

30 March 2011



Autologic Holdings plc

("Autologic", the "Company" or the "Group")

**Final Results  
for the year ended 31 December 2010**

Autologic, a leading provider of support services to the automotive industry specialising in vehicle technical services and distribution, is today announcing its final results for the year ended 31 December 2010.

**SUMMARY**

- Revenue from continuing operations up 3% to £138.3 million (2009: £134.5 million).
- Operating profit from continuing operations, before exceptional items, up 28% to £2.3 million (2009: £1.8 million).
- Operating cash generated from continuing operations, before exceptional items, of £3.0 million (2009: £8.3 million).
- Profit before income tax from continuing operations, before exceptional items, up 5% to £2.2 million (2009: £2.1 million).
- Business performance\* earnings per share up 17% to 2.7p (2009: 2.3p).
- Statutory profit for the year including exceptional items and discontinued operations of £0.7 million (2009: £5.9 million).
- Statutory earnings per share of 1.1p (2009: 9.4p).
- Walon France transaction completed, releasing the Group from significant contingent liabilities of £48.0 million as at 31 December 2009 and realising net cash of £3.6 million.
- Acquisition of the trade and assets of Autocarriers Ltd in September 2010, strengthening the distribution business in the UK.
- Net debt (cash, borrowings and finance leases) at year end reduced to £1.9 million (2009: £2.2 million).
- Net assets at 31 December 2010, increased to £31.4 million (2009: £29.4 million).

\* continuing earnings before exceptional items

**Chief Executive Officer, Avril Palmer-Baunack, commented:**

*"2010 has been a significant year in the turnaround of Autologic. Many of the inherited legacy issues have now been resolved and the restructuring of the business has been largely completed. I am pleased by the Group's operating performance this year; in demanding market conditions Autologic has delivered encouraging results.*

*The Board has been carefully considering strategic development opportunities for the Group. We believe that the core skill sets, assets, systems and processes within the business can be utilised in other related automotive market sectors and that the significant medium-term opportunities for Autologic are in establishing a greater presence across the vehicle life-cycle."*

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## **CHAIRMAN'S STATEMENT**

I was very pleased to accept the appointment as Non-Executive Chairman in November 2010. Having joined Autologic as a Non-Executive Director over three years ago, I have supported the execution of the management team's business turnaround plan which commenced in late 2007 and I am proud of the progress achieved during that period.

The Group has been significantly strengthened as a result of the initiatives taken since 2007 and over what has turned out to be an exceptionally challenging period for the automotive industry as a whole. Despite the ongoing difficult trading backdrop during 2010, I am pleased to be able to report continuing progress over the year, both operationally and financially, as is evident in the Group's trading figures.

Revenues are up by 3% year-on-year, profit before tax from continuing operations (before exceptional items) increased by 5% and business performance earnings per share rose by 17% in 2010.

Operationally, some of management's key achievements have been in rebuilding customer relationships, most notably in the aftermath of the loss of the Group's contract with Ford in 2007, addressing inherited legacy issues and reshaping the business to ensure sustainable, profitable growth.

In 2010, the resolution of a material contingent liability relating to the sale in 2006 of our former subsidiary, Walon France, was a significant step forward for Autologic. In addition, in September we acquired the trade and assets of Autocarriers Ltd, which has consolidated Autologic's market-leading position in the UK.

Looking ahead, we believe that we have the foundations in place to develop and expand the Group in a profitable and value-enhancing manner. With the Group's restructuring largely complete and an effective and experienced management team in place, I look forward to the future with a great deal of optimism.

It is a pleasure to invite you to the Group's Annual General Meeting, which will be held on 22 June 2011.

**John Davies**  
Non-Executive Chairman

# CHIEF EXECUTIVE OFFICER'S STATEMENT

## Introduction

2010 has been a significant year in the turnaround of the Autologic Group. Many of the inherited legacy issues have now been resolved and the restructuring of the business has been largely completed. The Group is now better positioned for growth in the markets in which we operate and the management team we have in place is experienced and decisive. I am pleased by the Group's operating performance this year; in demanding market conditions Autologic has delivered encouraging results.

## Our Markets

There were just over two million new car registrations in the UK in 2010, almost 2% up on 2009 despite the ending of the scrappage scheme in March 2010. Broadly 100,000 new car registrations took place as a result of the scrappage scheme during the first half of 2010 as compared to 300,000 during the whole of 2009. The scrappage scheme aided the Group's performance in the first half of 2010 but this support will be missed during 2011. On a more positive note, car production in the UK rose by 27% over 2009, ending the year at almost 1.3 million. New car sales in Belgium and the Netherlands, our key markets in Mainland Europe, also saw recovery in 2010, with year-on-year increases of 15% and 25% respectively, albeit that these increases are on significantly lower absolute volumes than in the UK market.

Group revenues increased by 3% to £138.3 million (2009: £134.5 million), including a three month contribution of £2.2 million from the acquisition of the trade and assets of Autocarriers Ltd. The underlying volume of vehicle movements has increased more significantly than these headline figures would suggest but this increase in volume has been largely offset by a reduction in average sales prices in more competitive current market conditions.

