

Gresham Considine

CRO Services

Independent Executives & Advisors



Better Outcomes

Why CRO's Make A Difference

The Restructuring Environment

- During the restructuring process management's workload escalates rapidly as the business agenda becomes dominated by external demands.
- Stakeholders expect better and more detailed information together with greater insight into the business activities on a regular basis.
- The increased demands result in more frequent meetings and an expectation from all parties for rapid corrective action.
- Cash availability, time and management capacity and experience are all constrained.
- Operational and financial restructuring plans have to be devised and implemented at pace whilst retaining the support of stakeholders.
- CEOs frequently sight the restructuring of their Company as the most challenging period of their careers.
- Empirical research, and our experience, has taught us that successful restructurings have common characteristics, one of which is the need for a holistic approach to dealing with the business' problems requiring multi layered actions across various elements of the business.

The CRO's Role

- Provides invaluable experience, expertise and insight of the restructuring environment and stakeholder expectations.
- Supports the board in expanding management's capacity and capability to meet and manage the increased demands on the business.
- Assists management to develop a realistic and sustainable restructuring route map with detailed implementation actions to deliver objectives.
- Brings together and leads the appropriate resources from within the business and externally as necessary, to devise and deliver a successful restructuring.

What Our Chief Restructuring Officer Service Will Provide

A CRO who will work with the Board to:

- Stabilise the business and gain stakeholder support.
- Devise and implement actions to generate cash and improve earnings.
- Lead or support negotiations with key stakeholders.
- Support the board in managing the risks associated with trading a business where its solvency is questionable.
- Re-assess the revised debt capacity of the business and based on this, an appropriate future capital structure.
- Devise and implement a restructuring route map.

The Practice

The Practice

Gresham Considine 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.

We are a team of multi-disciplined seasoned professionals, with a wealth of experience in the restructuring arena.

Our Background

Joe Considine and Clive Gresham, who head Gresham Considine, 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

We offer honest opinions, constructive challenge and straight talking. Our team has a total commitment to your business and resolving your issues. We have a reputation for professionalism, integrity and understanding.

Why Gresham Considine

Our unique blend of skills and restructuring insights enables us to provide a broad spectrum of support to management ranging from:

- “Sounding board” to “hands-on” executive management.
- 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.

