

Uniq Plc

Pension Deficit for Equity Swap

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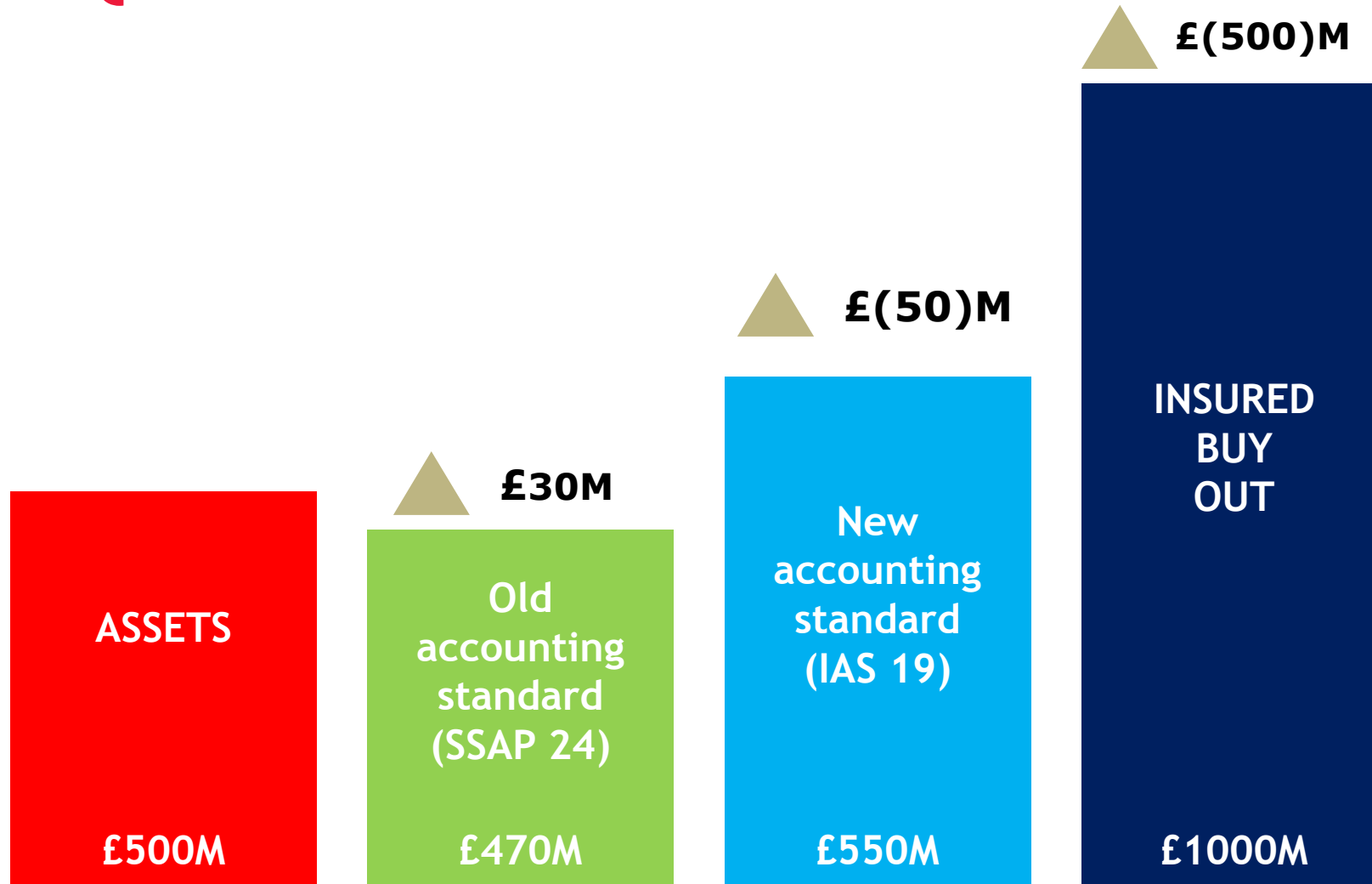
September 2012



UNIQ, FORMERLY UNIGATE

- Unigate was a dairy based conglomerate
 - Had been a top 100 UK company
 - Core dairy business sold in 2000
 - Pension responsibility retained as a “store of value”
 - 21,000 pension members - only 400 active
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- Uniq - a low margin pan European chilled convenience food supplier

UNIQ : PENSION POSITION c2000





2005 - CORPORATE CRISIS UNFOLDS

- Accounting pension deficit £125m
- Net debt £75m and rising fast
- Equity value £150m - unsustainable
- Enterprise value in excess of £350m
- Operating profit £14m
- Multiple of operating profit a whopping 25x!
- Radical turnaround plan required