The downward pressure on sales prices has been accompanied by cost inflation, most notably in our UK distribution activities, with the well-publicised escalating cost of diesel and higher sub-contracting prices as capacity reduced in the market. Our strategy to acquire transporters as they come to the end of their leases will help to mitigate cost pressures and over the year we invested £2.4 million in the purchase of 149 transporters at very attractive prices. By utilising our own maintenance facility at our freehold site in Doncaster, which is operated in partnership with one of our chassis providers and which opened in March 2010, we are able to maximise the useful economic life from these assets whilst reducing operating costs.

In Mainland Europe, we continue to offer a broad range of services and make excellent use of our flexible cost base to respond to increases in customer requirements. By reacting swiftly to increases in localised demand we have been able to generate significant profit growth in this region, which is reflected in the operating results for this segment. We have also shared in the successful market share growth of one of our key accounts during this period.

## Our Contracts

I am pleased to report that during the year we secured new contracts with Aston Martin (vehicle services) until December 2013 and Chrysler (distribution), which allowed us to extend our existing contract with Fiat (distribution and vehicle services) until December 2013. We have also renewed our contract with General Motors at our dedicated vehicle

services facility at Corby for a three-year term ending December 2013 and renegotiated our vehicle services contracts with Toyota in a way that allows us to utilise our existing in-house facilities in a more productive manner, to the benefit of both Toyota and ourselves. This restructuring has increased our capacity and service offering at our existing depots, which we expect to produce positive results from 2011 onwards.

In Mainland Europe, we increased volumes under our distribution contract with Glovis and extended the term until December 2011. Unfortunately, our line-end handling and releasing contract with General Motors in its Antwerp factory came to an end, as this factory was closed by General Motors in December 2010.

### **Significant Events**

In July 2010, we closed out a significant legacy issue relating to the disposal in May 2006 of Walon France. We agreed a release with the landlord and Walon France relating to the lease guarantees on the French property leases that had been a part of the original sale agreement. The potential exposure on these guarantees was £48.0 million as at 31 December 2009 and securing their release was an important step forward for the Group. This agreement also included early settlement of the deferred consideration relating to the sale of Walon France and full and final settlement on all aspects of the disposal, which included waiving various contingent payments to the directors of Walon France up to a maximum potential cost of £0.5 million. The closure of the transaction realised £3.6 million of cash, net of costs, which has improved the Group's net debt position at the year-end.

In September 2010, we acquired the trade and assets of Autocarriers Ltd which had gone into administration. At that time, Autocarriers Ltd (trading as both MCD and Autocarriers) was one of the UK's largest suppliers of vehicle transportation services. Our decision to acquire this business has strengthened Autologic's market position in the UK and at the same time prevented low cost assets and a revenue base from falling into the hands of a competitor.

### **Pensions**

During the year, we undertook a thorough review of the Group's UK defined benefit pension schemes and entered into discussions with the trustees with the aim of merging the two schemes. A merger would, we believe, be in the best interests of both the pension scheme members and the Group due to the cost reductions and critical mass that would be achieved. The combined deficit of the UK schemes under International Accounting Standards stands at £2.7 million as at 31 December 2010.

### **Dividend**

The Board will not be recommending a dividend (2009: £nil) to Shareholders at the Annual General Meeting given the continuing uncertainty in the macro-economic environment. However, the Board is committed in principle to the resumption of dividend payments, when it believes it is prudent to do so in light of the future underlying earnings, cash flow, balance sheet strength and capital investment plans.

### **Our Board and Our Staff**

In November 2010, we were delighted to announce the appointment of John Davies as Non-Executive Chairman. John had been a Non-Executive Director of Autologic since June 2007 and has been of great value to the Company throughout this period in supporting the development of the Group.

I would also like to emphasise the contribution of the Group's employees. Both the sector in which we operate and the economy at large have presented many challenges during 2010 and I am extremely grateful to all of our employees for their hard work and commitment, which are the overriding factors enabling Autologic to provide an excellent quality of service to the automotive industry and to remain as market-leader.

### **The Future**

We are cautious in our outlook for 2011. The macro-economic environment remains uncertain so we have deliberately made preparations based on projections that are less optimistic than published industry forecasts, such as those from the Society of Motor Manufacturers and Traders. Clearly, as a service provider, we remain in day-to-day contact with our customers and if the UK new car market is more buoyant than we anticipate, we have the flexibility and capacity to meet that demand. However, I firmly believe that you must 'cut your coat according to your cloth' and within our core businesses this message has never been more appropriate. In due course, I fully expect the contract cycle to support long-term investment in new assets but from what I observe we are not yet at this point in the UK.

Having said that, I am confident that we have a stable platform in our UK business and within reasonable parameters we have the opportunity to grow and develop the business by increments. From the actions we have taken within distribution, by centralising operations and purchasing transporters at the end of their lease periods, and within vehicle services, by re-modelling internal procedures and processes and streamlining operations, we have created the capacity that enables us to do this. I also expect further growth in Mainland Europe as we exploit the full potential of the opportunities already identified. However, I expect the pressure on our sales pricing and our cost-base to remain with us for the foreseeable future.