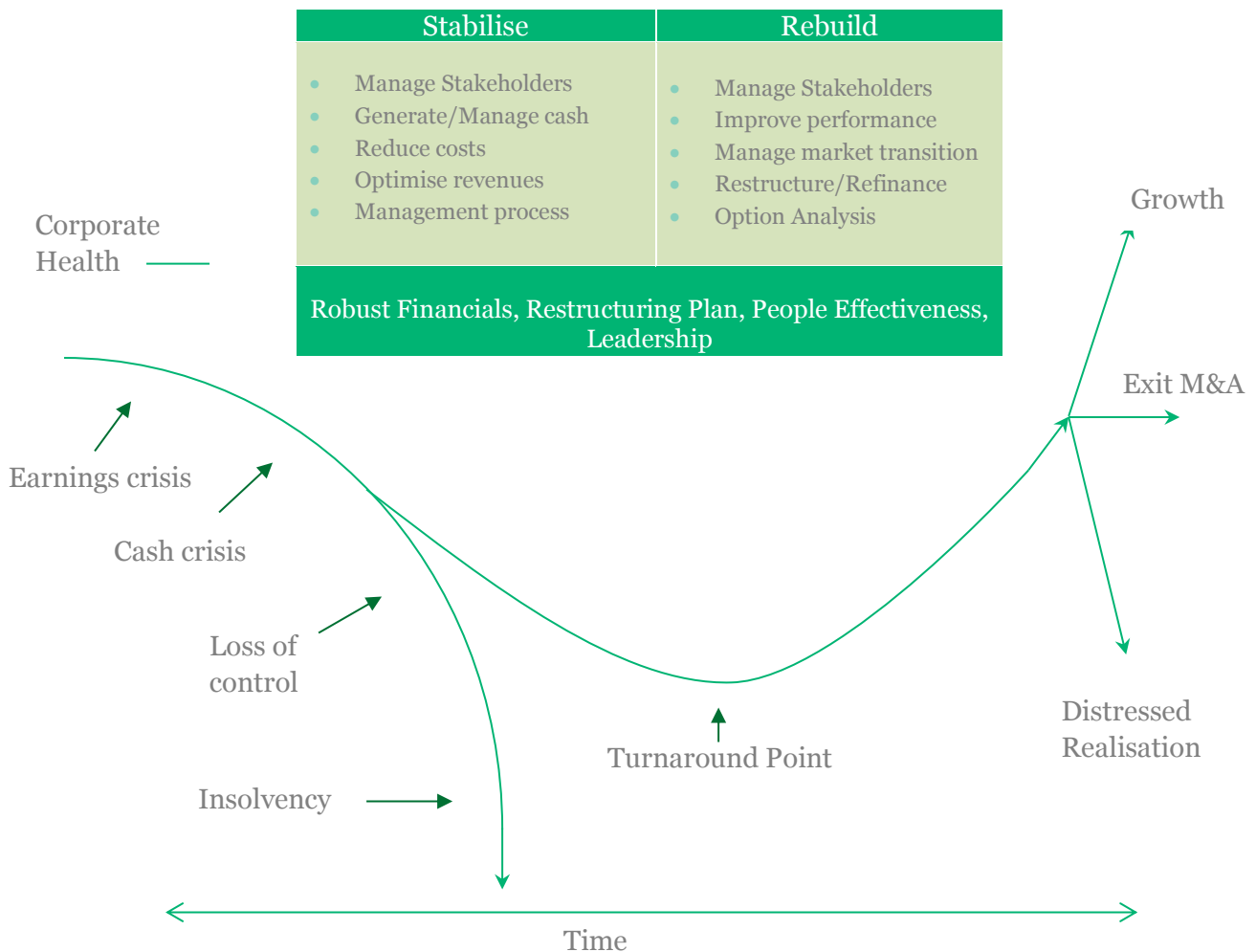
In conjunction with our associates and extended network, we have the specific expertise to enhance or supplement existing management capacity or capability.

The Restructuring Environment

The CRO works with the Board to stabilise the deterioration in business performance and gain stakeholder support to rebuild enterprise value.

To reverse the deterioration in performance, the restructuring plan work streams need to be holistic, requiring multi-layered actions across various elements of the business.

Restructuring Work Streams

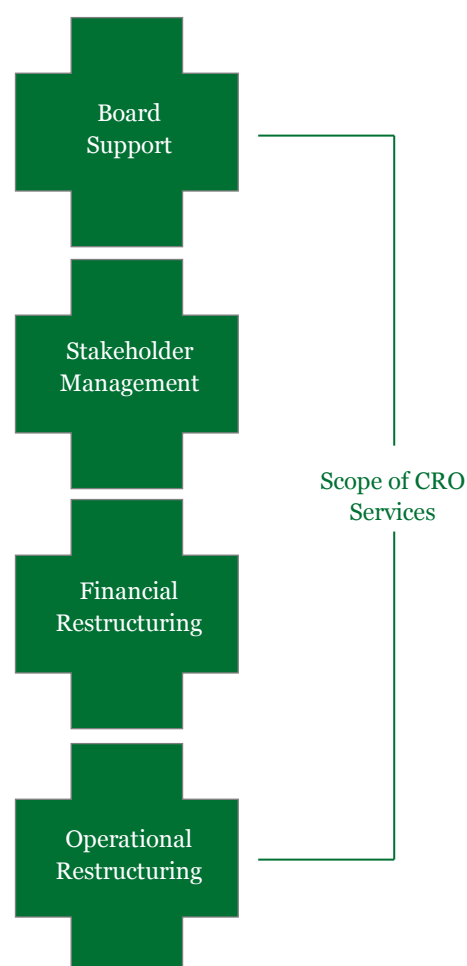


Characteristics of Successful Restructurings

Empirical research and our experience have taught us that successful restructurings have common characteristics:

- 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.

