

24 August 2015

BAKO NORTH WESTERN (GROUP) LTD EXPANDS WITH HSBC FINANCING

******BAKO North Western (Group) Ltd acquires sister company, expanding into Northern and Scotland markets******

******Funding enables Preston-based business to target large national chains in new region and boost annual turnover******

******Financing is part of HSBC's commitment to support business growth in the North West******

Preston-based BAKO North Western (Group) Ltd, a member of the BAKO Group, the UK's largest distributor of food and non-food products to the bakery and associated food industries, has acquired sister company BAKO Northern and Scotland, for an undisclosed sum supported by HSBC.

The HSBC financing, which includes a mix of term debt and working capital facilities, will enable BAKO North Western (Group) to target business opportunities involving large national bakery, restaurant and café chains in further Northern and Scotland markets.

The deal is also expected to boost BAKO North Western (Group) annual turnover. By the close of September 2015, the business is expecting an annual turnover of £72.2m.

The acquired entity, BAKO Northern and Scotland, is based in County Durham and has an annual turnover of £31.7m. The acquisition will create a business with turnover in excess of £100m.

Mark Tomlinson, CEO of BAKO North Western (Group), said: "The acquisition of BAKO Northern and Scotland is part of our commitment to invest in the baking industry in the UK. Markets are becoming increasingly competitive and to continue to grow successfully, we were keen on expanding our reach. Our partnership with HSBC has helped us do just that by giving us access to new areas where we can offer high levels of customer service, innovation and a wide product range.

"I look forward to a long and mutually beneficial relationship with HSBC as we enter the next stage of our development."

Jason Trigg, HSBC Manchester Area Director of Corporate Banking, said: "For more than five decades, BAKO North Western has enjoyed a strong reputation in the British baking industry for its high standards of service and quality baking products.

"We are pleased to support BAKO North Western and look forward to helping them achieve their growth aspirations."

The BAKO North Western Group supply all bakery ingredients, multi-temperature 'finished' products and a wide non-food range to clients across the UK from its BAKO distribution centres in Preston (North Western), Durham (Northern & Scotland), Wimbledon (South Eastern) and Norwich (ABC Suppliers), employing 330 staff in the process.

The deal was arranged by Stephen Brickwood, HSBC Manchester Corporate Relationship Director.

BAKO North Western Group was advised by John King and Margaret Evans of FDR Law; James Wild and Steven Radcliffe of Baker Tilly; and Phil McDonnell and Sarah Bollard of Addleshaw Goddard.

Ends

Notes to Editors

The HSBC Group

HSBC Holdings plc, the parent company of the HSBC Group, is headquartered in London. The Group serves customers worldwide from over 6,100 offices in over 73 countries and territories in Asia, Europe, North and Latin America, and the Middle East and North Africa. With assets of US\$2,670bn at 31 March 2015, HSBC is one of the world's largest banking and financial services organisations.

HSBC Commercial Banking

For nearly 150 years we have been where the growth is, connecting customers to opportunities. Today, HSBC Commercial Banking serves businesses ranging from small enterprises to large multinationals in almost 60 developed and faster-growing markets around the world. Whether it is working capital, trade finance or payments and cash management solutions, we provide the tools and expertise that businesses need to thrive. With a network covering three quarters of global commerce, we make HSBC the world's leading international trade and business bank.