Now that the majority of the Group's significant legacy issues have been resolved and we have successfully reinforced Autologic's position as the lead player in its market sector, the Board has been carefully considering strategic development opportunities for the Group. We believe that the core skill sets, assets, systems and processes within the business can be utilised in other related automotive market sectors and that the significant medium-term opportunities for Autologic are in establishing a greater presence across the vehicle life-cycle. The value chain within a vehicle's lifespan and the related automotive services sectors offers us many 'touch points' with differing customers that range from retail to corporate markets. Exploitation of some of these opportunities is how I believe we will bring about a step change in the business and this is how we intend to develop the Group's footprint and growth platform for the future.

**Avril Palmer-Baunack**  
Chief Executive Officer

# OPERATING AND FINANCIAL REVIEW

## Results

Revenue from continuing operations increased by 3% to £138.3 million (2009: £134.5 million). Approximately half of this increase came from the Autocarriers acquisition made in September 2010, which contributed three months of revenue, with the balance accounted for by growth in Mainland Europe.

Operating profit from continuing operations, before exceptional items, increased by 28% to £2.3 million (2009: £1.8 million). This increase of £0.5 million was primarily generated in Mainland Europe where we were able to exploit opportunities for growth. Trading conditions in the UK automotive market place remained extremely competitive. The statutory operating profit from continuing operations of £2.1 million (2009: £0.1 million) includes net exceptional costs of £0.2 million (2009: £1.7 million) which are described below. These items have been disclosed separately because they are of a non-recurring nature and this separate analysis provides a useful indication of underlying performance.

The net cost of finance increased to £0.3 million (2009: net finance income of £0.1 million). Actual borrowing costs remained stable year-on-year in line with net debt levels. The increase predominantly reflects the cessation of the interest credit from the unwind of the discounted deferred receivable due from Walon France, which was settled in July 2010, as described in the Chief Executive Officer's Statement.

Our joint venture operations in Mainland Europe continued to operate profitably, contributing £0.2 million of post-tax profit (2009: £0.2 million).

Profit before tax from continuing operations (before exceptional items) rose by 5% to £2.2 million (2009: £2.1 million). The statutory profit before tax was £2.0 million (2009: profit of £0.4 million).

The tax expense of £0.5 million (2009: credit of £0.1 million) represents an effective tax rate, after adjusting for profit on equity accounted investees, of 28%.

Business performance basic earnings per share increased to 2.7p (2009: 2.3p) and on a statutory basis, including the effect of exceptional items and discontinued operations, basic earnings per share was 1.1p (2009: 9.4p).

## Operations

### UK

UK revenues increased by 2% to £110.6 million (2009: £108.3 million). Excluding the effect of the Autocarriers acquisition, revenues were stable year-on-year, with a reduction of 1% in distribution revenues offset by a 1% increase in revenues from vehicle services. The number of vehicles moved in our distribution activities increased by almost 6%, which was ahead of the growth in new car registrations but the reduction in average revenue per car brought about by the highly competitive UK market conditions offset this increase in volume. Our vehicle services activities had a year-on-year increase in vehicle arrivals into depots and storage levels during the year, reflecting the increase in UK production during 2010.

UK operating profit, before exceptional items, reduced to £3.2 million (2009: £3.4 million). This reflects the erosion of gross margins in UK distribution, with the pressures on contract pricing highlighted above compounded by the increasing cost of diesel throughout the year, which under marketplace contract terms is not fully recovered from customers. Our strategy of investing in second-life trucks as they come to the end of their operating lease term has reduced our cost base significantly and, in addition to this, we are now maintaining approximately 75% of our fleet through our own facility at our site in Doncaster. These actions, together with other cost saving measures, have helped to mitigate the less-controllable factors of pricing and fuel but year-on-year margins have unavoidably been reduced. Within our vehicle services operations, the value-added nature of the services supplied by the Group has assisted in maintaining gross margins and we have also undertaken thorough reviews of our overheads, processes and supply chain to achieve cost-savings.

### **Mainland Europe**

Revenues in Mainland Europe increased by 6% to £27.7 million (2009: £26.2 million) and operating profit improved by 45% to £1.6 million (2009: £1.1 million). Growth has been achieved predominantly through increasing volumes and services for existing customers, which have largely been achieved based on a flexible sub-contract model and without significant addition to our overhead. We have invested in new transporters in Mainland Europe, increasing our fleet by five during 2010, and we anticipate further investment during 2011 in order to support the business in this region and maintain an appropriate balance between our own fleet and the use of sub-contract resource.

During the year our Benelux operation secured financing facilities of €1.5 million and has financed the transporter additions on local finance lease agreements. This provides Mainland Europe with further financial independence and gives flexibility over the management of the Group's treasury position.

### **Head Office Costs**

Head office costs, before exceptional items, have reduced by 7% to £2.5 million (2009: £2.7 million). This saving reflects a reduction of £0.4 million in the accounting charge for share option awards and a net increase of £0.1 million due to the cessation of fee income when the property guarantees on behalf of Walon France were released.

