

CORK GULLY | Restructuring

Synopsis

The Independent Corporate
Restructuring Practice

To Protect and Build Value

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About us

“ We offer a unique blend of experience to help management face their challenges with confidence.”

“ We bring objectivity, constructive challenge and market perspective to help get robust plans delivered.”

“ We believe it is a real advantage to have someone on your team who has been through it all before.”

The Practice

- Cork Gully Restructuring is an independent practice focused on supporting corporates and management teams facing the challenges of managing their businesses in a stressful and uncertain environment.
- Our approach is tailored to the particular requirements of the situation but flexible to meet the changing demands of a dynamic and often unpredictable landscape.
- We work as individuals or in small teams, leveraging the company’s resources to encourage skills transfer, sustainability and ensure cost effectiveness.
- A team of multi-disciplined seasoned professionals with a wealth of experience in the restructuring arena.



About us

" We take a collaborative approach to problem solving"

" We focus on identifying solutions and providing the drive to implement them at pace."

" We build value by generating cash and increasing earnings."

" We assist in stabilising a business and negotiating an appropriate capital structure."

Our Background

- Following Cork Gully's return to the market, Cork Gully Restructuring LLP was formed to support existing and prospective clients who are seeking help with financial and operational restructuring to preserve and sustain their businesses.
- Joe Considine and Clive Gresham who head Cork Gully Restructuring have broad based and complimentary skills from over 60 years of combined experiences in banking and restructuring spanning 4 major recessions.

What you can expect from us

- Honest opinions, constructive challenge and straight talking.
- Total commitment to your business and resolving your issues.
- Professionalism, integrity and understanding.

Why Cork Gully Restructuring

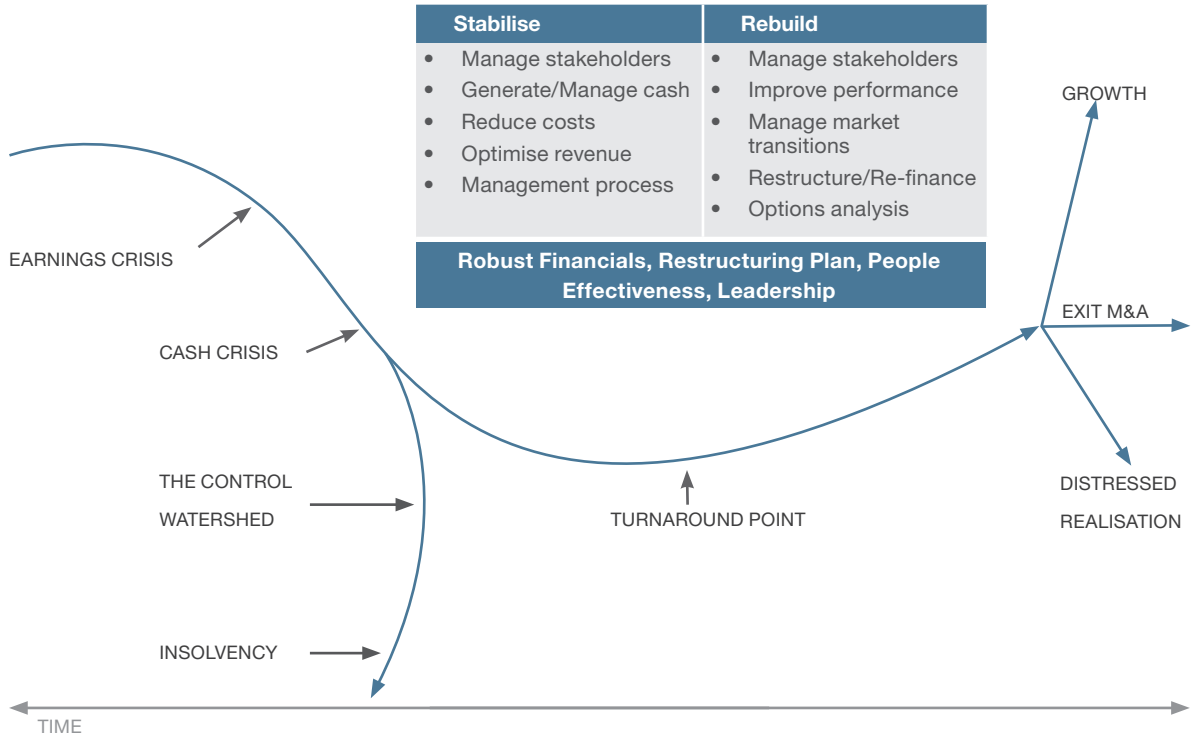
- Our unique blend of skills and restructuring insight enables us to provide a broad spectrum of support to management ranging from:
 - "Sounding board" to "hands-on" executive engagement,
 - Independent assessment to delivery of credible plans,
 - Negotiating agreements to implementation of change.
- We are well versed in satisfying varying stakeholder demands and the need to manage them effectively when performance is under pressure.
- In conjunction with our associates and extended network we have the specific expertise to enhance or supplement existing management capacity or capability.

