PENDRAGON PLC

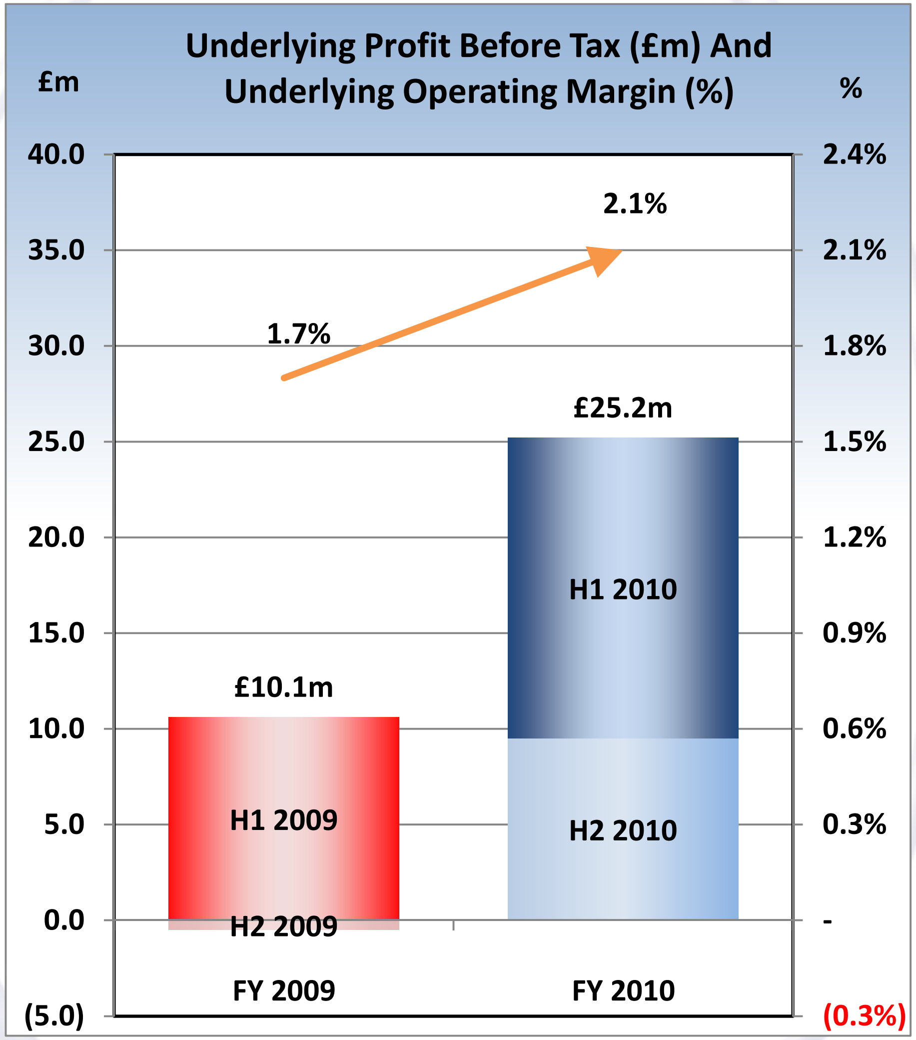
2010 RESULTS PRESENTATION

22 February 2011

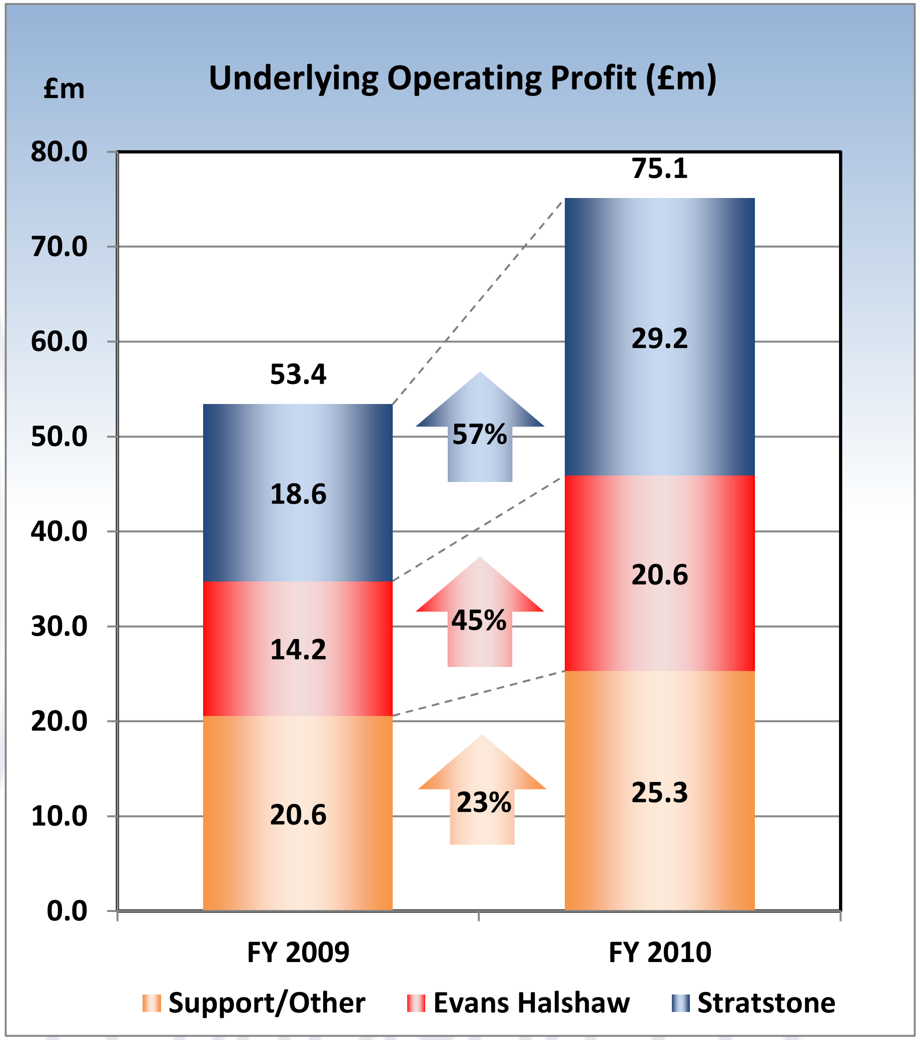
Trevor Finn
Chief Executive

Tim Holden
Finance Director

Highlights



Underlying Profit Before Tax (£m) And Underlying Operating Margin (%)
£m
%
40.0
35.0
30.0
25.0
20.0
15.0
10.0
5.0
0.0
(5.0)
2.4%
2.1%
1.8%
1.5%
1.2%
0.9%
0.6%
0.3%
-
(0.3%)
1.7%
2.1%
£10.1m
£25.2m
H1 2009
H2 2009
H1 2010
H2 2010
FY 2009
FY 2010