### **Discontinued Operations**

	<b>2010</b>	2009
	<b>£'m</b>	£'m
Walon France	<b>(2.0)</b>	-
Income relating to the loss of the Ford contract	<b>1.3</b>	5.5
Reversal of other provisions relating to business closures and disposals	<b>0.1</b>	0.6
Income tax expense	<b>(0.2)</b>	(0.7)
<b>Total</b>	<b>(0.8)</b>	5.4

The early settlement of deferred consideration and the release of guarantees in respect of Walon France represent the conclusion of arrangements relating to the disposal of the former subsidiary in May 2006. Under the terms of the disposal of Walon France, consideration of €7.9 million was deferred until May 2012 and Autologic provided lease commitment guarantees, in respect of which the Group disclosed a contingent liability amounting to £48.0 million in the 2009 Consolidated Financial Statements. The

agreement reached in July 2010 secured an immediate cash receipt, net of costs, of £3.6 million in settlement of the deferred consideration, eliminated the lease guarantees and reached full and final settlement on all aspects of the disposal of Walon France. The charge of £2.0 million represents the difference between the cash received, net of costs, and the discounted value of the deferred consideration as at July 2010.

During the year, the Group made further progress in finalising outstanding matters in respect of its discontinued activities relating to the loss of the Ford contract. This resulted in the recognition of profit of £1.3 million relating to the reversal of provisions which are no longer required. This is further to the profit of £5.5 million reported in 2009, which included a pre-tax pension gain of £3.5 million in respect of the transfer of pension plan members from the Ansa plan to Ford and the reversal of other provisions established in respect of transporter leases, property commitments and other potential liabilities relating to the Ford activities of £2.0 million.

There was further income of £0.1 million (2009: £0.6 million) relating to the reversal of provisions no longer required relating to the sale and closure of business activities in previous years.

#### Exceptional Items

	2010 £'m	2009 £'m
Foreign exchange losses on non-trading Euro denominated receivables	(0.4)	(0.5)
Costs associated with the acquisition of the trade and assets of Autocarriers Ltd	(0.1)	-
Aborted acquisition costs	(0.1)	-
Release from/(charges to) provisions for restructuring and down-sizing the driver numbers and transporter fleet	0.4	(1.7)
Leased transporter return costs	-	0.1
Provision for loss-making contracts	-	0.4
<b>Total</b>	<b>(0.2)</b>	<b>(1.7)</b>

The foreign exchange losses on non-trading Euro denominated receivables relate substantially to exchange movements, prior to settlement, on the deferred consideration due from Walon France and will therefore not recur.

The acquisition of the trade and assets of Autocarriers Ltd is described in the Chief Executive Officer's Statement. The charge includes costs and assumed liabilities of the business of £0.1 million.

The costs associated with restructuring and down-sizing the driver numbers and transporter fleet in 2009 predominantly represented redundancy costs and further down-sizing in the business in response to the reduced levels of activity in the UK. In 2010, the credit of £0.4 million represents the elements of these provisions that were ultimately not required. Other exceptional credits in 2009 relate to historical items.

### **Balance Sheet and Net Debt**

Net assets have increased to £31.4 million (2009: £29.4 million). This increase reflects retained earnings of £0.7 million, a further £0.3 million in respect of share option charges which have been charged against the profit for the year and post-tax actuarial gains on the Group's defined benefit pension schemes of £1.3 million. These improvements have been offset by an exchange loss of £0.3 million on consolidation of our European assets caused by the strengthening of Sterling in 2010 as compared to 2009.

As at 31 December 2010, net debt was £1.9 million, which represents a reduction of £0.3 million during the year (2009: £2.2 million). This improvement reflects operating cash inflows of £3.0 million from continuing operations before exceptional items and further net cash inflows of £3.1 million from exceptional and discontinued activities, including the net receipt of £3.6 million on the early settlement of the deferred consideration from Walon France. This cash generation was partially offset by the capital expenditure incurred during the year, primarily in transporters and the investment in the trade and assets of Autocarriers Ltd, which together amounted to £4.9 million.

The Board continues to maintain a tight control over working capital and capital expenditure, whilst taking the opportunities where they present themselves to invest in good quality equipment at this point in the market cycle. Throughout 2010, the Group has operated comfortably within its principal finance facilities, which were renewed in 2009 with GE Commercial Finance Ltd ('GE') for a three-year term ending in September 2012. As described above, the Group has increased its available facilities during the year by agreeing new terms in Mainland Europe with ING. The Group's internal budget for 2011 and forecasts for 2012 give the Directors confidence that the Group will continue to operate within its financing facilities for the foreseeable future.

**Andrew Somerville**  
Group Finance Director

# CONSOLIDATED INCOME STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Year ended 31 December 2010			Year ended 31 December 2009		
		Before exceptional items £'m	Exceptional items £'m	After exceptional items £'m	Before exceptional items £'m	Exceptional items £'m	After exceptional items £'m
<b>Continuing operations</b>							
Revenue	2	138.3	-	138.3	134.5	-	134.5
Cost of sales	3	(128.2)	0.4	(127.8)	(124.6)	(1.1)	(125.7)
<b>Gross profit</b>		<b>10.1</b>	<b>0.4</b>	<b>10.5</b>	9.9	(1.1)	8.8
Administrative expenses	3	(7.8)	(0.6)	(8.4)	(8.1)	(0.6)	(8.7)
<b>Profit from operating activities</b>	2	<b>2.3</b>	<b>(0.2)</b>	<b>2.1</b>	1.8	(1.7)	0.1
Finance income		0.4	-	0.4	0.9	-	0.9
Finance expense		(0.7)	-	(0.7)	(0.8)	-	(0.8)
Net finance (expense) / income		(0.3)	-	(0.3)	0.1	-	0.1
Share of profit from equity accounted investees, net of income tax		0.2	-	0.2	0.2	-	0.2
Profit before income tax		2.2	(0.2)	2.0	2.1	(1.7)	0.4
Income tax (expense) / credit		(0.5)	-	(0.5)	(0.6)	0.7	0.1
Profit from continuing operations		1.7	(0.2)	1.5	1.5	(1.0)	0.5
<b>Discontinued operations</b>							
(Loss) / profit from discontinued operations, net of income tax	2	-	(0.8)	(0.8)	-	5.4	5.4
<b>Profit for the year</b>		<b>1.7</b>	<b>(1.0)</b>	<b>0.7</b>	1.5	4.4	5.9
Attributable to:							
Owners of the Company		1.7	(1.0)	0.7	1.4	4.4	5.8
Non-controlling interests		-	-	-	0.1	-	0.1
		1.7	(1.0)	0.7	1.5	4.4	5.9
<b>Earnings per share</b>							
Basic and diluted	4			1.1p			9.4p
<b>Earnings per share from continuing operations</b>							
Basic and diluted	4			2.5p			0.7p