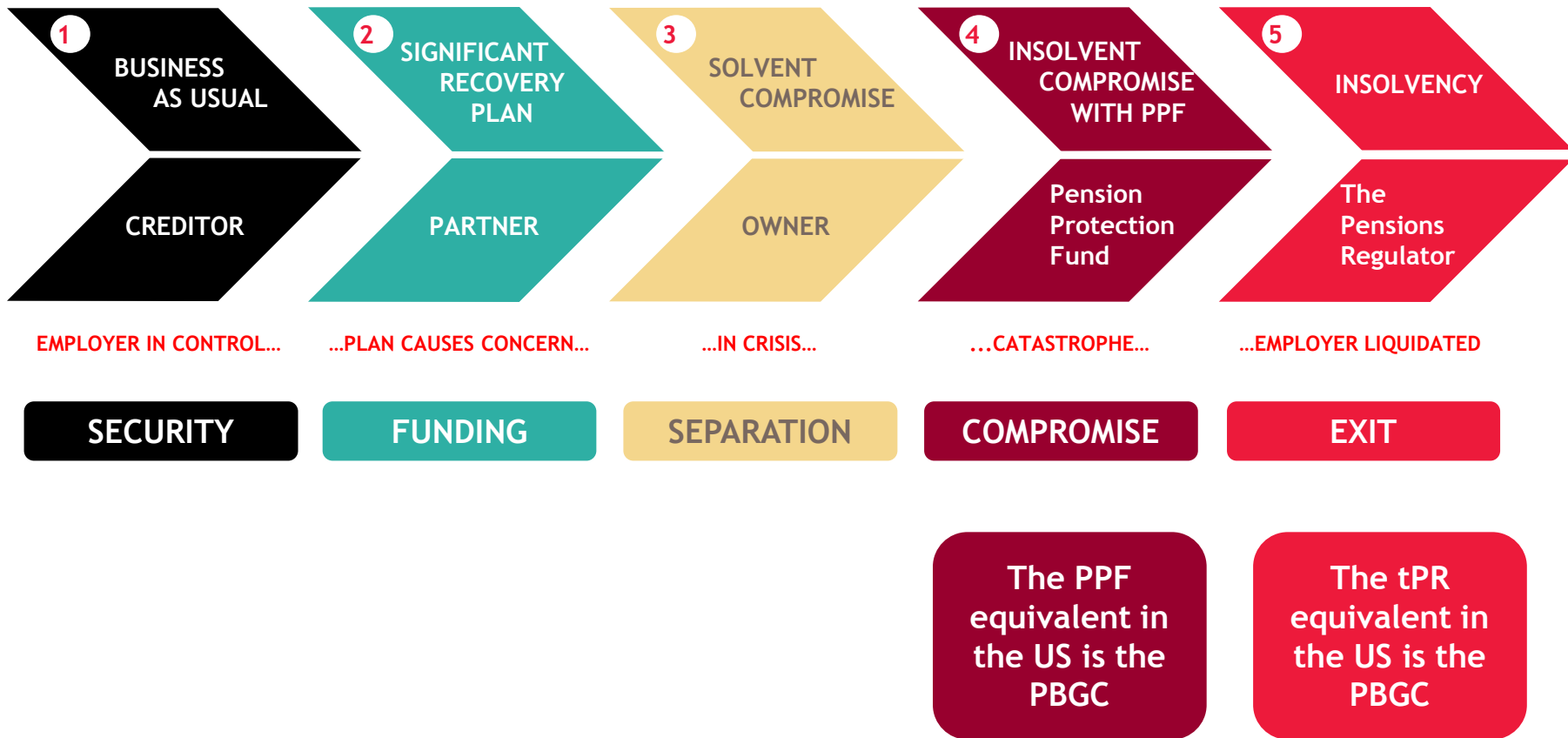


MULTI-DIMENSIONAL TURNAROUND

- Contrarian thinking in 2006
 - Sell the best and turnaround the rest
 - Inject new management, re-organise, restructure and re-invest
 - Set aside cash for the pension plan
 - Repay the banks
 - Cash for the turnaround
- The 100 year event credit crunch in 2008
 - Focus on UK and sell the rest
- Committed management action to deliver for all stakeholders over many years
 - Key to gaining support from the UK Pensions Regulator (equivalent to PBGC)

BDO - COMMERCIAL PENSION EXPERTS

Positioning Uniq and its pension challenge within the BDO pension chevron in 2009





2009 - A PROCESS FIT FOR A PENSION CRISIS

- Top heavy management resource to handle complexity
- Keep the business focused on profitable growth
- Face reality and avoid denial
- Recognise when fiduciary duty switches to creditors
- Appoint an experienced and professional chair of trustees
- Gather a multi disciplinary team of expert advisers
- Build trust on all sides and co-create
- Engage early with the Pensions Regulator and Pension Protection Fund

