



28 August 2013

COMPANY STATEMENT

As part of the implementation of Stage 2 of the Sayce Review the Remploy Board is today announcing further developments regarding its Automotive and Furniture businesses.

Automotive

In June 2013 Remploy invited organisations interested in acquiring its Automotive business based in factories in Birmingham, Coventry and Derby to submit their Best and Final Offers for the business.

Following the assessment of these bids the Remploy Board has confirmed that a potentially viable bid has been received and a preferred bidder for the Automotive business identified.

Remploy's agents KPMG, and the preferred bidder will now enter into detailed negotiations and due diligence with a view to completing a possible transaction as soon as possible.

Furniture

On 9 May 2013 Remploy announced that a preferred bidder had been identified for its Furniture business.

Detailed negotiations and due diligence commenced with the bidder, Metalliform Holdings Ltd. However, as can happen during the due diligence phase, Metalliform advised the Company that they were unable to continue with their original bid for the entire business.

As a result, in July Remploy re-opened discussions with other bidders who had submitted Best and Final Offers for the Furniture business or its assets to ascertain whether they wished to submit revised offers.

Best and Final Offers were evaluated by Remploy and the Company's advisers KPMG and the evaluations were approved by the Department for Work and Pensions and an independent panel of experts appointed by DWP.

The Remploy Board has given careful consideration to the bids which were assessed for viability on a series of criteria including continued employment of

disabled people, value for money for the taxpayer and the sustainability of the business.

The Board has determined that no viable business bids meeting these criteria were received for the Furniture business and as a result it will close and all its factories will now move to closure.

All 196 employees, including 160 disabled employees, in factories at Blackburn, Sheffield, Neath and the Furniture Business Office remain at risk of compulsory redundancy. They will be invited to at least two individual consultation meetings over the next 30 days to discuss the options and the support that will be available to them.

However, a number of bids have been received for the assets of the Furniture business. Remploy is assessing whether these proposals offer value for money and whether there is any real prospect of employment opportunities for disabled people and will continue negotiations with any bidders whose asset bids are successful.

The Government has put in place a comprehensive package of support to help each disabled employee made redundant, including:

- Individual tailored support for every disabled employee through a Personal Case Worker for up to 18 months
- Personal Budgets - available for disabled former employees to purchase individual back to work support where other funding streams are unavailable
- The Community Support Fund to deliver projects and activities via local disabled people's user led organisations and voluntary sector organisations to help former employees build confidence and to provide development opportunities
- The Jobcentre Plus Rapid Response Service will be available to deliver individual support to all those affected by redundancy including non-disabled employees in England. This support will be delivered by PACE in Scotland and React in Wales