

Countrywide Farmers plc
Sale of Livestock Feed and Forage, Arable Products & Crop Marketing businesses
for £18.4m

Disposals focus Countrywide on its Retail, LPG energy and Turf and Amenity businesses.

Countrywide Farmers plc (“Countrywide”), one of the UK’s leading suppliers of products, services and advice to the rural community, announces the disposal of its Livestock Feed and Forage, Arable Products and Crop Marketing businesses for a maximum total combined consideration of £18.4m cash, allowing Countrywide to focus on its Retail, LPG energy and Turf and Amenity businesses.

The Livestock Feed and Forage business, comprising compound and alternative feeds, fertilizer and forage seeds is being sold to ForFarmers. The Arable business, which sells crop protection and cereal seed products is being sold to Hutchinsons and terms have been agreed for the sale of the Crop Marketing business to Openfield.

The Countrywide teams within these businesses will transfer to the respective purchasers, who are all market leading in their sector. The Countrywide Board believes the acquiring businesses will provide long term stability and wider career opportunities for the Countrywide teams as well as supporting them with the best products and service for their customers. Overall the sale of the Livestock Feed and Forage, Arable Products and Crop Marketing businesses will affect around 80 employees.

The disposals will allow the Company to focus on its higher margin Countrystore retail network of 53 stores across England and Wales, and its Energy business, which supplies bulk LPG and bottled gas to the rural community. The Directors believe that Countrywide holds a competitive advantage in both these areas and that the two businesses have the potential to deliver long-term growth in shareholder value. The Directors also believe that the disposals are in the best interest of shareholders and the additional cash funds will be applied to drive growth in the remaining focussed business.

As announced in our Annual Report, published in August 2014 a strategic review of our retail business, led by Berkeley Partnership, has demonstrated a clear path for Countrywide to become the leading multichannel Countrystore business in the UK. The net funds received from these disposals will provide the financial resources to deliver this strategy, including the implementation of Project Fusion which will provide the operating platform to support this ambition.

We remain committed to UK farming, supporting our customers with over 7,000 agriculture products available in store, catalogue and on line, supported by a dedicated field sales team.

Commenting on the new focus of the business, John Hardman, Chief Executive, said:

“Countrywide is well positioned to execute our retail strategy and to grow the business into a leading multichannel supplier to the UK’s rural community. Focusing the business on areas where we have a leading position and where we can generate strong returns is a key part of our strategy and will allow us to deliver enhanced shareholder value over the medium and longer term. The business is now well financed to ensure that we can successfully deliver on this strategy and we look forward to updating shareholders on our progress.”

“I would also like to thank all the staff who have worked within the businesses that we are selling. We are very grateful for their contribution and I sincerely hope that they will thrive following this new step for those businesses.”

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SHAREHOLDER INFORMATION

SHAREHOLDER CONFERENCE CALL – 11.30am, Wednesday 17 December 2014

There will be an opportunity for Countrywide shareholders to submit questions to the Board which will be answered during a conference call hosted by Nigel Hall, Chairman and John Hardman, Chief Executive.

The conference call will take place at 11.30am on Wednesday 17 December 2014 and shareholders can submit their questions via email to shareholder@countrywidefarmers.co.uk stating their name or the name in which the shares are held. Questions should be submitted before 4pm on Tuesday 16 December 2014. The dial-in details of the call are provided below:

Countrywide Farmers Investor Call

Date: Wednesday 17 December 2014

Time: 11.30am

Please dial: 0800 368 0649 (or +44 20 3059 8125 if calling from outside of the UK)

Participant password: Countrywide Farmers (please quote this to the Operator)

The call will be recorded and will be available for replay for 14 days following the call. Dial-in details will be available in the investor relations section of the Countrywide website.

FURTHER NOTES

ForFarmers (Lochem, the Netherlands) is an international operating company active in the field of conventional and organic feed solutions for the animal husbandry sector. ForFarmers is the European market leader, with annual volumes of around 8.5 million tonnes of animal feeds, around 75% of which is in compound feeds. In addition to animal feeds for the cattle, pig-farming, poultry and equine sectors, ForFarmers supplies trade goods for the arable and grassland farming sectors. ForFarmers also offers its clients additional know-how and advice in the fields of nutrition, farming and business development. In 2013, ForFarmers recorded net turnover of € 2.6 billion. The company has a workforce of more than 2,200 employees and production facilities in the Netherlands, Belgium, Germany and the United Kingdom. Countrywide outsourced the manufacture of its compound feeds to BOCM, now ForFarmers, in 2005. The transaction with ForFarmers is subject to clearance by the UK Competition Authority. The deal includes a long term supply contract for the manufacture of bagged feeds for sale through Countrywide's retail business. In the financial year to 31 May 2014 sales of Livestock Feed and Forage accounted for £125m of group turnover.

Hutchinsons is a leading Agronomy Advisory and Crop Input business operating throughout the UK. Established in 1938 Hutchinsons continues as a family business with a strong commitment to customer service and innovation. In the financial year to 31st May 2014 Countrywide agronomy and combinable seed sales accounted for £6.5m of group turnover.

Openfield is the UK's leading farmer-owned grain marketing business handling around 4.5 million tonnes of grain every year and was formed in 2008 following the merger of Centaur and Grain farmers. Their clear strategy is to create unique supply chains and return value to their farmer members. Openfield is owned by 3000 UK farmers who commit grain to the business, and markets over one million tonnes of grain for Openfield Network central storage member companies every year. In the financial year to 31st May 2014 Countrywide crop marketing business accounted for £40m of group turnover.

Retained businesses

The Countrywide retail business is one of the UKs leading Countrystore businesses. The 53 stores and online shopping had a combined turnover of £90m in 2014. Key to the future success of Retail is 'knowing the customer' and our Countrywide loyalty card is the largest rural club in the UK with membership exceeding 145,000. The card allows us to personalise marketing and promotional offers to each customer segment which has increased the number of transactions per customer per year. As reported in the last annual accounts Project Fusion represents a significant investment in technology to help us fully develop our multichannel strategy to enhance and exploit our existing store

network, infield sales team and on line shopping. Our Central distribution centre is also being developed to support these multichannel growth plans.

The Countrywide LPG business services over 10,000 customers in the Rural community with bulk gas and cylinders. The turnover last year of £20m was depressed by a mild winter; despite this we continue to grow customer numbers year on year, with an increasing number being sourced from our Store customer network. Cylinder sales continue to grow via stores as they are integrated into the supply chain. The customer base now benefits from a unique loyalty scheme which is linked to our Countrystores. We continue to invest in its storage and distribution infrastructure to provide the platform for further growth. The business will also benefit from Project Fusion as we seek to improve order and payment processes on line.

Turf and Amenity has grown sales to £3.5m, advising Golf course and Amenity managers throughout the trading area. The specialist sales team are backed by a comprehensive range of market leading products many of which are available for collection from a Countrywide store or online providing customers with more ways to buy than most competitors.