



MAKING COUNTRY LIFE BETTER  
SINCE 1902

**24 August 2015**

**Countrywide Farmers plc.  
Countrywide Farmers to acquire trading business of Cornwall Farmers.**

Countrywide Farmers is to acquire the trading business of Cornwall Farmers in a move that will create more choice for Cornwall Farmers customers and give Countrywide a bigger presence in the South West.

Under the terms of the deal, which is expected to complete early next month, Countrywide will take on the operation of all 12 Cornwall Farmers country stores in Cornwall and Devon for a total consideration of £6.050m. Cornwall Farmers Ltd will retain the freehold property, with Countrywide entering into long lease agreements as tenant.

Commenting on the deal, Countrywide Farmers Chief Executive, John Hardman, said: "We are delighted to have the opportunity to bring together these two highly respected brands to create a stronger offering to our customers. Cornwall Farmers has a long and proud history with experienced, knowledgeable staff. We look forward to welcoming them and the store network in Cornwall and Devon to the Countrywide family."

Simon Birch, Chief Executive of Cornwall Farmers, said: "This deal is good news for our customers in the South West. It combines our local knowledge and expertise with Countrywide's national buying power and multiple sales channels, which include online and click and collect services. Importantly, it ensures continuity of service for the rural communities Cornwall Farmers has served in Cornwall and Devon for many years, with access to the same network of stores, staffed by the same people.

"In agreeing a sale we wanted to find a partner who would continue to serve our rural communities across Cornwall and Devon and provide greater customer choice. The deal with Countrywide does all these things and allows Cornwall Farmers to retain a strong property asset base with recurring income from a secure long-term tenant."

The 12 Cornwall Farmers stores will take the Countrywide store portfolio to 66, creating the largest store group of its kind in the UK. The enlarged portfolio will increase further with Countrywide scheduled to launch new stores in Shrewsbury, Salisbury and Swansea in September and October.

Countrywide intends to retain the Cornwall Farmers name in Cornwall and Devon and quickly introduce retail innovations to the Cornwall Farmers store network, including its free 'click and collect' service and an extended product range through its Agricultural Catalogue, which features more than 8000 products.

The new store footprint across Devon and Cornwall will also provide customers the opportunity to access Countrywide's wider businesses, including market leading LPG Rural Energy and Turf & Amenity products and services.

In addition to growing the store portfolio, Countrywide is investing over £5m in a new IT platform which will transform the way the business operates.

John added: “The combination of this deal and the major investment in our new operating platform will support our ambition to deliver a seamless customer experience across our country stores, sales teams, online, catalogue and loyalty card scheme. Once the new system roll-out is completed by summer 2016, customers will be able to use their mobile, tablet or PC to click and collect at a store of their choice, as well as continuing to use all the traditional sales teams and stores to access our products and services.”

Following a period of major change in the Countrywide business and to support ongoing investment, revised banking facilities have been put in place with HSBC Bank plc, comprising a revolving credit facility of £20,000,000 repayable in full in September 2018 and an overdraft facility of £5,000,000 reviewable annually.

Mr Hardman added: “Both business strategies have followed parallel paths in recent years allowing each business to focus on delivering a quality range of products and services to make country life better. We are committed to delivering exceptional service and value to the rural sector, especially at a time when UK farming is facing considerable challenges on a number of fronts.”