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



The Scope of our Services

We can provide the appropriate amount of support and leadership the situation demands, in either an executive or advisory capacity, to enable management to devise and implement a restructuring at pace.

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.

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 and effectiveness.

The Way we Work

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

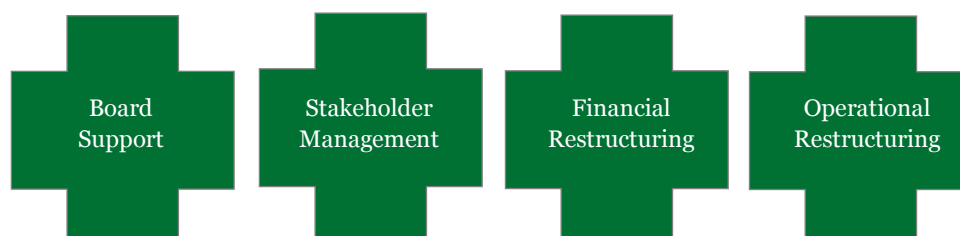
Our approach and robust modular restructuring processes are tailored to the specific situation and have delivered results time and time again.

Collaboration

We work with management to provide the right amount of leadership, advice and assistance to realise the potential of the business.

Independent

As an independent firm, we are generally free of any conflicts of interest.



Our Team

We have a multi-disciplined team of skilled professionals with a wealth of restructuring know-how, augmented by an associated network of trusted sector and functional experts, a number of whom are included herein.

Joe Considine **Managing Director** jpc@greshamconsidine.com

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 and has worked with SMEs to multinationals across a wide range of industry sectors.

Joe left the partnership in July 2004 to found Considine Associates LLP, a firm focused on delivering turnaround solutions. Since then, he has undertaken a large number of assignments ranging from small owner-managed to multinational businesses covering a wide range of industries.

Joe's skills and experience include financial due diligence and forecasting, cash generation and management, earnings improvement, stakeholder management and communication, leading & facilitating rapid change and delivering clear & pragmatic solutions.

He is a Member of the Institute for Turnaround and a Fellow of the Institute of Chartered Accountants.

Clive Gresham **Managing Director** erg@greshamconsidine.com

Clive is a finance professional with leadership and hands-on experience in Financial and Operational Restructuring.

He has unique lender insight having been Head of Barclays Restructuring Team and lead on high value cases.

Clive is experienced at dealing with lenders, management teams and advisors, and differing Stakeholder agendas.

He has board level experience gained during the disposal, closure, relocation and off-shoring, of parts of a standalone Asset and Sales Finance business and over 20 years senior management experience with Barclays and more recently, worked for Ernst & Young in their MENA restructuring practice.

Clive's skills and experience include stakeholder management and communication, risk identification, analysis and mitigation and leading and facilitating change.

Clive is a strategic thinker and innovator delivering efficient and sustainable solutions with a strong emphasis on communication.

He is a Member of the Institute for Turnaround and Associate of the Chartered Institute of Bankers.

Our Associates

Clive Allbut Associate – 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.

Paul Atherton Associate – 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.

Wayne Evans Associate – 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.

Adrian Howlett Associate – 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.

Our Associates.....continued

Anthony Lahert **Associate - Consumer Sector**

Anthony is a highly experienced consumer sector specialist, having held senior board and CEO positions in retail, mail-order, e-commerce and wholesale organisations.

A career based on 20 years with Argos PLC in buying and general management, also encompassed multi-national operations in Europe and USA with companies such as BAT Industries PLC and Wolseley PLC.

Anthony has a highly numerate and analytical approach with over ten years' experience of advisory assignments in corporate recovery, development and post-acquisition leveraged situations.

Jeremy Mackenzie **Associate – 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 a MBA from Cranfield.

Andy McMillan **Associate – 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.

Rodney Wallace **Associate – 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.

Case Histories

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 to 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 m.	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.

Case Histories.....continued

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 - covenant 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.	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. On-going 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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