“Focus on what we need to do to deliver a successful outcome and then persuade the Regulator to support it”



2010 - BUSINESS AS USUAL RECOVERY PLAN

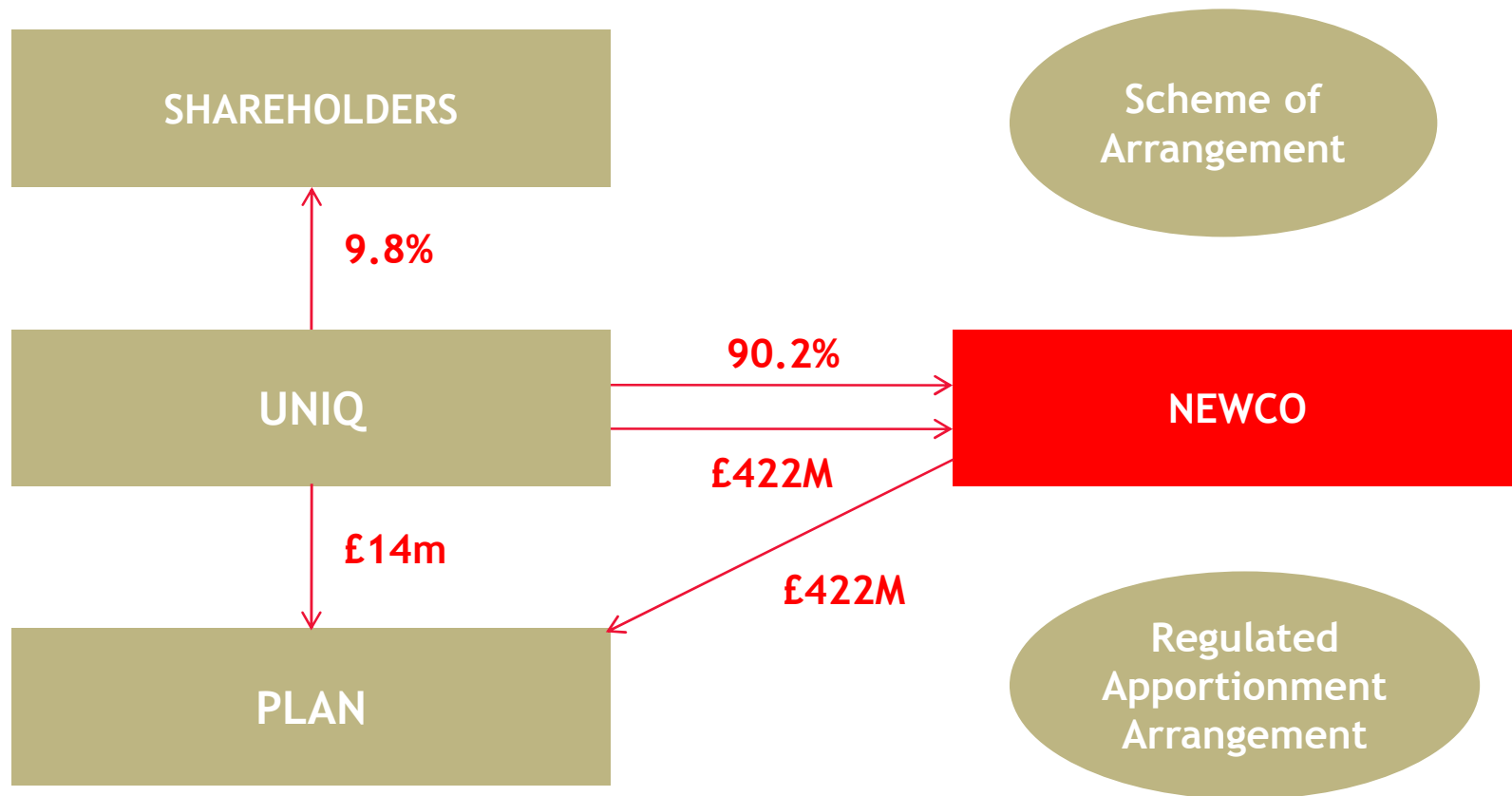
- Three year contribution holiday to allow delivery of improved EBITDA
- Pay higher of £10m per annum and 33% of EBITDA to Plan
- Strengthen the Employer covenant through raising new capital
- Ring fence the pension plan to protect the new capital
- Reduce the % EBITDA contribution in proportion to acquired EBITDA
- Preserve the cash contribution to plan with lower risk
- Fund a long term Recovery Plan over 40 years plus