The Restructuring Environment

“Demands on management are continually changing.”

“The need for rapid change is high risk and creates uncertainty.”

“Radical action is required throughout the business.”

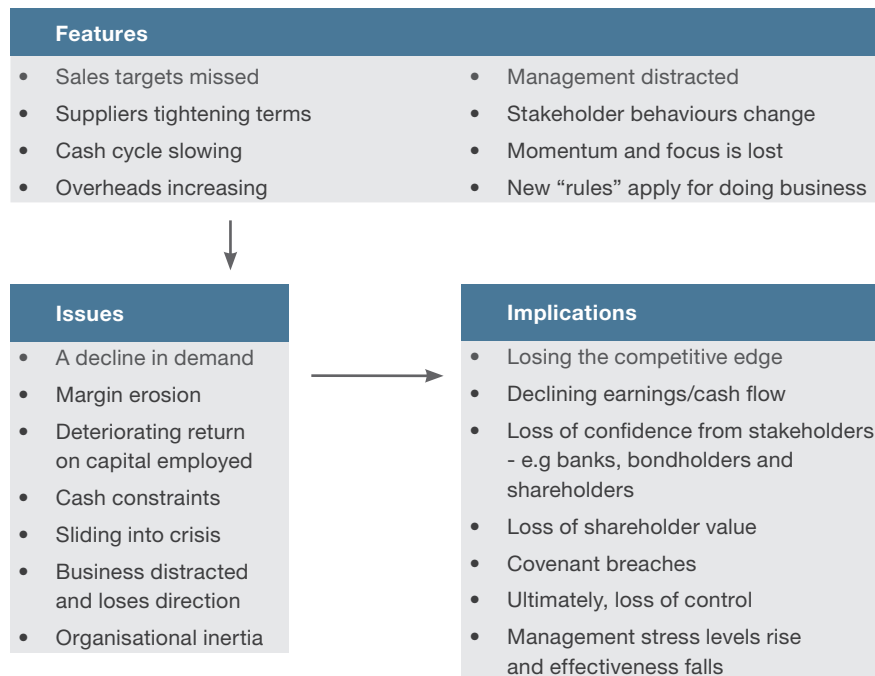


The Deteriorating Environment

“Stakeholder demands start to increase and require constant attention.”

“Management resources become over-stretched and lose focus.”

“Stability of the business is under threat!”



Characteristics of Successful Restructurings

“ Empirical research and our experience has taught us that successful restructurings have common characteristics.”

“ Numerous CEOs consider restructuring to have been the most challenging period of their career.”

“ Having professionals in the team who have restructuring experience is vital.”

- Management’s acceptance of the need to change.
- The realisation that restructuring is not business as usual.
- A robust restructuring plan to achieve sustainable viability supported by integrated financial projections.
- Stakeholder support and buy in to the restructuring plan and the likelihood of its successful execution.
- Adequate resources in terms of, management’s capacity and capability, time and importantly cash.
- Rapid and low risk execution of the restructuring plan based on adequate resources, a detailed route map and monitoring process.
- The acceptance and willingness to modify the restructuring plan as it is implemented in an uncertain environment.
- Experience of the restructuring environment.



The Scope of our Services

“ We work with management who face the challenges of business change and restructuring.”

