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Unipart Announces Best Profits Since 2005

- Strong growth in home and international markets
- Total Group operating profit up 3.8% to £27.2m
- Pre-tax profit of £16.9m
- New manufacturing facilities in the UK; new logistics sites in China and India; growth in operations in Australia and the Middle East

Unipart Group, one of Europe's leading manufacturing, logistics and consulting businesses, has announced increased profit in its financial results for the year ended 31st December 2014.

In 2014, the total Group operating profit, including joint ventures and associates, grew from £26.2m in 2013 to £27.2m, an increase of 3.8%. The Group made a pre-tax profit of £16.9m, the highest reported for the total Group since 2005.

Revenue grew in real terms by just over 1%, however the reported Group turnover, including joint ventures and associates, was £786.8m (£1,056.3m in 2013). This is a result of a change in the way some client sales are accounted for as Unipart Chairman and Group Chief Executive John Neill explained:

"During the year we achieved our targets across all our operating units. Our turnover, for the most part, comes from the fees from our many clients," he said. "In the past, a major client required us to account for sales of products to their customers, which resulted in those sales appearing as part of our reported turnover.

"In the process of taking on more of their global operations, we restructured that arrangement so that those sales are now accounted for by our client with them taking the associated credit risk. The turnover reflects that change from sales to fees. It does not therefore result in a decrease in our business activity, rather the opposite, as our business continues to grow substantially and profitably."

(more follows)



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2/ UNIPART FINANCIAL RESULTS 2014

According to John Neill, The Unipart Way continues to be the foundation for the Group's growth with new and existing clients.

"Our investment in The Unipart Way, our proprietary system for employee engagement and operational excellence, has led to increased business with global brands such as **Vodafone** and **Sky**," he said.

"The Unipart Way has enabled us to deliver unexpected benefits to clients. For instance, we began our relationship with Sky in 2004 as a fulfilment operation, providing delivery of Sky set top boxes to its national workforce of field engineers.

"Having successfully demonstrated our ability to add real value to the Sky logistics requirement, in 2009 Sky awarded Unipart its set top box repair business. Our relationship grew further to include forward and reverse logistics, recycling services, and fleet management supporting over 2,800 Sky engineers. In 2014, Sky renewed our contract for a further five years. They have been won over by our ability to think differently, our adaptability, cost control and passion to deliver a market leading, customer experience. These are only possible due to the culture of our Group which comes from The Unipart Way."

Unipart benefited from major new UK and international business developments during 2014, as John Neill explained: "We began relationships with a number of new clients such as **HSS**, the UK and Ireland's leading national supplier of tool and equipment hire and specialist services, and international electricity and gas company **National Grid**, which implemented coaching and training programmes based on The Unipart Way and led by our expert practitioners in the UK and in the US.

"Another new client, **Kubota UK**, appointed us to manage its national parts distribution and logistics function from our Oxford distribution centre. The commercial vehicle business, also based in Cowley, has been rebranded *Unipart Autoparts* and is now developing a combined commercial vehicle and car parts proposition with **Andrew Page**.

"In our Midlands logistics operations, we strengthened ties and achieved growth with one of the world's leading technology brands by extending services to include technical screening activities, thereby creating 180 new jobs. We also announced a new contract with **Kimberly-Clark** through which we now operate three UK sites for the client.

"In the rail sector, we announced a joint venture with **Lucchini**. The joint venture business will provide a unique proposition in the UK of being able to offer a service of 'furnace to fleet' for bogies and wheelset supply. The UK rail market saw a high level of investment in 2014 and we achieved a record year for our rail manufacturing operations.

(More follows...)



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3/ UNIPART FINANCIAL RESULTS 2014

Engineering Heritage

"In our manufacturing operations in the Midlands, new facilities were opened during the year, each equipped with new production technologies. On our Coventry site, in collaboration with **Coventry University**, we opened *the Institute for Advanced Manufacturing & Engineering (AME)* to develop much needed young engineers for the UK. This is the first time that a university in the UK has created such a facility within an operational manufacturing site.

"Unipart has a strong engineering heritage, and manufacturing continues to be a growth area for the Group. We now have eight innovation centres across the UK and have developed research relationships with some eight universities.

"Three years ago our Unipart Expert Practices consultancy division engaged actively with our Middle East manufacturing operations which employ over 500 people. During 2013 productivity improved by 25%, with a similar result being achieved in 2014, evidencing the power of The Unipart Way to work everywhere.

"In other international locations, we continued to grow our operations. We opened a new Chinese logistics centre for automotive company **Qoros**. The long term partnership that Unipart enjoys with **Jaguar Land Rover** has been extended by the establishment of a new logistics centre and IT system for their Indian operations. In rail, we are increasingly active internationally, and saw further success in Australia, Hong Kong, South Africa, Canada the USA and Ireland.

"This UK and international growth is due to the increased recognition that The Unipart Way provides clients with what they need to succeed. We continue to note that while the words of our Unipart Way philosophy may be replicated by other organisations, years of investment, commitment and knowledge that has created a strong culture in Unipart cannot be copied. It continues to be our strategic advantage and our cornerstone for growth."

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Notes to editors: About Unipart Group

Unipart Group is a leading UK manufacturer, full service logistics provider and consultant in operational excellence. Operating across a range of market sectors, including automotive, manufacturing, mobile telecoms, rail, retail and technology, Unipart offers a breadth of services from third party logistics to expert consultancy.



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