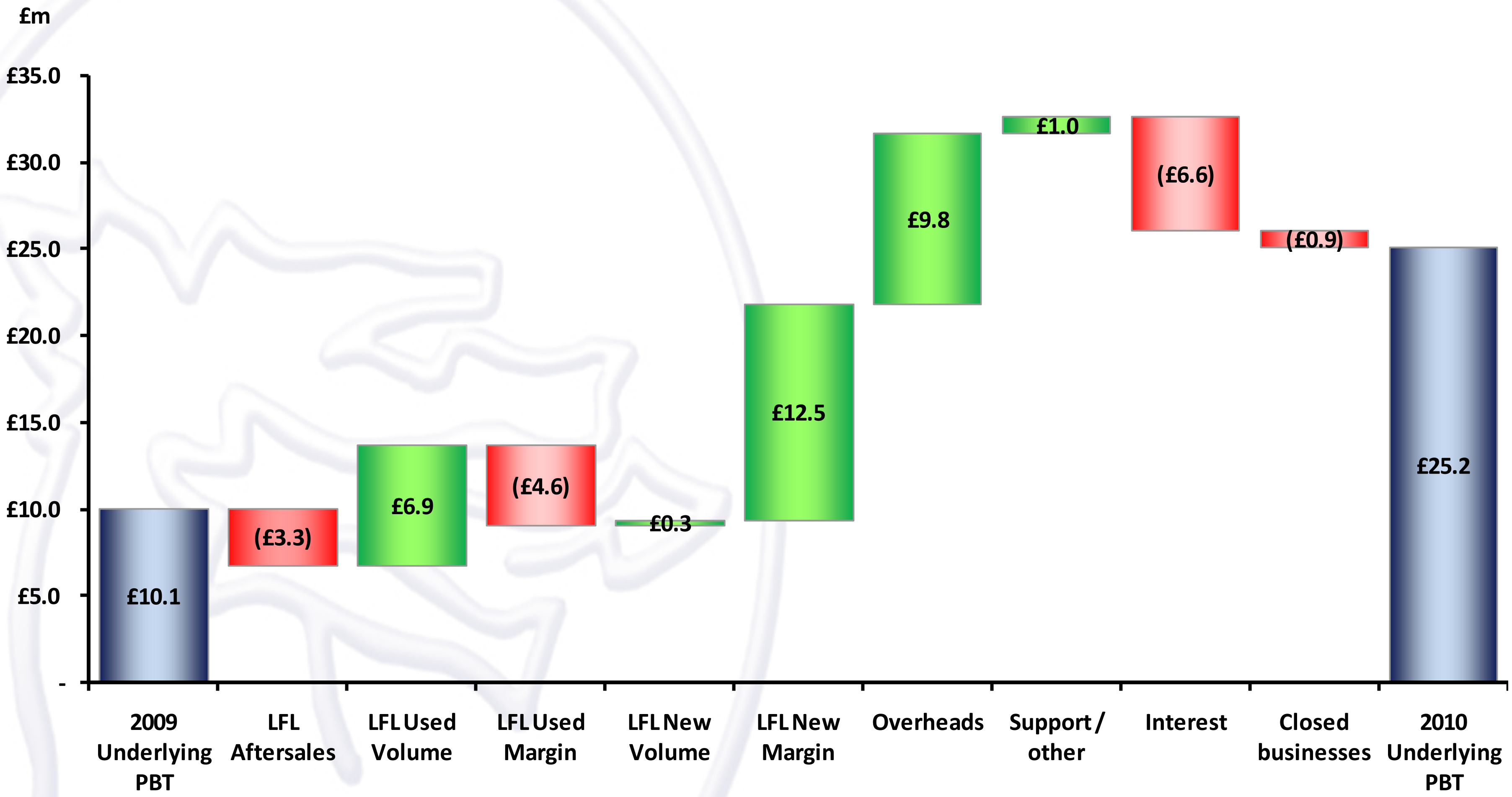


Underlying Operating Profit (£m)
£m
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
53.4
18.6
14.2
20.6
75.1
29.2
20.6
25.3
57%
45%
23%
FY 2009
FY 2010
Support/Other
Evans Halshaw
Stratstone

Financial Summary

	FY 2010	FY 2009
Revenue	£3.6bn	£3.2bn
Underlying Profit Before Tax	£25.2m	£10.1m
Profit Before Tax	£11.0m	£1.3m
Underlying Operating Margin	2.1%	1.7%
Underlying EPS	2.5p	1.1p
Net Debt	£325.5m	£315.4m
Debt:EBITDA	2.8	3.1
Free Cashflow	(£6.8m)	£34.1m

Underlying Profit Before Tax Bridge



Borrowings

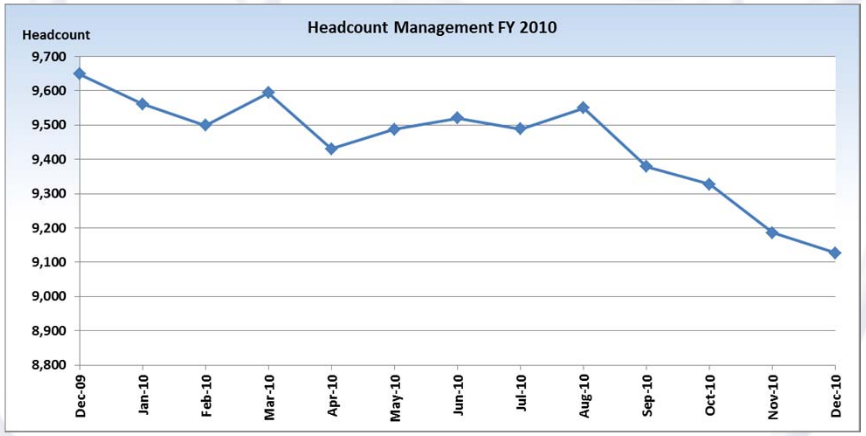
	£m	FY 2010	FY 2009
	Underlying Operating Profit	75.1	53.4
Operating Activities	Depreciation and amortisation	40.0	47.8
	Non-underlying cashflow	(11.3)	(10.7)
	Underlying working capital movement	(59.6)	2.3
	Others	0.6	0.5
	Cash flow from operating activities	44.8	93.3
Finance Activities	Interest	(36.9)	(46.4)
	Tax	(1.4)	2.3
	Replacement capital expenditure	(13.3)	(15.1)
	Free Cash Flow	(6.8)	34.1
Investing Activities	Acquisitions	(6.5)	(4.0)
	Disposals	9.0	6.2
	Other	(5.8)	5.6
	(Increase) / decrease in net debt	(10.1)	41.9
	Closing Net Debt	325.5	315.4

