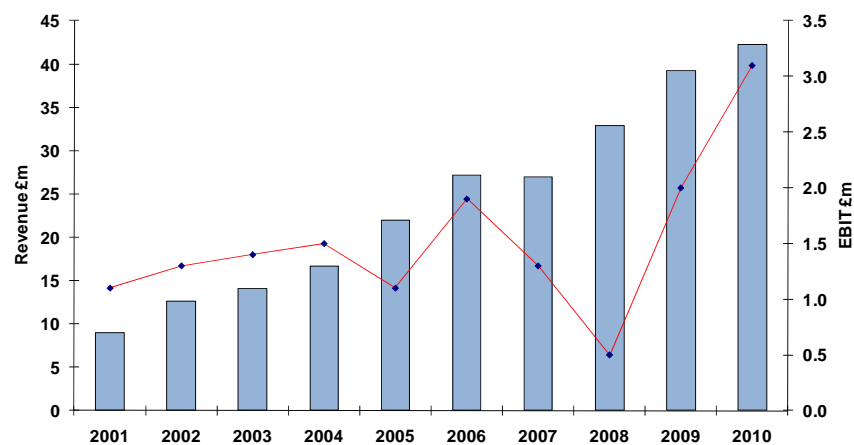


DPS

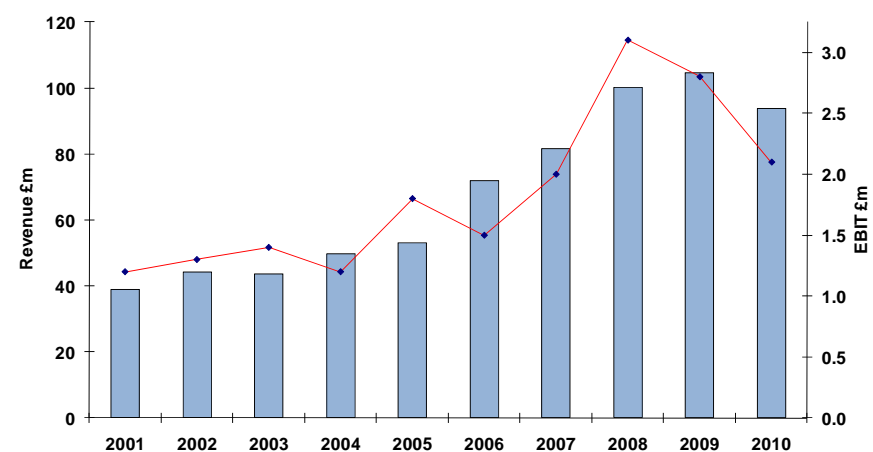


Divisional Financial Track records

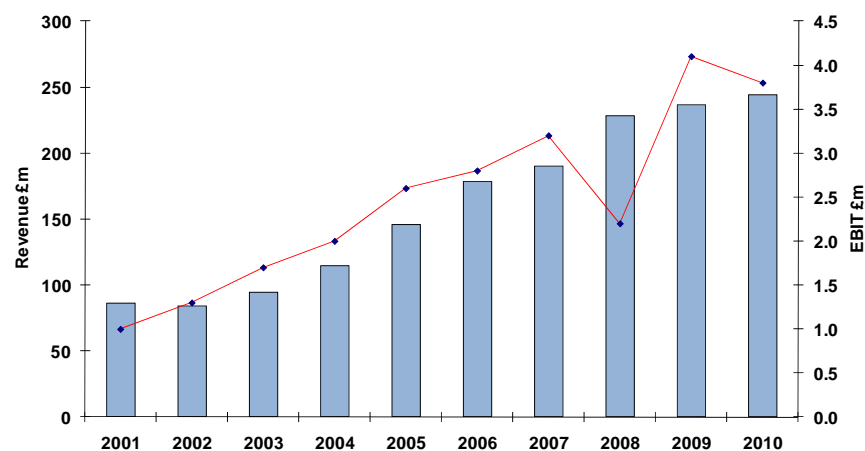
Food



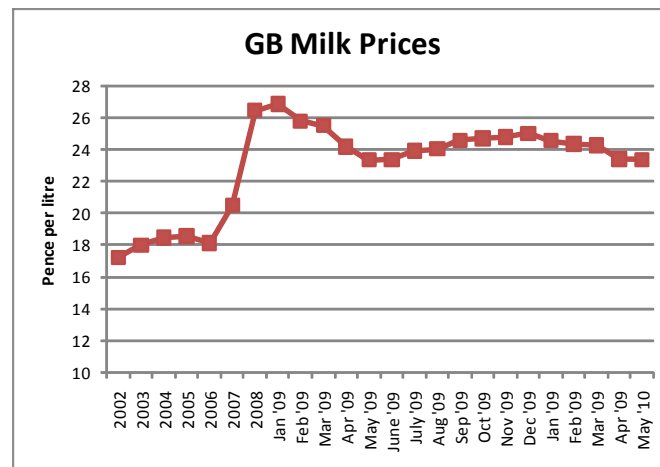
Feeds



Fuels