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## FOR THE YEAR ENDED 31 DECEMBER 2010

	Year ended 31 December 2010 £'m	Year ended 31 December 2009 £'m
<b>Profit for the year</b>	<b>0.7</b>	5.9
<b>Other comprehensive (expense) / income</b>		
Foreign currency translation differences for foreign operations	<b>(0.3)</b>	(0.4)
Defined benefit plan actuarial gains / (losses)	<b>1.8</b>	(4.0)
Income tax (expense) / credit on other comprehensive income / (losses)	<b>(0.5)</b>	1.1
Other comprehensive income / (expense) for the year, net of income tax	<b>1.0</b>	(3.3)
<b>Total comprehensive income for the year</b>	<b>1.7</b>	2.6
Attributable to:		
Owners of the Company	<b>1.7</b>	2.5
Non-controlling interests	-	0.1
<b>Total comprehensive income for the year</b>	<b>1.7</b>	2.6

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 DECEMBER 2010

	Attributable to equity holders of the Company							Non-controlling interest	Total equity
	Share capital	Special reserve	Merger reserve	Capital reserve	Translation reserve	Retained earnings	Total		
	£'m	£'m	£'m	£'m	£'m	£'m	£'m		
Balance at 1 January 2010	0.1	6.6	8.4	-	0.4	13.5	29.0	0.4	29.4
<b>Total comprehensive income / (expense) for the year</b>									
Profit for the year	-	-	-	-	-	0.7	0.7	-	0.7
Other comprehensive (expense) / income:									
Foreign currency translation differences for foreign operations	-	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Defined benefit plan actuarial gains, net of income tax	-	-	-	-	-	1.3	1.3	-	1.3
Total other comprehensive (expense) / income	-	-	-	-	(0.3)	1.3	1.0	-	1.0
Total comprehensive (expense) / income for the year	-	-	-	-	(0.3)	2.0	1.7	-	1.7
<b>Transactions with owners, recorded directly in equity</b>									
Share-based payments adjustment	-	-	-	-	-	0.3	0.3	-	0.3
<b>Balance at 31 December 2010</b>	<b>0.1</b>	<b>6.6</b>	<b>8.4</b>	<b>-</b>	<b>0.1</b>	<b>15.8</b>	<b>31.0</b>	<b>0.4</b>	<b>31.4</b>

## FOR THE YEAR ENDED 31 DECEMBER 2009

	Attributable to equity holders of the Company							Non-controlling interest	Total equity
	Share capital	Special reserve	Merger reserve	Capital reserve	Translation reserve	Retained earnings	Total		
	£'m	£'m	£'m	£'m	£'m	£'m	£'m		
Balance at 1 January 2009	0.1	6.6	8.4	0.3	0.8	9.6	25.8	0.4	26.2
<b>Total comprehensive income / (expense) for the year</b>									
Profit for the year	-	-	-	-	-	5.8	5.8	0.1	5.9
Other comprehensive expense:									
Foreign currency translation differences for foreign operations	-	-	-	-	(0.4)	-	(0.4)	-	(0.4)
Defined benefit plan actuarial losses, net of income tax	-	-	-	-	-	(2.9)	(2.9)	-	(2.9)
Total other comprehensive expense	-	-	-	-	(0.4)	(2.9)	(3.3)	-	(3.3)
Total comprehensive (expense) / income for the year	-	-	-	-	(0.4)	2.9	2.5	0.1	2.6
<b>Transactions with owners, recorded directly in equity</b>									
Dividend payable to non-controlling interests	-	-	-	-	-	-	-	(0.1)	(0.1)
Share-based payments adjustment	-	-	-	-	-	0.7	0.7	-	0.7
Transfer Capital reserve	-	-	-	(0.3)	-	0.3	-	-	-
Total transactions with owners	-	-	-	(0.3)	-	1.0	0.7	(0.1)	0.6
<b>Balance at 31 December 2009</b>	<b>0.1</b>	<b>6.6</b>	<b>8.4</b>	<b>-</b>	<b>0.4</b>	<b>13.5</b>	<b>29.0</b>	<b>0.4</b>	<b>29.4</b>