Debt Glide Path

£m	Debt	Debt:EBITDA
31 December 2010	325.5	2.8
31 December 2011	295.0	
31 December 2012	260.0	
31 December 2013	220.0	<2.0

Right-sizing (non-underlying)

£m	FY 2010	FY 2009
Redundancy costs	1.9	1.7
Onerous lease costs & vacant property costs	1.7	5.2
Closed business trading losses	4.9	3.8
Total	**8.5**	**10.7**



	2010	2009
1 January	9,649	10,788
Continuing business	(229)	(355)
Closed business	(422)	(784)
Opened business	129	-
31 December	**9,127**	**9,649**

Other non-underlying items

£m	FY 2010	FY 2009
Start-up business costs	(2.8)*	-
Goodwill impairment	-	(0.8)
Property impairment and net loss on disposal	(0.6)	(0.1)
Refinancing related fees net of fair value gain	-	(9.6)
Pension net finance charge	(2.3)	(3.8)
VAT provision	-	16.2
Total (excluding closed business/redundancy)	**(5.7)**	**1.9**

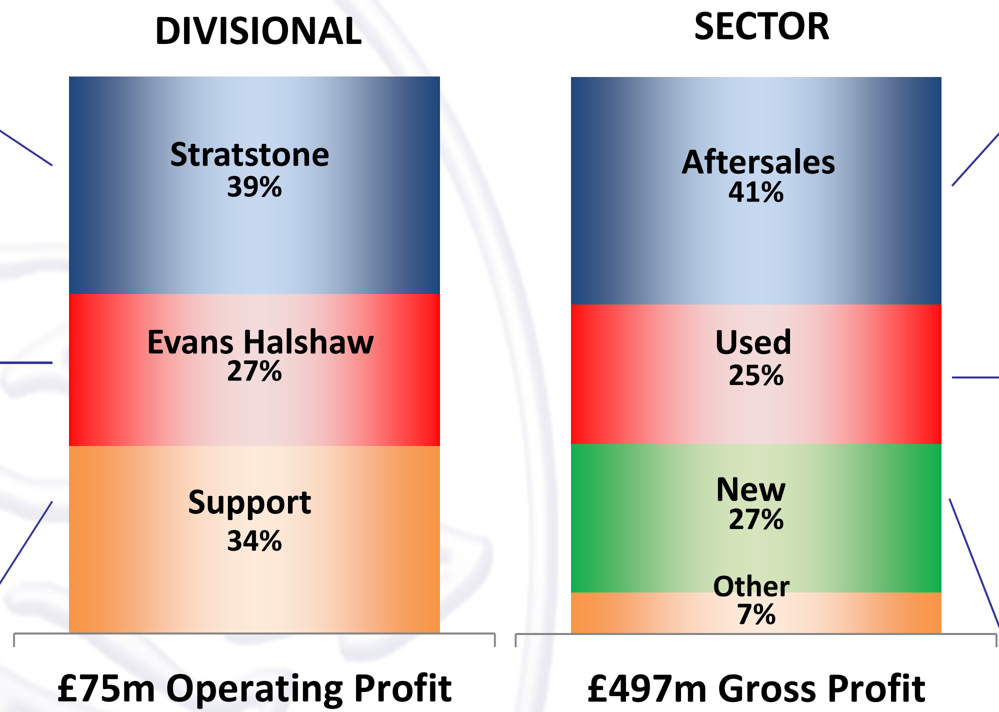
* - One-off costs in FY 2010. Expected to be profitable in FY 2011 and shown within underlying.

FY10 Summary

Used improvement and new continues to recover in key brands

Evans Halshaw improvement in used volume and new gross profit

California exceeded expectations. Pinewood/ Leasing steady growth



Roll-out of VHC programme aiding against reduction in car parc and warranty

Margin: 1.7% up

Used volume outperformance versus market with stable margins

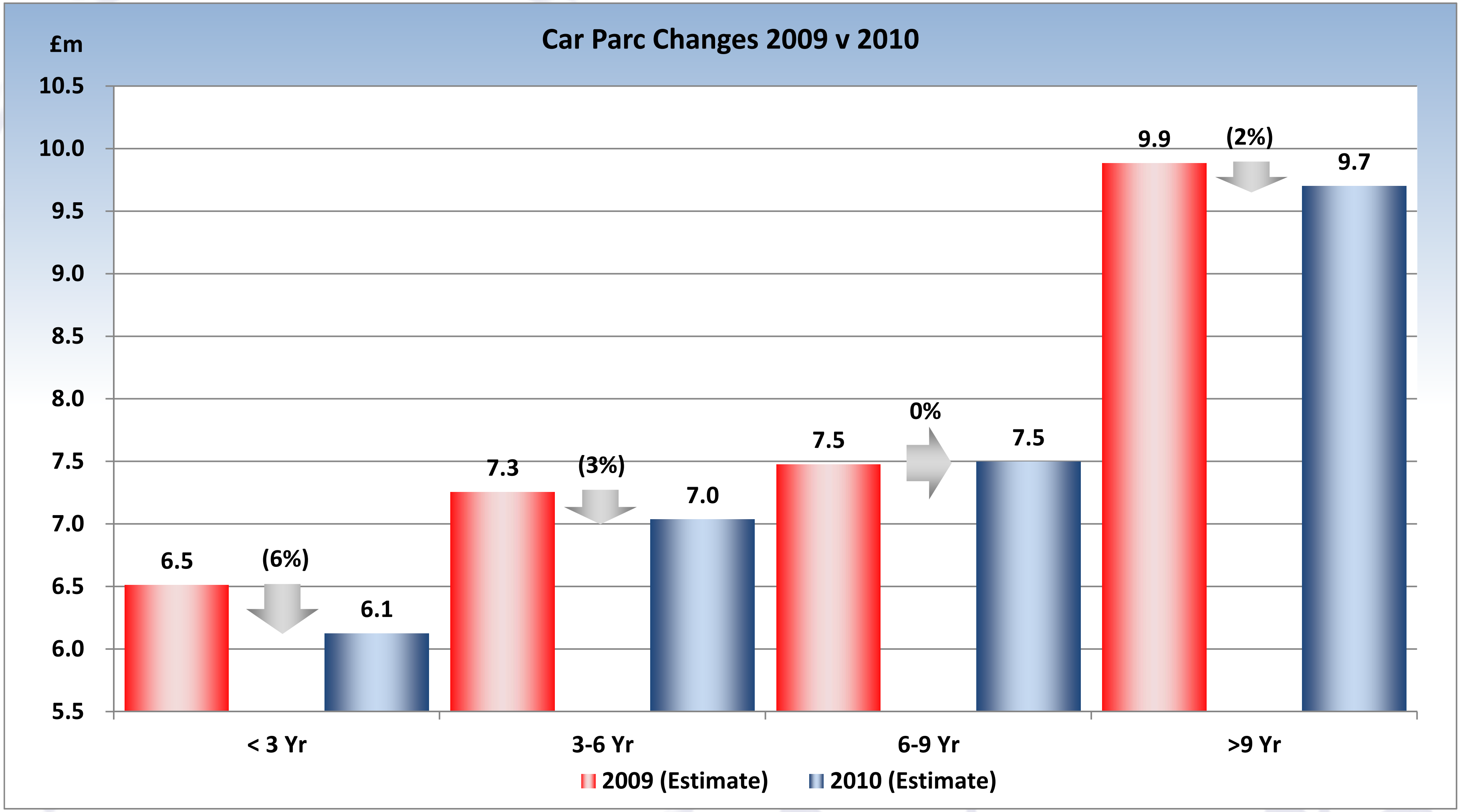
Market volume: (1.9%)
L4L volume: +12.1%

