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Unipart Announces 2008 Financial Results

Unipart Group, Europe's leading private logistics company, has announced its financial results for the year ended 31 December 2008. Turnover for the Group's continuing operations was £1.085 billion (2007 – £1.073 billion). Operating profits before goodwill and exceptional items for continuing operations was £3.4m (2007 – £9.8m). Reflected in the results is Unipart's significant investment in new logistics contracts and IT systems.

The results reflect the Group's continued profitable performance in globally difficult trading conditions, particularly in the automotive market.

Commenting on the results, Group Chief Executive John Neill said that though 2008 had been a particularly challenging year, the passion within Unipart for operational excellence, customer intimacy and continuous improvement enabled Unipart to continue to grow its business with new and existing clients.

"Unipart continues to serve clients across a wide range of markets including such diverse fields as automotive, technology, retail, rail, defence, utilities, financial, health, leisure and manufacturing.

"The automotive industry has faced significant challenges in 2008 as a result of the economic downturn yet the Group has demonstrated resilience. We won a new contract with Mobis as the parts logistics provider for Hyundai and Kia in the UK. The contract is based in a new site in Tamworth.

Our involvement in the launch of the Jaguar XF was highly successful and was described by the client as their "best ever product launch", whilst our relationship with Jaguar was lauded by logistics experts in the USA as the best practice example of performance-based logistics. This relationship grew in 2008 to encompass aftermarket logistics services to Jaguar and Land Rover in South Africa and China.

"In 2008 Unipart maintained its position as the only company genuinely capable of providing a national aftermarket proposition to the independent motor trade, national fast-fit, roadside assistance, garage forecourt retail and commercial vehicle markets through our network of branches.

(more)

“Programmes to further improve the branch network have included the creation of larger branches that can deliver a wider range of products and services, investment in a new IT system, and plans for a wide-scale roll out of The Unipart Way to improve branch performance. We’ve already seen the benefits through major new business wins and increased sales, with a very positive start to 2009.

The Group has continued to grow and win new technology logistics customers. The partnership with Vodafone has gone from strength to strength with Unipart playing a key role in the launch of new products. The Nuneaton mobile phone centre used The Unipart Way to double the volume of repairs handled and expanded its services to encompass device customisation for handset manufacturers.

Unipart’s relationship with BSkyB has evolved significantly including support for the client’s broadband offering. 2008 also saw continued volume growth with clients such as Hutchison 3G and Play.com. Other client relationships either won or strengthened included Habitat, the RSPB, Homebase, and ASOS.

“In the rail market Unipart has continued to provide full-spectrum logistics and distribution services across a significant proportion of the UK rail market whilst growing its presence abroad, with permanent representation in Australasia, Europe and North America. Despite the continual changes in the traction and rolling stock markets, we have retained and built upon our contractual relationships. In the infrastructure maintenance and project market we have continued to provide a broad range of logistics services to Network Rail and its contractors.

“Unipart has continued to grow its consultancy skills and knowledge of The Unipart Way to provide supply chain and Lean consultancy solutions to both new and existing clients on a global basis. 2008 saw us build on the success of programmes developed in 2007, most notably with HMRC, and secure business in new sectors such as utilities, banking and health.

“In manufacturing, our heat exchange proposition remains the premier provider to the UK motorsport market, including a number of grand prix teams. The acquisition of an exhaust manufacturer has enabled UEES to expand its customer base to include Lotus and Aston Martin, whilst KUL has undertaken a major capital investment programme to expand its facilities and product offering.

“Unipart’s international operations saw continued growth in its manufacturing and distribution activities in the Gulf, USA and Europe. Our specialised heat transfer manufacturing and service operations gained major, new clients operating in the oil and gas industry in the Middle East. The HGV and collision parts operations based in the Benelux region continued to extend their presence into Central and Eastern Europe and expanded their product offerings with a number of innovative, safety related products.

“The Group continues to invest heavily in developing and training our people in the full suite of Unipart Way tools and techniques. Our commitment to engage employees at every level of the business in continuous improvement has created a “can do” culture that continues to reap benefits for the individual, our clients and the Group as a whole.”

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Notes to editors:

About The Unipart Group

The Unipart Group employs more than 8,000 personnel worldwide and has an annual turnover of more than £1billion. It is one of Europe's leading logistics companies and a widely-recognised pioneer in the field of Lean implementation.

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 Halfords, ASOS.com, Homebase, Vodafone, Hutchison 3G, BSKyB, Jaguar, Severn Trent Water and HMRC.