# CONSOLIDATED BALANCE SHEET

## AS AT 31 DECEMBER 2010

	Note	2010 £'m	2009 £'m
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill		21.5	21.0
Property, plant and equipment		16.0	13.3
Investments in equity accounted investees		0.4	0.3
Deferred tax assets		1.5	2.4
Trade and other receivables		0.6	7.0
		<b>40.0</b>	<b>44.0</b>
<b>Current assets</b>			
Inventories		0.9	0.6
Trade and other receivables		23.7	23.5
Cash and cash equivalents	6	6.7	7.5
		<b>31.3</b>	<b>31.6</b>
<b>Total assets</b>		<b>71.3</b>	<b>75.6</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		(24.0)	(24.9)
Loans and borrowings	6	(1.8)	(2.7)
Current tax liabilities		(0.4)	(0.4)
Provisions		(1.7)	(2.8)
		<b>(27.9)</b>	<b>(30.8)</b>
<b>Non-current liabilities</b>			
Loans and borrowings	6	(6.8)	(7.0)
Employee benefits		(2.8)	(5.1)
Provisions		(2.4)	(3.3)
		<b>(12.0)</b>	<b>(15.4)</b>
<b>Total liabilities</b>		<b>(39.9)</b>	<b>(46.2)</b>
<b>Net assets</b>		<b>31.4</b>	<b>29.4</b>
<b>Equity</b>			
Share capital		0.1	0.1
Other reserves		15.1	15.4
Retained earnings		15.8	13.5
<b>Total equity attributable to equity holders of the Company</b>		<b>31.0</b>	<b>29.0</b>
Non-controlling interests		0.4	0.4
<b>Total equity</b>		<b>31.4</b>	<b>29.4</b>

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	Year ended 31 December 2010 £'m	Year ended 31 December 2009 £'m
<b>Cash flows from operating activities</b>			
Cash generated from continuing operations before exceptional items	7	3.0	8.3
Cash used by continuing operations – exceptional items		(1.2)	(5.9)
Cash generated from discontinued operations – exceptional items		0.7	0.7
<b>Total cash generated from operating activities</b>		<b>2.5</b>	<b>3.1</b>
Interest received		-	0.1
Interest paid		(0.6)	(0.3)
Income tax (paid) / refunded		(0.2)	0.7
<b>Net cash generated from operating activities</b>		<b>1.7</b>	<b>3.6</b>
<b>Cash flows from investing activities</b>			
Dividends received from joint venture companies		0.1	0.6
Proceeds from sales of property, plant and equipment		0.1	0.1
Purchase of goodwill		(0.5)	-
Purchase of property, plant and equipment		(4.4)	(1.8)
Net proceeds from sale of investments – discontinued operations		3.6	-
<b>Net cash used by investing activities</b>		<b>(1.1)</b>	<b>(1.1)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(2.4)	(0.6)
New finance leases taken out in the year		1.5	-
Payment of finance lease liabilities		(0.3)	(0.1)
<b>Net cash used in financing activities</b>		<b>(1.2)</b>	<b>(0.7)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(0.6)</b>	<b>1.8</b>
Cash and cash equivalents at the beginning of the financial year	6	7.5	5.9
Effect of exchange rate changes on cash and bank overdrafts		(0.2)	(0.2)
<b>Cash and cash equivalents at the end of the financial year</b>	<b>6</b>	<b>6.7</b>	<b>7.5</b>

# NOTES TO THE FINAL RESULTS

## FOR THE YEAR ENDED 31 DECEMBER 2010

### 1. Basis of Preparation

#### Basis of Accounting

This preliminary statement has been prepared under the historical cost convention. The accounting policies have remained unchanged from the previous year, except as disclosed below.

The financial information set out in this preliminary statement does not constitute the Company's statutory accounts for the years ended 31 December 2010 or 2009. Statutory accounts for 2009 have been delivered to the registrar of companies, and those for 2010 will be delivered in due course. The auditors have reported on those accounts; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

#### Changes in Accounting Policies

##### Business Combinations

Revised IFRS 3 Business Combinations (2008) incorporates the following changes that may be relevant to the Group's operations:

- The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations;
- Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss;
- Transaction costs, other than share and debt issue costs, will be expensed as incurred;
- Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss; and
- Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction by transaction basis.

Revised IFRS 3 is applied prospectively and as a result was adopted for the acquisition that occurred during the year. However the application of the revised IFRS 3 had no significant impact on the Consolidated Financial Statements or reported earnings per share.

## 2. Segmental Reporting

	Mainland Europe £'m	UK £'m	Un- allocated £'m	Total £'m
<b>Year ended 31 December 2010</b>				
<b>Continuing operations</b>				
Total gross segment revenue	29.7	110.6	-	<b>140.3</b>
Less inter-segment revenue	(2.0)	-	-	<b>(2.0)</b>
<b>Revenue</b>	<b>27.7</b>	<b>110.6</b>	<b>-</b>	<b>138.3</b>
<b>Continuing operations</b>				
Profit from operating activities before exceptional items	1.6	3.2	(2.5)	<b>2.3</b>
Exceptional items	-	0.3	(0.5)	<b>(0.2)</b>
Profit from operating activities	1.6	3.5	(3.0)	<b>2.1</b>
Net finance expense				<b>(0.3)</b>
Share of profit from equity accounted investees, net of income tax	0.2	-	-	<b>0.2</b>
Profit before income tax				<b>2.0</b>
Income tax expense				<b>(0.5)</b>
<b>Profit for the year from continuing operations</b>				<b>1.5</b>