New margin improvement due to franchise performance and mix

Retail market share from 7.3% to 8.0%

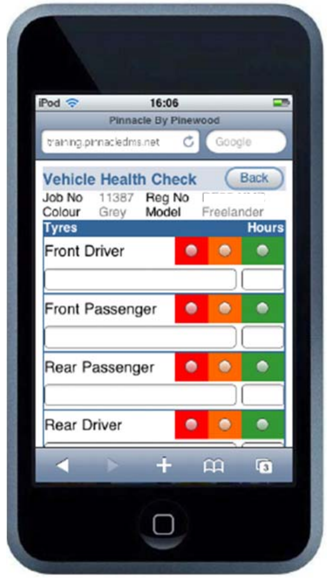
Group well placed for 2011

Aftersales - Car Parc Shrinkage



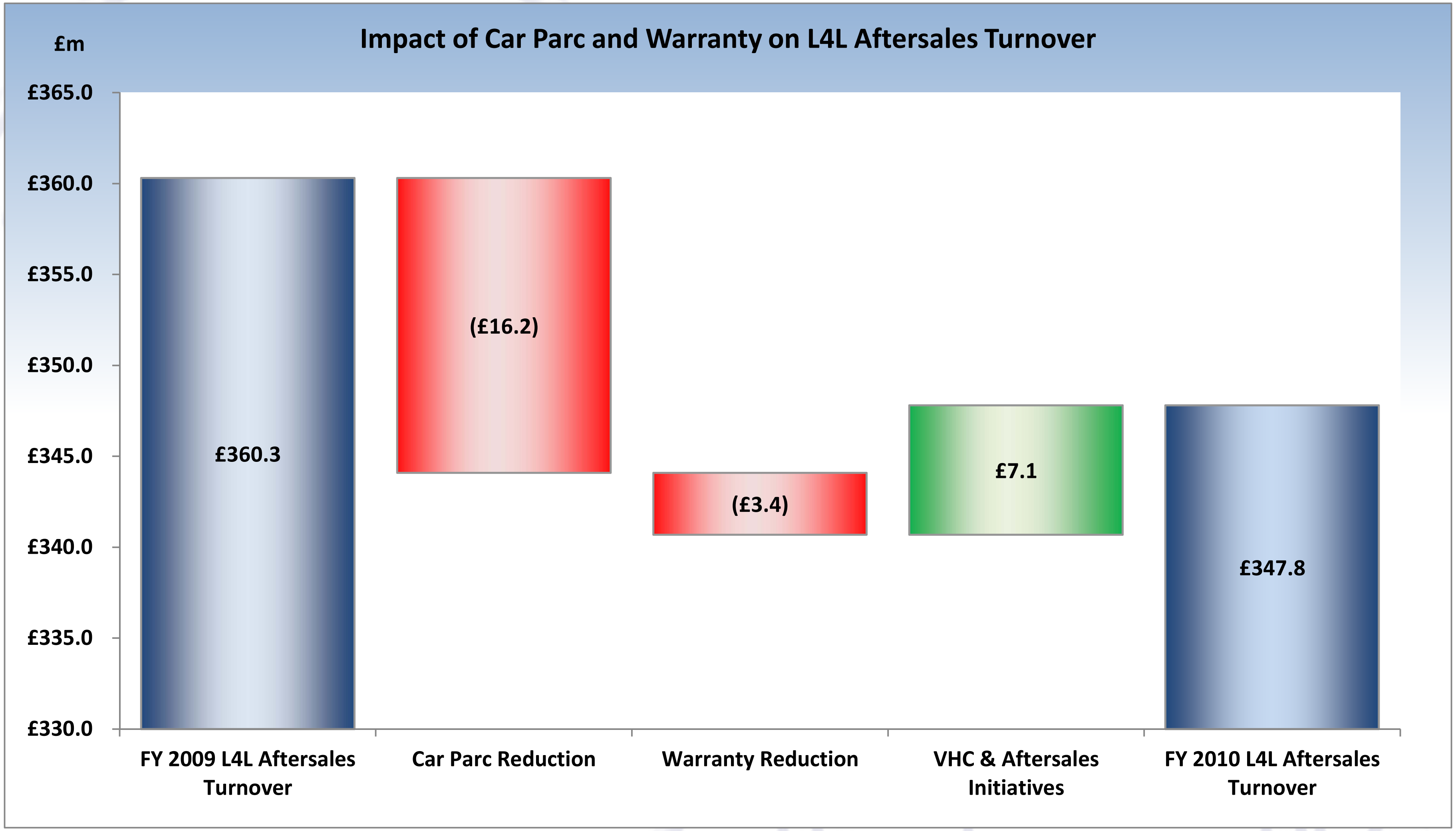
Pendragon PLC

Vehicle Health Check (VHC)

