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Unipart Announces 2010 Financial Results

Profits Double Despite Fragile Economy

Unipart Group, one of Europe's leading full service logistics providers, has announced its financial results for the year ended 31 December 2010. Turnover for the Group's continuing operations was £1.130 billion (2009 – £1.086 billion) and operating profits before interest and taxation doubled to £9.5m (2009 – £4.9m). During the year the Group's operations generated £8.9m in cash of which £7.0m was reinvested as capital investment.

The results reflect good performances and growth across most of the Group's businesses together with some significant new business wins.

Commenting on the results Group Chief Executive John Neill said that The Unipart Way – the company's proprietary approach to engaging people in a system of continuous improvement – had played a key part in driving efficiency savings and adding value for our clients, giving Unipart a solid base for growth as the economy improved.

"Like many other companies, the last two years have been particularly challenging for our business, but 2010 has seen a return to growth, with excellent performances across our logistics, manufacturing and international business. We also generated significant amounts of cash, which we have continued to invest in our business in both capital projects and to reduce our overall borrowings," said Neill.

Unipart operates primarily in the distribution and logistics market, either managing customers' supply chains or selling products directly to the customer through its warehouses and branch networks. The Group's markets span a wide range of sectors including Automotive, Technology, Retail, Rail, Defence, Health, Utilities, Leisure, Marine and Manufacturing, most of which saw growth during 2010.

For instance the Group's technology logistics business saw a particularly good performance this year with a major contract win with Virgin Mobile; the opening of a new dedicated repair centre for BSkyB, which significantly extends our relationship with it; and continued growth in our partnership with Vodafone.

Similarly, despite continuing economic pressure in the consumer logistics sector, Homebase has extended its partnership with Unipart Logistics for a ground breaking 12 years, securing 200 jobs at Unipart's Cowley site.

ASOS - another major retail client - has seen significant growth in both the UK and overseas. Unipart is supporting this growth through the further development of a purpose-built fulfilment centre in Barnsley, creating 1,000 jobs. Unipart also opened a new returns operation in North America for ASOS. Unipart continued to invest in the automotive sector, opening a third logistics facility in China this year and establishing new operations in South Korea and India.

Unipart also achieved new business wins this year for its consulting arm, Unipart Expert Practices, signing a five-year agreement with the Countess of Chester Hospital Trust, winning new contracts with RBS Group and the Ulster Bank, and continuing to win new business with central Government.

In its manufacturing operations Unipart has seen a rapid increase in volumes during 2010, exceeding performance from before the economic recession. This was driven in part by vehicle manufacturers returning to production to meet consumer demand but also by new model introductions. The business is also developing opportunities across new product groups following the acquisition of new technology during 2008 and 2009.

The Group's international distribution and manufacturing arm, Unipart International, achieved its best overall performance for the last five years, achieving double digit sales growth in both its key German markets and in North America. Positive growth was also achieved across other European markets and the Gulf States.

Whilst the Group's rail sector business has seen performance in the domestic market remain stable, it has grown in international markets through sales of key UK developed products in Australasia, Western Europe and North America.

In Unipart's UK-based automotive network - which distributes parts to the independent motor trade, national fast fit and roadside assistance customers - major investments in developing the range, service quality and supply chain, has resulted in year on year sales growth in the independent motor trade, despite ongoing difficult trading conditions.

"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. We have also invested in our growing number of teaching sites, which have also enabled us to develop our own people and offer unique training facilities to our clients," said John Neill.

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Editors' Notes:

About The Unipart Group

The Unipart Group employs more than 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, 3, BSkyB, Jaguar Land Rover, and HMRC.