

17 February 2011

Logistex gains independence with successful Management Buyout

Leading international automated logistics systems supplier Logistex has confirmed that it has completed a Management Buyout agreement with owners Melrose PLC. The business has been acquired by the existing seven-man management team which over the past three years has transformed the company into a financially robust, profitable and successful organisation.

The MBO was achieved without external financial support, leaving the company debt-free and with a strong balance sheet. All owners are shareholders in the business and are committed to developing and expanding Logistex's place in the market for years to come.

Managing Director Jerry Woodhouse was keen to provide reassurance that it will still be business as usual for clients, employees, suppliers and other business partners. "We have established a sound and successful business model and will continue to build on the same strategy, operations and services that are currently in place. Our head office in Kettering will continue to be our centre of operations with the same team and organisation."

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“The big difference the MBO will provide is that we now have more freedom and flexibility to deliver the solutions, services and standards to meet the needs of a fast-changing international marketplace. We have an experienced, qualified and well trained staff of some 225 with outstanding expertise in all the key disciplines and are fully equipped to tackle most projects.”

During its three years as part of Melrose PLC the management team was able to benefit from the company’s expertise and guidance in identifying and implementing what changes were needed. The business was re-engineered and re-directed towards the future and the way that the team could see the industry evolving.

The most fundamental decision was to move away from manufacturing – removing the cost and constant pressure of finding work to feed a factory - and to become a 4PI, or fourth party integrator. As a result Logistex now provides a full project integration and management service by sourcing and combining equipment and services from “best in breed” specialist suppliers wherever they may be, together with its own software and IT systems.

The company has continued to maintain software development and systems in-house, building on its legacy expertise going back almost 30 years. The recently launched Reflex warehouse software provides a comprehensive package of functionalities and features with users only paying for those they decide to use.

Supporting its existing systems with long-term maintenance agreements not only provides clients with reliable and productive systems - it also means that the company can safely predict sufficient revenue at the start of each financial year to cover its costs, providing the bedrock for profitable trading.

Managing director Jerry Woodhouse concluded: "the MBO is the end of one journey and the beginning of another. 2011 will be challenging although we have the confidence of recent business wins from companies such as Flora Holland, Tetra Pak, VOW and United Biscuits. However we believe that conditions will steadily improve through 2012 and help us achieve increased revenue and profits for the whole business."

The Logistex management team comprises:

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|-------------------------|-----------------------------|
| <i>Jerry Woodhouse</i> | <i>Managing Director</i> |
| <i>Mark Nicholson</i> | <i>Financial Director</i> |
| <i>Kevin Sheridan</i> | <i>Operations Director</i> |
| <i>Andy Branch</i> | <i>Engineering Director</i> |
| <i>Melvin Macartney</i> | <i>Projects Director</i> |
| <i>Derek Kay</i> | <i>Head of Systems</i> |
| <i>Keith Edmonds</i> | <i>Head of Sales</i> |

Addition information for editors

For further information see the Logistex website

<http://www.logistex.com/>