	Mainland Europe £'m	UK £'m	Un- allocated £'m	Total £'m
<b>Year ended 31 December 2009</b>				
<b>Continuing operations</b>				
Total gross segment revenue	28.3	108.3	-	<b>136.6</b>
Less inter-segment revenue	(2.1)	-	-	<b>(2.1)</b>
<b>Revenue</b>	<b>26.2</b>	<b>108.3</b>	<b>-</b>	<b>134.5</b>
<b>Continuing operations</b>				
Profit from operating activities before exceptional items	1.1	3.4	(2.7)	<b>1.8</b>
Exceptional items	-	(1.2)	(0.5)	<b>(1.7)</b>
Profit from operating activities	1.1	2.2	(3.2)	<b>0.1</b>
Net finance income				<b>0.1</b>
Share of profit from equity accounted investees, net of income tax	0.2	-	-	<b>0.2</b>
Profit before income tax				<b>0.4</b>
Income tax credit				<b>0.1</b>
<b>Profit for the year from continuing operations</b>				<b>0.5</b>

	Year ended 31 December 2010			Year ended 31 December 2009		
	Other £'m	UK £'m	Total £'m	Other £'m	UK £'m	Total £'m
<b>Discontinued operations</b>						
Exceptional items:						
Early settlement of deferred consideration and the release of guarantees in respect of Walon France	(2.0)	-	(2.0)	-	-	-
Income derived from, and the reversal of provisions relating to, the loss of the Ford contract	-	1.3	1.3	-	5.5	5.5
Reversal of other provisions relating to business closures and disposals	0.1	-	0.1	0.2	0.4	0.6
(Loss) / profit before income tax	(1.9)	1.3	(0.6)	0.2	5.9	6.1
Income tax expense	0.2	(0.4)	(0.2)	-	(0.7)	(0.7)
<b>(Loss) / profit for the year from discontinued operations</b>	<b>(1.7)</b>	<b>0.9</b>	<b>(0.8)</b>	0.2	5.2	5.4

The early settlement of deferred consideration and the release of guarantees in respect of Walon France represent the conclusion of arrangements relating to the disposal of the former subsidiary in May 2006. Under the terms of the disposal of Walon France, consideration of €7.9 million was deferred until May 2012 and Autologic provided lease commitment guarantees, in respect of which the Group disclosed a contingent liability amounting to £48.0 million in the 2009 Financial Statements. The agreement reached in July 2010 secured an immediate cash receipt of £3.7 million in settlement of the deferred consideration, eliminated the lease guarantees and reached full and final settlement on all aspects of the disposal of Walon France, which also included the directors of Walon France waiving various contingent contractual rights amounting to a maximum potential cost of £0.5 million. The charge of £2.0 million represents the difference between the cash received, net of costs of £0.1 million, and the discounted value of the deferred consideration at July 2010.

The income relating to the loss of the Ford contract arises from Ford's decision in 2007 to in-source its vehicle distribution activities previously supplied by Ansa and Autocar, subsidiaries within the Group. In 2007, transitional arrangements were agreed with Ford which covered many aspects of the services previously supplied to Ford by the Group. During 2010, there has been further profit of £1.3 million in respect of these arrangements. In 2009, profits were recognised in respect of the Ansa pension scheme and the hire of transporters to Ford. Ford agreed to take over responsibility for the pension deficit that existed in the Ansa scheme upon the transfer (under TUPE) of the Ansa employees to Ford. This transaction was completed in March 2009, when a significant number of these employees elected to transfer their pensions from the Ansa scheme to Ford. This transfer resulted in a pre-tax settlement gain of £3.5 million. Throughout 2009, the Group also continued to provide transporters to Ford and completed the novation of all material transporter leases to Ford in November 2009, resulting in further profits and the reversal of provisions of £0.8 million in aggregate. Other income and the resolution of other provisions that existed upon the cessation of the trade of Ansa and Autocar, resulted in a further release of provisions and recognition of income of £1.2 million.

The income of £0.1 million (2009: £0.2 million) from other discontinued activities is the release from warranty provisions created upon disposal of Walon Iberia SL in 2007. In

2009, the income of £0.4 million from other UK discontinued activities is in respect of the release of closure provisions established in previous years, predominantly relating to property leases and other contractual obligations.

### 3. Exceptional Items – Continuing Operations

	Year ended 31 December 2010 £'m	Year ended 31 December 2009 £'m
<b>Included in cost of sales</b>		
(Release from) / charges to provisions for restructuring and down-sizing the driver numbers and transporter fleet	(0.4)	1.7
Leased transporter return costs	-	(0.1)
Provision for loss-making contracts	-	(0.5)
	<b>(0.4)</b>	<b>1.1</b>
<b>Included in administrative expenses</b>		
Foreign exchange losses on non-trading Euro denominated receivables	0.4	0.5
Costs associated with the acquisition of the trade and assets of Autocarriers Ltd	0.1	-
Aborted acquisition costs	0.1	-
Provision for loss-making contracts	-	0.1
	<b>0.6</b>	<b>0.6</b>
Total exceptional items before income tax	<b>0.2</b>	1.7
Income tax credit	-	(0.7)
<b>Total exceptional items after income tax</b>	<b>0.2</b>	<b>1.0</b>

The costs associated with restructuring and down-sizing the driver numbers and transporter fleet in 2009 of £1.7 million, predominantly represented redundancy costs and further down-sizing in the business in response to the reduced levels of activity in the UK. In 2010, the credit of £0.4 million represents the elements of these provisions that were ultimately not required.