“ Creating a stable platform to allow management to operate effectively.”

“ Delivering on plans is critical to rebuilding confidence.”

Board Support

What we can provide

- Experience of the restructuring environment and its demands.
- Independent assessment and option analysis.
- Focused solutions.
- Enhancing existing capacity and skills.
- Keeping management in control.
- Implementation processes and methodologies.
- Creating momentum and drive.

Stakeholder Management

How we can help

- Understanding of stakeholder agendas.
- Insight into positions and behaviours.
- Clear and relevant communications.
- Development of considered and sustainable plans.
- Robust and credible forecasts.



The Scope of our Services

" Our experience and skills help management focus their energies on achievable objectives."

" We build value by generating cash and increasing earnings."

" We develop and negotiate an appropriate capital structure."

Financial Restructuring **Finding the optimal solution**

- Preliminary assessment and financing strategies.
- Unique lender insight.
- Lender negotiations.
- Debt for equity.
- New money.
- Formal processes under the Companies or Insolvency Acts.

Operational Restructuring **Engaging to deliver results**

- Cash generation and management.
- Revenue optimisation.
- Cost reduction.
- Business efficiency & effectiveness.



The Way we Work

“ We provide a balance of hands-on support and professional expertise.”

“ We enable management to address the challenges facing the business with purpose and confidence.”

“ We work as individuals or in small teams, leveraging the company’s resources to encourage skills transfer, sustainability and ensure cost effectiveness.”

Our Approach - is delivered through our Senior Professionals who:

- Are highly experienced and trusted in the financial community.
- Are calm and measured under pressure and can be relied on to deliver.
- Take responsibility - bringing clarity and direction with clear and transparent communication.
- Focus on results.
- Rapidly implement programmes to convert action plans to performance improvement.
- Can draw on a network of senior professionals who have deeply credentialed functional and industry expertise.

Bespoke – our approach and robust modular restructuring process has delivered success time and time again.

Collaboration – working with management to provide the right amount of leadership, advice and assistance to realise the potential of any business.

Independent – as an independent firm we are generally free of any conflicts of interest.

Board Support

Stakeholder Management

Financial Restructuring

Operational Restructuring

The Team

“ A multi-disciplined Team of Skilled Professionals with a wealth of restructuring know-how - augmented by an Associate Network of trusted sector and functional experts.”

Joe Considine
Managing Director
Cork Gully Restructuring LLP

Joe Considine is an experienced restructuring leader. He is able to take a strategic, operational and financial view of a business.

- He has the ability and experience, either in an advisory or executive capacity, to initiate rapid change within a business to realise its potential.
- He was a partner in PwC for 20 years where he devised and developed the approach to and methodology of restructuring.
- He has worked with SMEs to multinationals across a wide range of industry sectors.
- He is a member of the Institute for Turnaround and a fellow of the Institute of Chartered Accountants in England and Wales.

Skills

- Financial due diligence and forecasting.
- Cash generation and management.
- Earnings improvement.
- Stakeholder management and communication.
- Leading and facilitating rapid change.
- Delivering complex and multi-dimensional projects.
- Delivering clear and pragmatic solutions .
- Results focused.
- In depth insolvency knowledge.

The Team

“ A multi-disciplined Team of Skilled Professionals with a wealth of restructuring know-how - augmented by an Associate Network of trusted sector and functional experts.”

Clive Gresham
Managing Director
Cork Gully Restructuring LLP

A finance professional with leadership and hands - on experience in financial and operational restructuring.

- Unique lender insight having been head of Barclays Restructuring Team and lead on high value cases.
- Experienced at dealing with lenders, management teams, and advisors and differing stakeholder agendas.
- Board level experience gained during the disposal, closure, relocation and off-shoring of parts of a standalone asset and sales finance business.
- Clive has over 20 years senior management experience with Barclays and more recently, worked for Ernst & Young in their MENA restructuring practice.
- He is a member of the Institute for Turnaround and associate of the Chartered Institute of Bankers.

Skills

- Stakeholder management and communication.
- Risk identification, analysis and mitigation.
- Leading and facilitating change
- Strategic thinker and innovator delivering efficient and sustainable solutions.
- Strong influencing and people skills.