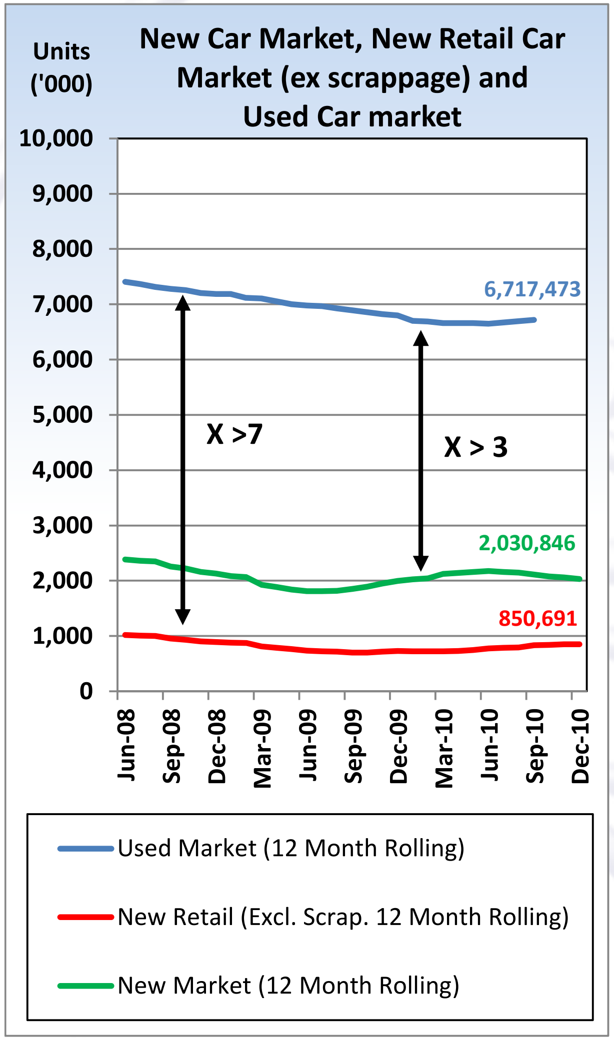


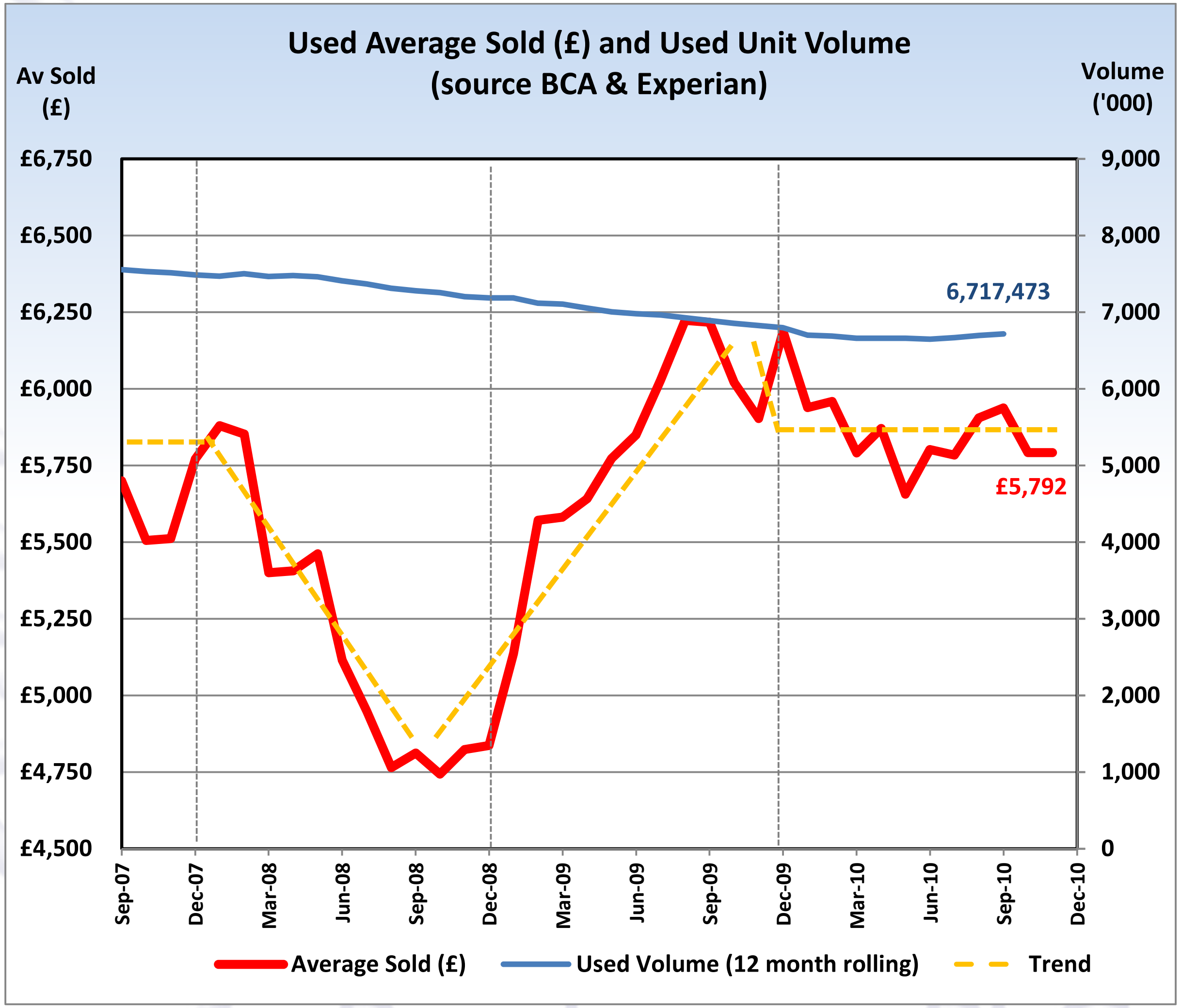
- Areas of focus:
  - Increase revenue via VHC
  - Retain customers for longer via service plans
  - Maximise CRM database benefit
- Group 50% rolled out on VHC processes
- Traction/roll-out similar to used car processes started in FY08