The foreign exchange losses on non-trading Euro denominated receivables relate substantially to exchange movements, prior to settlement, on the deferred consideration due from Walon France and will therefore not recur.

The costs associated with the acquisition of the trade and assets of Autocarriers Ltd includes acquisition costs and assumed liabilities of the business of £0.1 million.

Other exceptional items in 2009 include a credit of £0.1 million in respect of leased transporter return cost provisions which were not required because the assets were purchased; a credit of £0.5 million in respect of loss-making contracts, which represents savings on the closure of a depot compared to the initial closure cost estimates made in 2008; and a cost of £0.1 million predominantly in respect of the full cancellation of a long-term IT equipment contract.

Other exceptional costs in 2009, which net down to £nil and are therefore not shown in the analysis above, include a cost of £0.1 million being the unamortised fair value expense in respect of the LTIPs that were forfeited in that year and a credit of £0.1 million being the release of compliance provisions settled during that year.

#### 4. Earnings / (Loss) Per Share

	Year ended 31 December 2010			Year ended 31 December 2009		
	Earnings £'m	Shares (million)	Per share amount (pence)	Earnings £'m	Shares (million)	Per share amount (pence)
<b>Basic and diluted earnings per share</b>	<b>0.7</b>	<b>62.2</b>	<b>1.1</b>	5.8	62.2	9.4
<b>Basic and diluted earnings per share from continuing operations</b>	<b>1.5</b>	<b>62.2</b>	<b>2.5</b>	0.4	62.2	0.7
<b>Basic and diluted (loss) / earnings per share from discontinued operations</b>	<b>(0.8)</b>	<b>62.2</b>	<b>(1.4)</b>	5.4	62.2	8.7
<b>Business performance earnings per share</b>						
Basic and diluted earnings per share	<b>0.7</b>	<b>62.2</b>	<b>1.1</b>	5.8	62.2	9.4
Business performance adjustments:						
- discontinued operations, as above	<b>0.8</b>		<b>1.4</b>	(5.4)		(8.7)
- exceptional items before income tax	<b>0.2</b>		<b>0.2</b>	1.7		2.7
- income tax on exceptional items	-		-	(0.7)		(1.1)
<b>Basic and diluted business performance earnings per share</b>	<b>1.7</b>	<b>62.2</b>	<b>2.7</b>	1.4	62.2	2.3

Basic earnings per share is calculated by dividing the earnings attributable to Ordinary shares by the weighted average number of Ordinary shares outstanding during the year. For the years ended 31 December 2010 and 2009 there were no potentially dilutive shares. Earnings per share were calculated on 62.2 million shares being in issue at 31 December 2010 (2009: 62.2 million).

Business performance earnings per share is calculated by reference to continuing earnings before exceptional items since the Directors consider that this measure provides a useful indication of underlying performance.

#### 5. Dividends

No interim dividend was paid during either the year ended 31 December 2010 or 2009. No final dividend was recommended in respect of the year ended 31 December 2009 and the Directors will not be recommending a dividend to Shareholders at the AGM for the year ended 31 December 2010.

## 6. Analysis of Net Debt

	2010 £'m	2009 £'m
<b>Cash at bank and in hand</b>	<b>6.7</b>	7.5
<b>Current financial liabilities:</b>		
Bank loans	(1.0)	(2.5)
Issue costs relating to bank loans	0.1	0.1
Finance lease obligations	(0.9)	(0.3)
	(1.8)	(2.7)
<b>Non-current financial liabilities:</b>		
Bank loans	(3.6)	(4.5)
Issue costs relating to bank loans	-	0.1
Finance lease obligations	(3.2)	(2.6)
	(6.8)	(7.0)
<b>Net debt</b>	<b>(1.9)</b>	(2.2)

## 7. Reconciliation of Net Profit to Net Cash Inflow before Exceptional Items from Operating Activities

	2010 £'m	2009 £'m
<b>Continuing operations</b>		
Net profit	1.5	0.5
Adjustments for:		
Income tax expense / (credit)	0.5	(0.1)
Depreciation and amortisation	1.6	2.0
Net finance expense / (income)	0.3	(0.1)
Share of profit of equity accounted investees, net of income tax	(0.2)	(0.2)
Share-based payments, before exceptional items	0.3	0.6
Exceptional items	0.2	1.7
Changes in working capital:		
Increase in inventories	(0.3)	(0.1)
(Increase) / decrease in trade and other receivables	(0.4)	6.1
Decrease in payables and provisions for liabilities and charges	(0.5)	(2.1)
<b>Cash generated from continuing operations before exceptional items</b>	<b>3.0</b>	8.3
<b>Discontinued operations</b>		
Net (loss) / profit	(0.8)	5.4
Adjustments for:		
Income tax expense	0.2	0.7
Exceptional items	0.6	(6.1)
<b>Cash generated from discontinued operations before exceptional items</b>	<b>-</b>	-