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Unipart Announces 2009 Financial Results

Profits Improve Despite Difficult Trading Conditions

Unipart Group, one of Europe's leading full service logistics providers, has announced its financial results for the year ended 31 December 2009. Turnover for the Group's continuing operations was £1.086 billion (2008 – £1.085 billion). Operating profit before goodwill and exceptional items for continuing operations was £6.5m (2008 – £3.4m) and the Group reduced its year end net debt by £12.1m.

According to Group Chief Executive John Neill, The Unipart Way – the company's proprietary approach to engaging people in a system of continuous improvement – has been the single most important element in enabling the company to increase profits during the global financial crisis.

“Like many other companies, Unipart faced a challenging and uncertain year as difficult global trading conditions caused by catastrophic mismanagement in the banking sector impacted both our company and many of our customers“ he said.

“We have been able to engage our people in using The Unipart Way to find innovative and creative ways to do more for our customers. That single factor has enabled Unipart to continue to add value and make efficiency savings for long term customers. We also continued to invest in our business and generated cash in excess of our operating profits.”

“The very good operational performance and improved operating profits have however been impacted by two factors which were largely outside the Group's control. Firstly, Jarvis Group plc announced recently that it had gone into administration and this gives rise to an exceptional bad debt charge of £1.6 million. Secondly, a tenant of one of the Group's properties in Kent which formed part of a business disposal several years ago ceased trading. This gives rise to a one-off charge of £6.1 million for future commitments on the retained property lease.

The net result of these two events which are exceptional in nature gives rise to an overall loss on ordinary activities after tax of £5.3 million”.

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, many of which saw growth during 2009.

For instance, in 2009 the partnership with BSkyB grew to include a new five year contract offering full warehousing, distribution and Call Centre support to BSkyB's rapidly growing force of engineers. Recently, Sky and Unipart have opened a state-of-the-art repair centre at Unipart's Baginton site in Warwickshire. Unipart will test, refurbish and repair Sky's set-top boxes, developing industry-leading processes on cutting-edge technology such as high definition.

New relationships with Sainsbury's and Kimberly-Clark went live during the course of 2009 and Unipart signed contract extensions with retailers ASOS, Play.com and Pets at Home.

Unipart Expert Practices, the Group's consulting operation has grown significantly and not only broadened its blue-chip client base but has demonstrated the power of the Unipart Way to help its clients in virtually every sector of business and government, and in many countries throughout the world including China, the United States, Brazil, Europe and most recently, in the United Arab Emirates.

In the rail sector, growth is being achieved in new products and new markets including Australasia, North America and Europe. Unipart's Leisure & Marine operation achieved good growth in the Car Care and Gas appliance markets.

Unipart's UEES joint venture manufacturing operation secured new contracts to supply a full range of technologically advanced exhaust systems to vehicle manufacturers such as Aston Martin, Bentley, Lotus and Cooper Works. Kautex Unipart Ltd secured a long-term, single source supply agreement with Jaguar Land Rover.

Unipart's UK-based branch network and European distribution operations, which distributes parts to the independent motor trade, national fast fit, roadside assistance, garage forecourt retail and commercial vehicle markets, improved their overall performance despite difficult trading conditions.

"We will continue to invest in developing and training our people through our company university, our Faculties on the Floor and our growing number of Teaching Operations to build their breadth and depth of knowledge of the Unipart Way to serve our growing customer base around the world," 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, Severn Trent Water and HMRC.