

July 2016

**Countrywide Farmers plc
("Countrywide" or the "Company")**

Trading Update

Countrywide Farmers plc, one of the UK's leading suppliers of products, services and advice to the rural community, announces a trading update for the 26 weeks to 29 May 2016.

- **A first half of continuing transformational change and progress for the business**
- **Total sales 21.2% ahead of prior year including the impact of the Cornwall Farmers acquisition**
- **Retail like-for-like sales flat, with positive performance in the second quarter +2.7%**
- **Cornwall Farmers acquisition performing ahead of expectations and on track for full integration**
- **LPG Rural Energy volumes strong in the second quarter after a slow first quarter impacted by milder weather**
- **Profitability continues to be constrained in the near term to enable investment and change**
- **Implementation of the initial major phase of our new IT infrastructure nearing completion**

Despite a disappointing start to the year, primarily driven by mild weather and fragile consumer confidence, performance in our Retail business was encouraging with like-for-like sales in the second quarter up 2.7%. Performance was consistently strong across Equine and Pet categories, whilst sales in our heartland Agricultural ranges recovered to deliver solid growth in the second quarter. We have put in place a pricing policy that will ensure we are always price competitive across the range and notably within our Agricultural categories, to support the farming community.

Following the acquisition of Cornwall Farmers in September 2015, performance has been ahead of our expectations with clear support from all stakeholders and a plan to fully integrate this part of the business onto our core IT infrastructure by the end of this financial year.

The winter season, widely reported as the mildest on record, impacted LPG Rural Energy volumes which were down 3.1%. A weak first quarter was followed by a strong second quarter, and margin remained ahead of expectations albeit behind the prior year, impacted by market pricing. We continue to grow our customer base and remain confident of growth opportunities for our LPG business, more recently launching our brand into Cornwall and Devon with positive initial customer response.

Turf and Amenity traded strongly throughout the first half, benefiting from the milder weather conditions and strong product ranges.

Excellent progress has been made on Project Fusion, the implementation of our new IT infrastructure. This will support and drive growth in our Retail business, notably our online and mobile channels, as well as enabling more efficient ways of working and delivering productivity savings. The system and associated business change is now live across our core trading and distribution activities with our new online platform and store rollout expected to be concluded in August. This change is a critical enabler to support our future strategy and has been an area of significant resource focus throughout this year.

New senior team members, notably in the Retail team, continue to settle well into their roles and will drive the key strategic levers to deliver future growth.

Commenting on first half trading, John Hardman, Chief Executive Officer, said: “Despite challenging early market and weather conditions, more recent trading performance has been encouraging. As anticipated, the significant change brought about by Project Fusion has required huge team effort and focus. This investment delivers a system and ways of working that will help to drive profitable growth in future years and we look forward to the opportunities that it will create, particularly at these uncertain times in our economy.”

The Company expects to release final results for the 52 week period to the 27 November at the end of February 2017 followed by an AGM in April 2017.

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

Find more information about Countrywide at www.countrywidefarmers.co.uk

Countrywide Farmers plc

John Hardman (CEO)

Julie Wirth (CFO)

Tel: 01386 429511

Walbrook PR Ltd

Paul McManus (Media Relations)

Tel: 020 7933 8780 or Mob: 07980 541 893
countrywide@walbrookpr.com