Feeds – additional market data



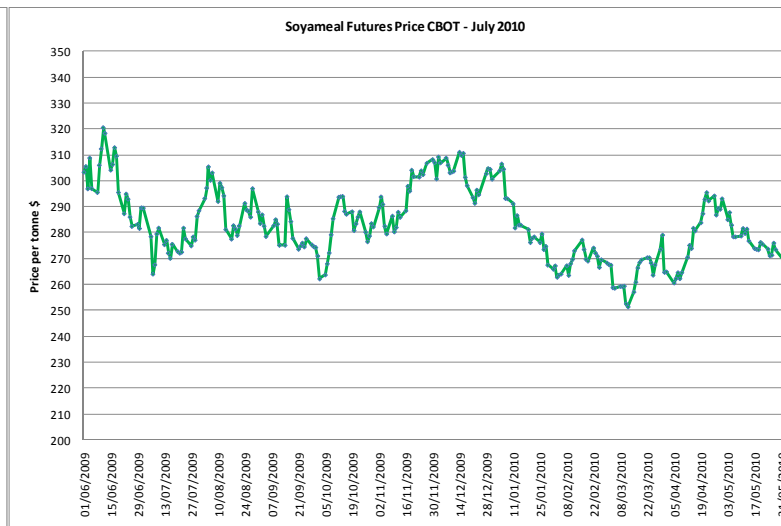
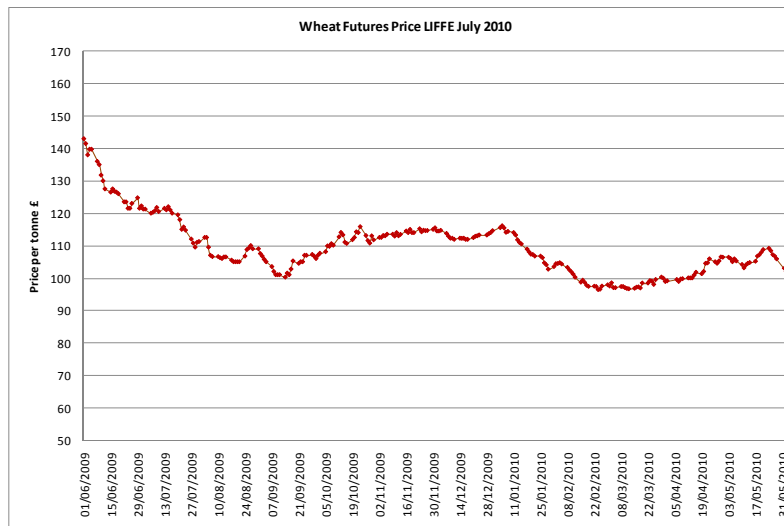
Range of prices

May '10

Dairy Crest Waitrose 27.29

First Milk Compositional - Ex-DFOB 20.87

source: DairyCo



Fuels – additional market data

