

5 April 2017

Countrywide Farmers plc

Results for Year Ending 30 November 2016 and Strategic Update

Countrywide Farmers plc (“Countrywide” or “the Company”), one of the UK’s leading suppliers of products, services and advice to the rural community, today publishes full year results and makes a further announcement as it continues to develop its business strategy.

The Company releases final results for the year ending 30 November 2016. The Company reports a loss after tax from continuing operations for the period of £(9.9)m (2015: £(8.2)m) following disappointing trading performance and continued investment through what has been a period of considerable change and transition, including the full rollout of the Microsoft Dynamics AX ERP system across the business.

Further to the confirmation of 14 retail store closures in February, which formed an important part of re-positioning the Retail business for profitable growth in the future, the Board continues to review the strategic direction and profitability of the Company as a whole. It is clear to the Board that the retail environment remains challenging and that to compete effectively for the long-term will require further rationalisation of the cost base along with potential further investment. With the operational challenges outlined above, three business units all requiring investment, together with a legacy pension scheme to fund, the Board has to prioritise the opportunities that will deliver the greatest returns.

Countrywide therefore announces today that it has appointed advisors PwC to explore a potential sale of the Retail business. The Retail business consists of 53 Country Stores supported by a field sales team and back office teams enabled by the newly implemented Multichannel/ERP system. It is not anticipated that the Rural Energy - LPG or Turf and Amenity businesses will be impacted by this decision.

Trading performance in the new financial year continues in line with expectations. Rural Energy has seen a strong start with volumes ahead of prior year, as it continues to pursue its growth strategy. Similarly, Turf and Amenity has also made an encouraging start to the year. Retail continues to see improvement in like-for-like performance and on-shelf availability after facing serious issues through the latter part of last year. Stabilisation of the new Microsoft Dynamics AX ERP system and associated working practices have seen encouraging progress over recent months. In addition, renewed focus on working capital management has delivered significantly lower levels of receivables and improved quality combined with lower levels of inventory.

Countrywide also announces that it has recently concluded positive discussions with its bank and has agreed funding facilities that support the requirements of the entire Company for the foreseeable future.

The Company’s annual report is published on both the Corporate and Asset Match websites and will be posted to shareholders by 27 April 2017 followed by an AGM on Friday 26 May 2017.



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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

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