

**Countrywide Farmers plc**  
**Third Year of Improved Operating Profits**  
**for UK's Leading Rural Supplier**

For the third consecutive year, despite the continuing impact of both economic recession and volatility in raw material prices, Countrywide, the UK's leading rural supplier, has announced improved operating profits for the six months to November 2009.

In the company's just published Half Year Results, Chairman, Nigel Hall reports that the business has recorded an operating profit of £0.6m, against £0.2m for the same period last year.

Countrywide operates three key business areas – Retail, Agriculture and Energy.

**Retail**

Retail remains the most profitable business within the group. "I am delighted to report that retail achieved a like for like sales increase of 3.2% in the first six months of the year," said Countrywide Chairman, Mr Nigel Hall. "All core product categories performed well. Retail has widened its customer base, and areas such as our new equestrian clothing range are proving to be successful. In July 2009 a new store was opened in Honiton, and three other retail business acquisitions were completed in the period."

**Agriculture**

The fall in commodity prices compared to last year, resulted in reduced turnover in agriculture. "This however, hides encouraging trends particularly in the livestock feeds business which delivered a near 10% growth in volumes compared to 2008," said Mr Hall. "In arable, fertiliser sales were down, following the national trend, whereas our crop protection sales remained strong. The expansion and strengthening of our agricultural team continues, and we have acquired Country Keeper, a small specialist game feed and supplies business."

## **Energy**

Mild autumn weather and lower energy prices have resulted in reduced sales for Energy, with volumes of both gas and fuel falling by 7% and 8% respectively. “Whilst this was disappointing, the prolonged period of cold weather that followed has enabled the business to partially recover this shortfall”, said Mr Hall. “The Chief Executive reported last year that the energy business was unlikely to repeat the exceptionally strong full-year performance, and this remains the view. However, the development of the energy business, particularly within the renewables sector, remains a key part of Countrywide’s strategy.”

## **Outlook**

Overall, Countrywide looks forward to a positive future, as Mr Hall explains, “Although market conditions remain challenging, Countrywide’s successful growth can be attributed to the implementation of a clear, long-term strategy which firmly places the needs of the rural customer at the forefront of everything we do. The Board expects this improved performance to be maintained during the second half of the year, and that full-year operating profit will be ahead of last year.”

Mr Hall ends his half-year report by commenting on the commitment and dedication of Countrywide’s outstanding management and staff, who have ‘worked tirelessly’ over recent months to deliver the excellent results which have been achieved during the first half-year.

Ends

**Les Collins**

**Countrywide Farmers plc**

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**The Directors of Countrywide Farmers plc accept full responsibility for this statement.**