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Unipart Announces 2011 Financial Results

Continuing Operations Show Strong Performance Despite Fragile Economy

Highlights:

- Sales from continuing operations up 7%
- Total Group operating profits up 5%
- Cash generated £4 million
- Strong profits from continuing operations of £28.7 million
- Borrowings reduced to £15.8 million
- 1,100 jobs created

Unipart Group, one of Europe's leading full service logistics providers, has announced its financial results for the year ended 31 December 2011. Turnover for the Group's continuing operations was £1.007 billion, an increase of 7%, and operating profits from continuing operations were £28.7 million. Total operating profit at £8.4 million included a £20.3 million operating loss from operations discontinued in 2011.

Commenting on the results, Group Chief Executive John Neill said: "In summary, despite the difficult economic conditions, sales were up in continuing operations by 7%; total Group operating profits were up by 5%; we generated £28.7 million profit for continuing operations; reduced our borrowings to £15.8 million ahead of forecast; and generated £4 million in cash, after significant investments in the business, strongly positioning the Group for the future.

"This has given us the confidence to support around £30m investment by our joint venture manufacturing businesses over the next few years and to continue to develop The Unipart Way as a source of enduring competitive advantage for our own company and for our customers."

"The story is one of continued growth while managing significant levels of change in our businesses and in our customers' businesses. The Unipart Way, which is our Group's proprietary approach to engaging people in a system of continuous improvement, has provided us with the competitive edge to respond quickly and with agility to the challenges affecting our markets globally."

During 2011, Unipart saw significant growth in international new business. In Australia the Group, in conjunction with its joint venture partner United Group Limited, a global leader in outsourced engineering, asset management and property services, won a major contract to provide fleet maintenance and logistics service to RailCorp, the state-owned Australian rail corporation. The seven year contract starts in 2012 and is expect to generate £900m revenue. Unipart also set up a returns processing hub in Sydney for ASOS, the internet fashion retailer and new business operations were established for aftermarket truck parts in the UAE and East Africa.

Unipart expanded its operations with new sites in China in Guangzhou and Beijing, supporting the rapid growth of Jaguar Land Rover in this market; and in Sanand and Pune in India, supporting Tata Motors. Also in India, Unipart announced a new contract to provide logistics, warehousing and distribution to Toyota. The three-year contract covers warehousing and distribution of aftermarket parts for Toyota Cars in India and will employ 150 people working out of the main Toyota site in Bangalore, Southern India.

In the UK, Unipart confirmed its commitment to UK manufacturing with the £30m investment in new manufacturing capacity over the next two years at its two joint venture businesses in Coventry. UEES, the Unipart joint venture with Eberspächer GmbH of Germany, won new contracts with Continental to produce fuel rails for the new Ford Sigma engine and with BMW Group to provide exhaust systems for the Mini plant in Oxford. It is expected that this will lead to new jobs in both Coventry and Oxford and also with UEES' wider supply base.

New product ranges and additional distributorships have been successfully introduced into the group's Commercial Vehicle and Leisure & Marine businesses. The Rail business renewed all the contracts that came up for renewal in 2011 and grew sales with both existing and new customers.

The Group's technology logistics business, saw good growth with a new contract with customer Virgin Media to provide reverse logistics services including repair and refurbishment of handsets and call centre solutions; and a new contract with Three to manage their reverse logistics business including delivery of returns, repair and refurbishment of handsets and remote repair and returns diagnostics, creating 250 new jobs in the Nuneaton area.

Unipart expanded its relationship with existing customer Sky, which awarded UTL the contract for the management of its Fleet & Engineer Services business including the procurement, distribution, kitting, service, maintenance and disposal of over 2500 vehicles and all of the equipment required by Sky's field engineers.

Unipart also achieved new business wins this year for its consulting operations, winning a range of contracts with new clients. These included one of the world's leading investment banks, to support the development of their key suppliers; Whittington Health in London to redesign and improve the efficiency of their patient administration pathway; and BAA at Heathrow and Glasgow airports, working on process improvement programmes within the business.

In September 2011, H2 Equity Partners acquired a controlling stake in the Group's UK automotive branch network, one of the UK's largest independent suppliers of car parts, workshop consumables and garage equipment. Unipart retained a 49.9% share. A multi-million pound forward investment programme together with a significant expansion of the network's range of parts and accessories - to around 160,000 products – will create the most comprehensive automotive replacement parts offering available in the UK.

"Overall the Group has seen very encouraging performance and growth against a fragile economy this year. This can be directly attributed to the company's continued commitment to engaging employees at every level of the business in the Unipart Way through activities such as our 'Gate to Great' development programme, training our employees in key continuous improvement tools and techniques. This allows us to continually offer our customers more by responding quickly and positively to both changes in the marketplace and our customer's needs." said John Neill.

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Editors' Notes:

About The Unipart Group

The Unipart Group employs around 10,000 personnel worldwide and has an annual turnover of more than £1billion. It is a leading full service logistics provider and consultant in operational excellence.

Operating across a range of market sectors, including automotive, leisure, marine, manufacturing, mobile telecoms, rail, retail and technology, Unipart offers a breadth of services from third party logistics to expert consultancy.

All Unipart sites operate according to the Group's proprietary version of Lean known as The Unipart Way. This is a philosophy of working underpinned by tools and techniques that inspires efficiency, flexibility and outstanding customer service in any process.

Unipart also offers expert consultancy in implementing Lean principles and in supply chain management across a variety of industry sectors.

The Group's clients include Sainsbury's, ASOS.com, Homebase, Vodafone, BMW, Three, Sky, Aston Martin, Jaguar Land Rover.