Aftersales Revenue

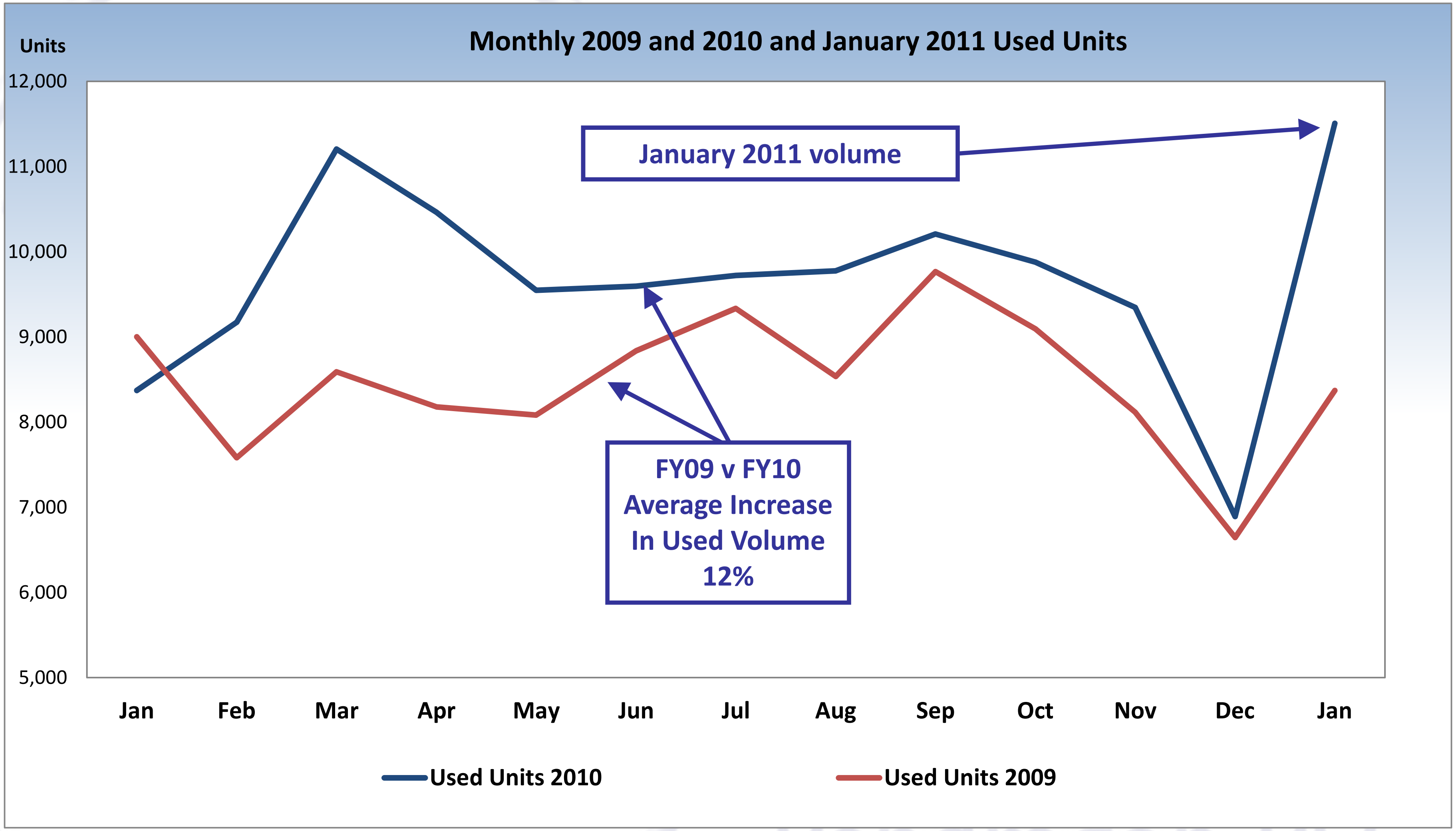


UK Used Car Market





Used Units FY10 comparison to FY09

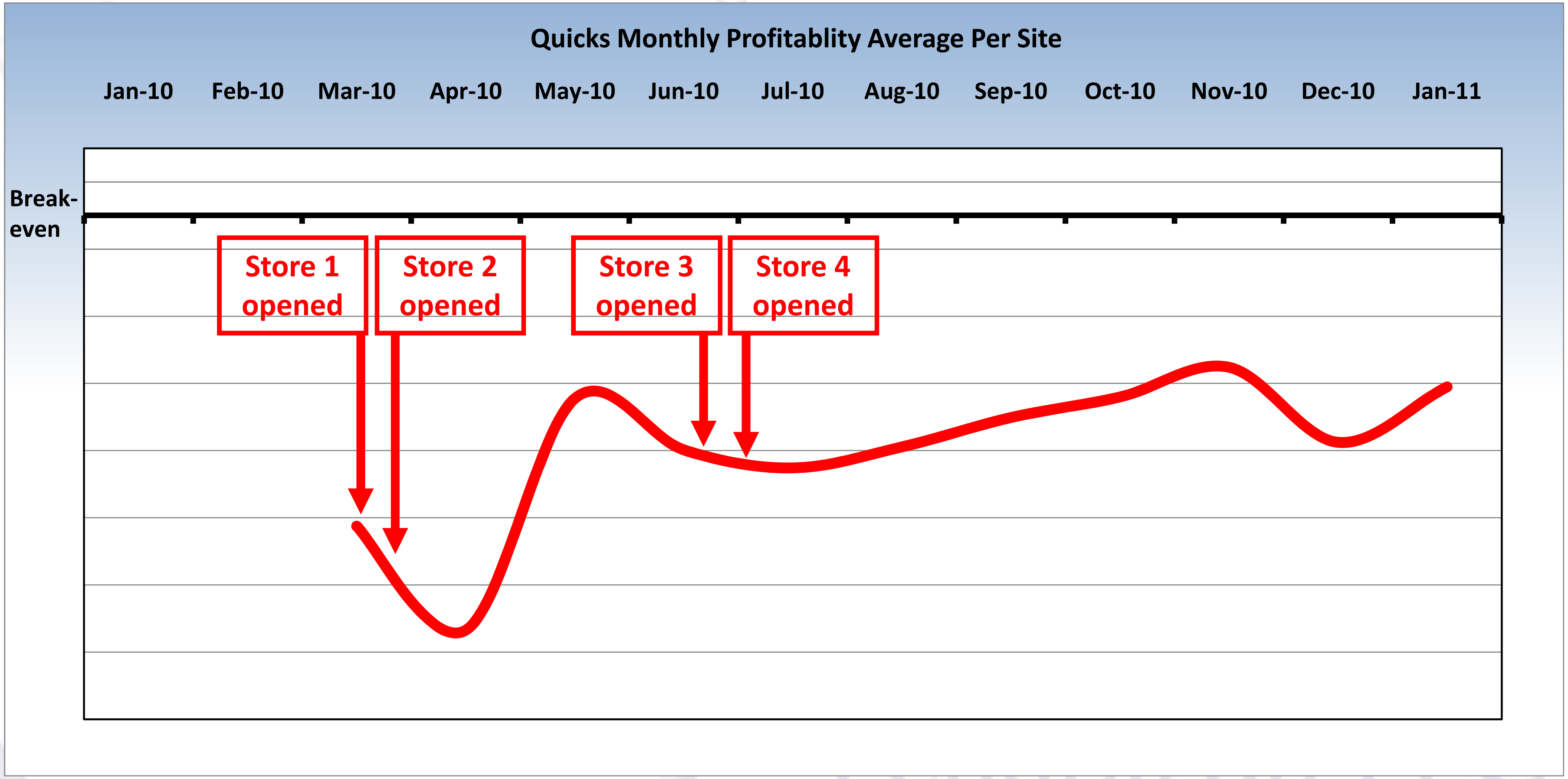


Quicks

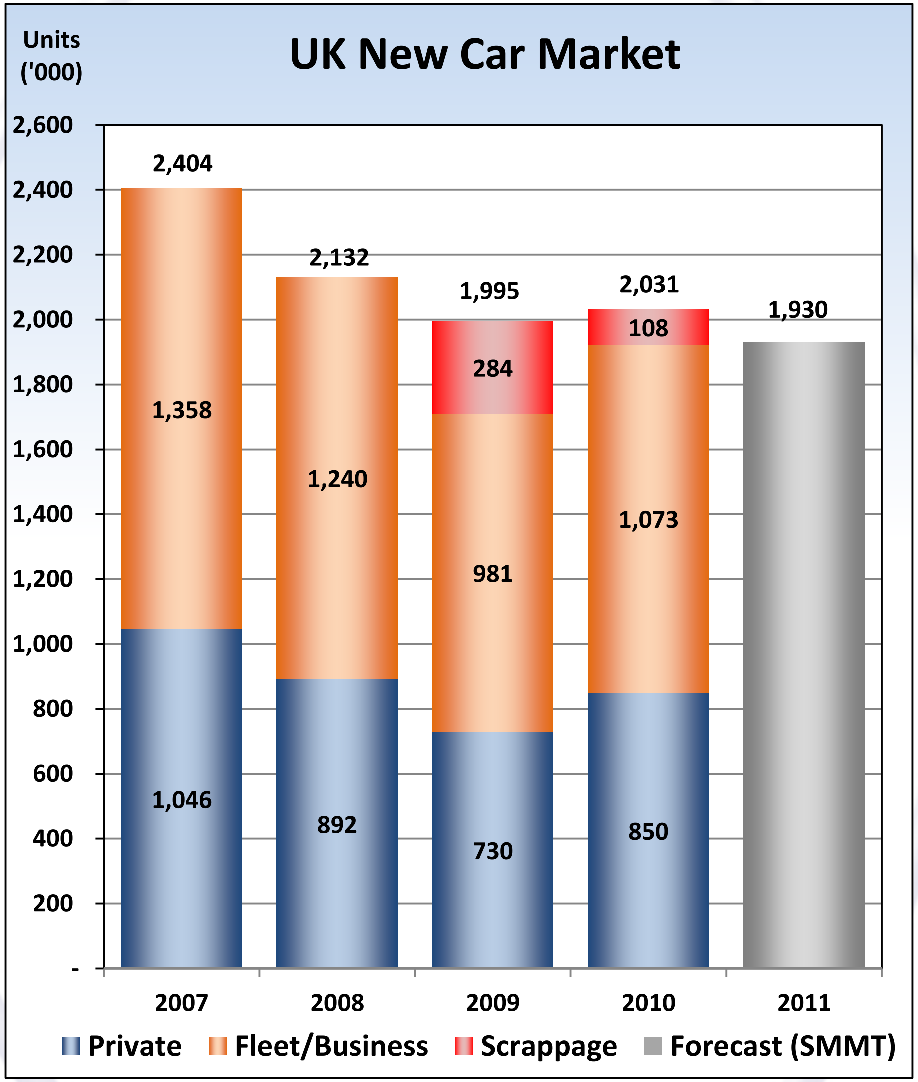
- 4 start up independent used car sites rolled out
- Aftersales being added (additional profit stream)