BAU SOLUTION NOT APPROVED BY THE REGULATOR

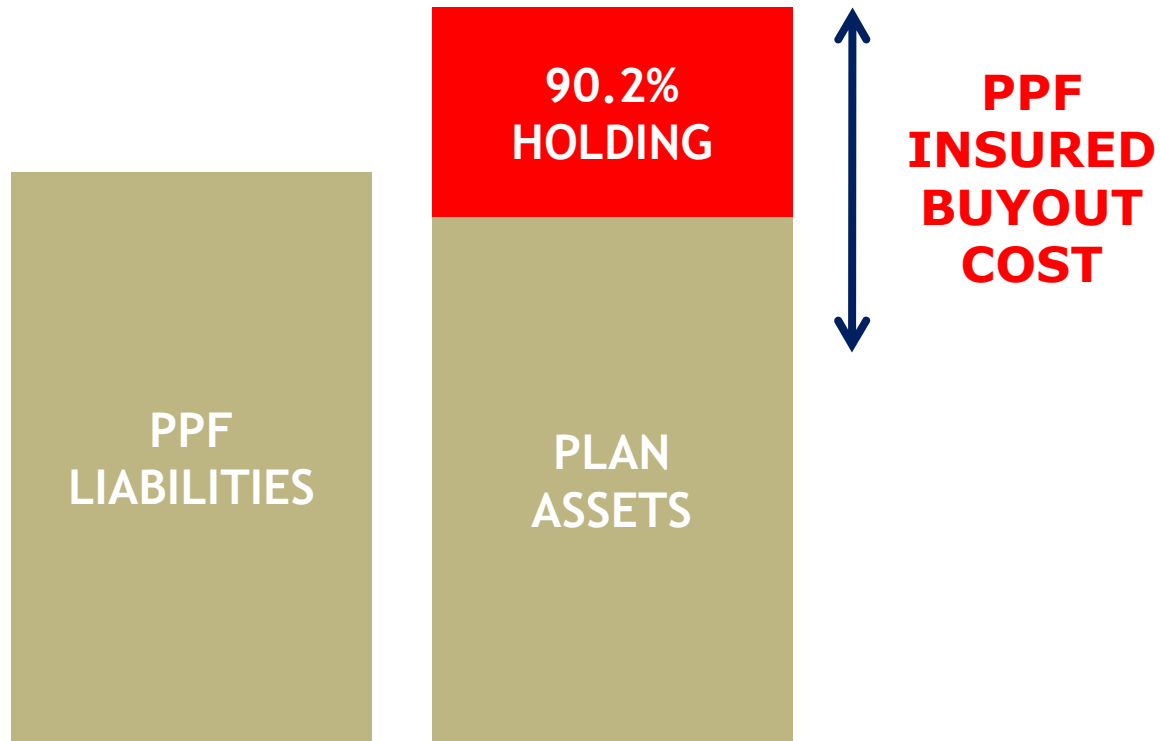
- Significant execution risk
- EBITDA £13M
- Buy out deficit £436m
- Equity value £6m
- Sharing future value with shareholders rejected
- Release of s75 rights a problem for The Regulator (“Abandonment”)
- The Regulator encouraged the Trustee to “think like an owner”

2011 - DEFICIT FOR EQUITY SWAP



Uniq released as Statutory Employer and from debt to the Plan

PENSION PROTECTION FUND PERSPECTIVE





OTHER KEY FEATURES OF THE PROCESS

- PPF approval conditional on avoiding “priority drift”
- Hard deadline 31 March 2011
- PPF exposed to downside and Trustee to upside
- Uniq disposal process to agreed timetable
- Shares owned by Newco not Plan
- Avoided self investment
- Avoided valuation of 90% stake at start of assessment period
- Allowed increase in value of 90% stake to flow to members
- PPF in control of 90% stake through creditor rights



2011 - UNIQ SOLD TO GREENCORE

- Uniq listing moved from the main market to AIM
- Transformed balance sheet and no pension obligations
- Growing and profitable business
- Motivated management
- Trustee/PPF had choices for value realisation
- Formal sale process conducted from a position of strength
- Uniq sold to Greencore for £113m
- £100m delivered to Trustee
- A far better outcome for all stakeholders than insolvency



INSURANCE PROCESS

- Competitive process for best price
- Guarantee of 100% PPF compensation
- Ability to improve the terms during the data cleanse
- Speed to investment risk transfer
- Financial security
- £835m premium paid 15 December 2011
- Secured premium to PPF for pension members



IS UNIQ UNIQUE?

- Underlying trading company with growing value
- Pari passu ranking of Bank and Plan
- Unilateral winding up power for Trustee
- Market competition for insurance was “favourable”
- Trust and co-creation between the Senior Management, the Trustee and respective advisors
- The Pensions Regulator open minded to a solution
- PPF did not object