A Selection of our Associates

*“ A multi-disciplined Team
of Skilled Professionals
with a wealth of
restructuring know-how.”*

Barry Gilbertson - Property

Barry is recognised as a leading figure in the property world with more than 20 years' experience leading corporate real estate work outs for business recovery at PwC – including Lehman Bros and Enron. He is also an adviser to the Bank of England on property issues, and a former President of the Royal Institution of Chartered Surveyors. He's a visiting professor at the University of Northumbria and regularly speaks and writes on property matters.

Clive Allbut - Operations

Clive is an effective operations professional with 20 years experience in delivering significant performance improvement and business turnaround results in manufacturing and logistics across a wide range of businesses. In his extensive operational experience he has applied best practice processes to achieve rapid improvement in throughput, OTIF service, unit cost and profit performance. Clive has an engineering degree.

Wayne Evans- Financial

Wayne has specialised in restructuring since 1998 when he was head-hunted to be the finance director of a crisis stricken Royal Doulton plc. He has gained considerable restructuring experience and is particularly skilful in stabilising the immediate cash crisis, consequently allowing time to assess restructuring prospects and to develop a robust plan. He has a degree in mathematics, an MBA, is a fellow of the ICAEW, a member of the Association of Corporate Treasurers and a member of the Institute for Turnaround.

Andy McMillan - Operations

Andy specialises in operational strategy, turnaround and performance improvement. He has held senior executive positions in manufacturing and supply chain in Healthcare and FMCG plc's and corporations in Europe and the USA including Smithkline Beecham, Novartis, the Del Monte Corporation and HJ Heinz. Restructuring assignments range from middle market companies to multinationals. Andy has a Bsc and a Phd in Food Science.

A Selection of our Associates

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Jeremy Mackenzie - Operations

Jeremy focuses on delivering rapid cost reduction, cash generation and operations improvement. He has 23 years of industry experience, 7 of which have been working in operational turnarounds. He has worked extensively in mid sized and owner-managed businesses, bringing about change through working with management teams. Jeremy has an engineering degree and postgraduate qualifications from Cambridge University, as well as an MBA from Cranfield.

Paul Atherton - Revenue

Paul has 16 years industrial experience in large corporates and mid market companies. He is experienced in corporate strategy, marketing and sales improvement programmes and has created significant value for clients through innovative low cost strategies to grow revenue and profitability. Paul has a business degree and an MBA from Warwick Business School.

Rodney Wallace - Financial

Rodney has 15 years experience in the identification and delivery of operational performance improvement with particular expertise in working capital management, corporate recovery and crisis management. Clients range from SMEs to large private, public sector and professional service organisations, HNWI and family offices throughout Europe, USA and Asia. He has worked as a director in the global restructuring group of the Royal Bank of Scotland.

Adrian Howlett - Financial

Adrian specialises in working with management teams to rebuild operational and financial performance. He brings more than 25 years experience across numerous industry segments, including real estate, textiles, engineering, technology, automotive, retail, services and the leisure sector. He has held senior positions at Alvarez & Marsal, PwC, KPMG and RSM Robson Rhodes.