- Differentiation through customer centric approach:
    - Low prices, Product choice, Customer service, Quality and Transparency
    - High street retail cost model
- 3 more in H1 2011

Quicks Roll Out

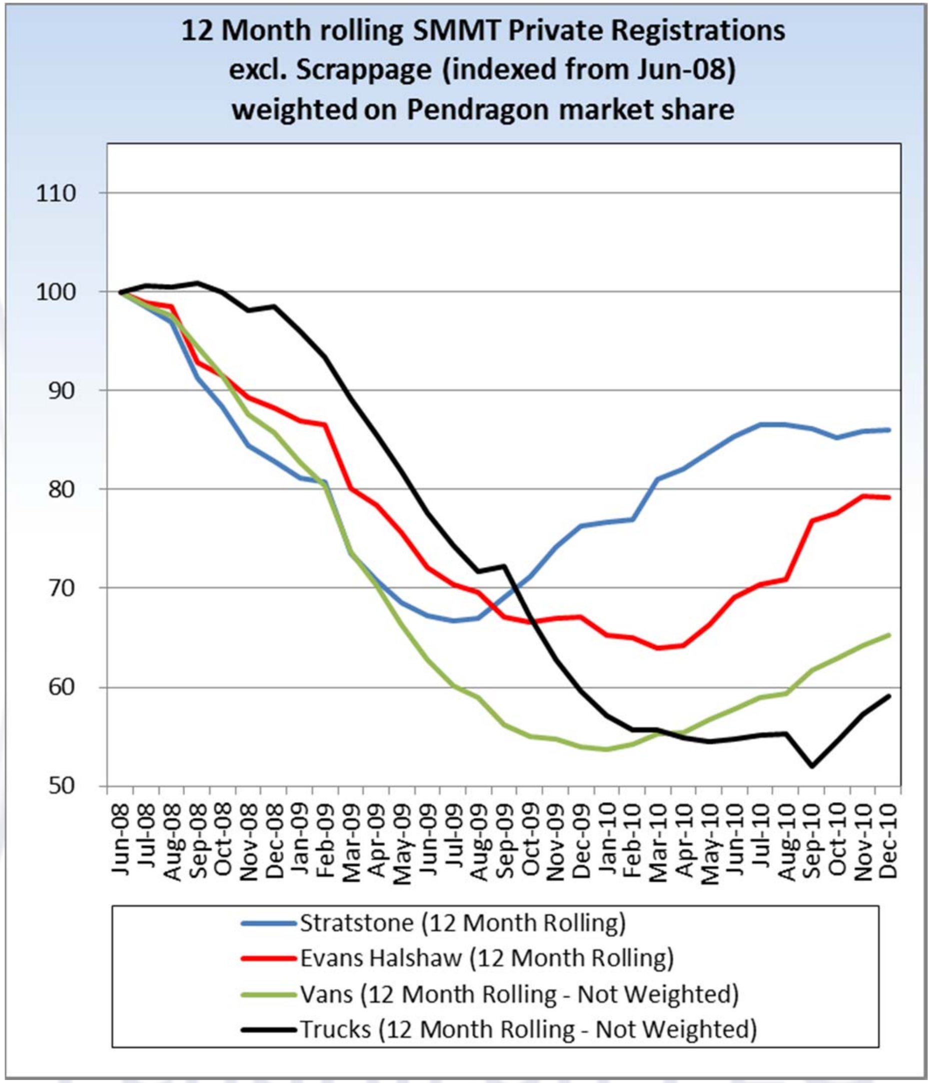
- £2.8m start-up costs in FY10 from initial sites
- Quicks to be profitable in FY11