Case Histories – Examples

Project	Situation	Intervention	Outcome
£30 million turnover food processing business.	Expanded capacity as competitive position deteriorated giving rise to accelerating losses and a cash crisis. The business was on the verge of insolvency.	Comprehensive restructuring plan rapidly developed to stem the losses and generate cash. Stakeholders supported the plan and converted debt to equity. Stakeholders focused on selling the business once stabilised.	On track to convert losses of £2 million to a profit of £1 million in two years. Partway through the restructuring the business was sold creating an additional £8 million of stakeholder value.
UPVC and aluminium system manufacturer and distributor with sales of £15 million.	Against the background of a deteriorating market position losses had accelerated to £1 million and credit facilities were all but exhausted.	A multi-disciplined team work with the management to develop a restructuring route map which repositioned the business in its market segments. The business being realigned to support the repositioning.	The bank provided additional facilities. The business was on track to convert losses of £1 million profits of £600,000 in 18 months when it was sold increasing shareholder value by £2.5 million.
A £65 million turnover retailer and mail-order business.	Growth had stalled, cash generation becoming consumption profits turning to losses. The company's banker was questioning whether to renew facilities for the for the coming season.	Workshops and diagnostics were used to support the management team in the development of a restructuring route map. The business was significantly re-configured.	Bank facilities were renewed allowing the business to convert losses of £666,000 to profits of £2 million in the year, generating cash of £3 million to fund future growth.
An international publisher with turnover of £400 million.	The turnaround plan had been prepared by the management team but the support of the group's bankers had not been achieved.	Acted as lead adviser for the group developing the proposals to be put to its bankers and negotiated the restructuring of the group facilities of £100 million.	Banking facilities were restructured and renewed providing a platform for management to implement its turnaround plan.
A €750 million turnover international manufacturing group.	Losses at the rate of €100 million per annum, credit lines approaching exhaustion; as a consequence the business was facing insolvency.	A rapid cash generation and management exercise was commenced to bridge the short-term cash gap. A restructuring plan was developed to return the business to profitability.	Cash or €50 million generated from working capital and costs reduced by €45 million in the first six months. Time was provided to devise and implement a restructuring plan.
A £15 million turnover healthcare products distributor.	The integration of four small businesses had encountered difficulties. Supply chain performance was poor leading to an unacceptable customer service level. Losses were increasing and the receivables function was out of control.	Over a three-month period supply chain and receivables skills were introduced as part of an overall restructuring plan to return the business to viability.	Additional debt and equity was provided to support the restructuring. Receivables DSO was reduced from 87 to 59 days and customer service levels raised from an OTIF of 30% to 90%.

Case Histories – Examples

Project	Situation	Intervention	Outcome
A £300 million turnover, highly geared, furniture manufacturer.	A deteriorating competitive position gave rise to reduced earnings and given the level of gearing the need to restructure the business both operationally and financially.	The restructuring plan was reviewed to focus on creating stakeholder value on exit. Business units were categorised by their restructuring cash requirements and the potential to create stakeholder value.	Half of the business units were placed into an insolvency process and the remainder sold to a Newco. The process enhanced stakeholders value by £30 million.
A £400 million turnover over leveraged pub chain.	Quoted company expanded existing brands with high fit out costs whilst a long tail of under performing units developed - onerous leases – weak controls - covenants breaches.	Stable platform created by achieving lender standstill whilst restructuring plan developed. Immediate improvement in cash and stock controls implemented.	Finances restructured to support business recovery and disposal plan. Value preserved for all stakeholders.
A £350 million turnover European Pump manufacturer £200m debt facilities	Operating in 20 countries. product margin, productivity, issues and cash strain. Banks lost confidence - losses increasing - management and shareholder were in conflict.	<ul style="list-style-type: none"> • Banks convinced to allow time. • Advisors engaged to develop recovery plan & disposals. • Rationalisation of product lines. • Shareholder conflict resolved. 	Finances successfully restructured to provide stability whilst cost reduction and rationalisation plan delivered.
UK Railway and infrastructure Group £500 million syndicated facility.	Competing and conflicted stakeholder groups – fall off of contracts - uncertain WIP values – sizeable cash need – poor information – lost financiers support.	Steering Committee formed to create a framework to deal with lenders concerns pending clarity over contracts and future cash need to stabilise the operations.	Business eventually refinanced in secondary market allowing a financial restructure to take place and fund operational change.
£25m Automotive /Textile components manufacturer.	Competitive market with severe margin pressure, manufacturing efficiencies and material yields under - performing.	Improvements made in customer margin control, supply chain planning and plant utilisation. Lean operations introduced to reduce waste.	Company return to breakeven in 12 weeks. Ongoing cost reduction and efficiency improvements returned the business to profitability.
£70 million turnover ready meal manufacturing company supplying to major retailers and airlines.	Delivery service to major retailers was inconsistent. NPD processes and quality were unacceptable. Profitability was deteriorating.	OTIF recovered by improved S&OP scheduling. Installed gated NPD and lean processes to reduce unit costs.	OTIF delivery service recovered in six weeks. New products launched and lean/quality drive installed to recover profitability.

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