Highlights

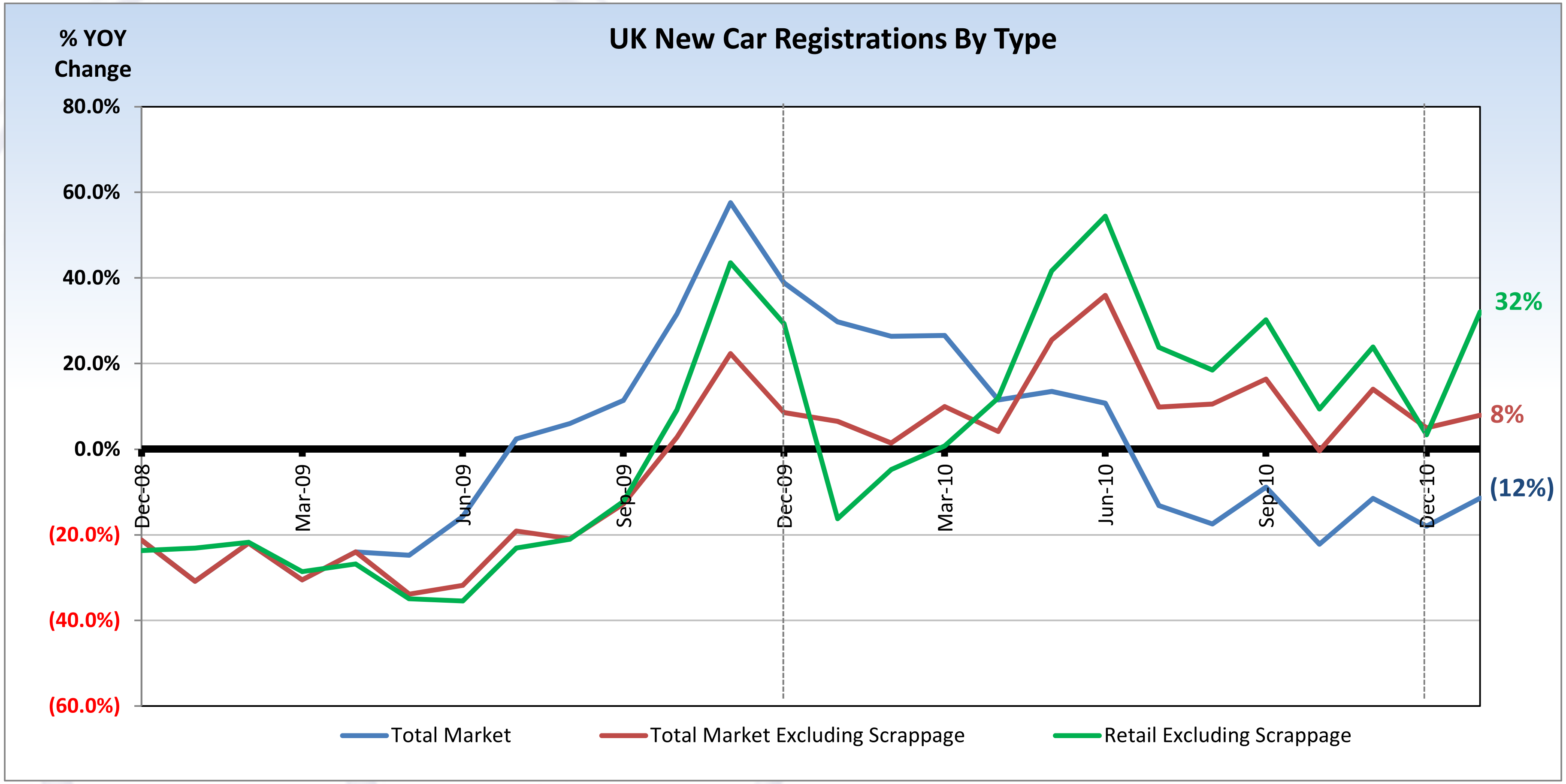


Units ('000)
UK New Car Market
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
-
2,404
1,358
1,046
2,132
1,240
892
1,995
284
981
730
2,031
108
1,073
850
1,930
2007
2008
2009
2010
2011
Private
Fleet/Business
Scrappage
Forecast (SMMT)



12 Month rolling SMMT Private Registrations excl. Scrappage (indexed from Jun-08) weighted on Pendragon market share
110
100
90
80
70
60
50
Jun-08
Jul-08
Aug-08
Sep-08
Oct-08
Nov-08
Dec-08
Jan-09
Feb-09
Mar-09
Apr-09
May-09
Jun-09
Jul-09
Aug-09
Sep-09
Oct-09
Nov-09
Dec-09
Jan-10
Feb-10
Mar-10
Apr-10
May-10
Jun-10
Jul-10
Aug-10
Sep-10
Oct-10
Nov-10
Dec-10
Stratstone (12 Month Rolling)
Evans Halshaw (12 Month Rolling)
Vans (12 Month Rolling - Not Weighted)
Trucks (12 Month Rolling - Not Weighted)

Impact of Scrappage



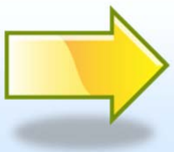
- Total underlying (excluding scrappage) market growth since October 2009
- Underlying retail market up 17% in 2010 versus 2009
- January 2011 underlying retail market up 32% versus 2010

Strategy

Stratstone
Chatfields
Evans Halshaw
Quickco
pinewood
Quicks .CO.UK

Strong Linkages

FY11 Outlook

Area	Assessment	Success Factors
Aftersales		• Further roll-out of VHC • No further decline in warranty • Implementation of further service initiatives
Used		• Margin remaining stable • Continued volume improvements over market
New		• “V” recovery in Stratstone • “U” recovery in Evans Halshaw assisted by commercial vehicles
Financials		• Delivering profit with Debt:EBITDA < 3 and trending to <2