

PENDRAGON PLC

'THE UK'S LEADING AUTOMOTIVE RETAILER'

2012 INTERIM RESULTS

Pendragon | PLC



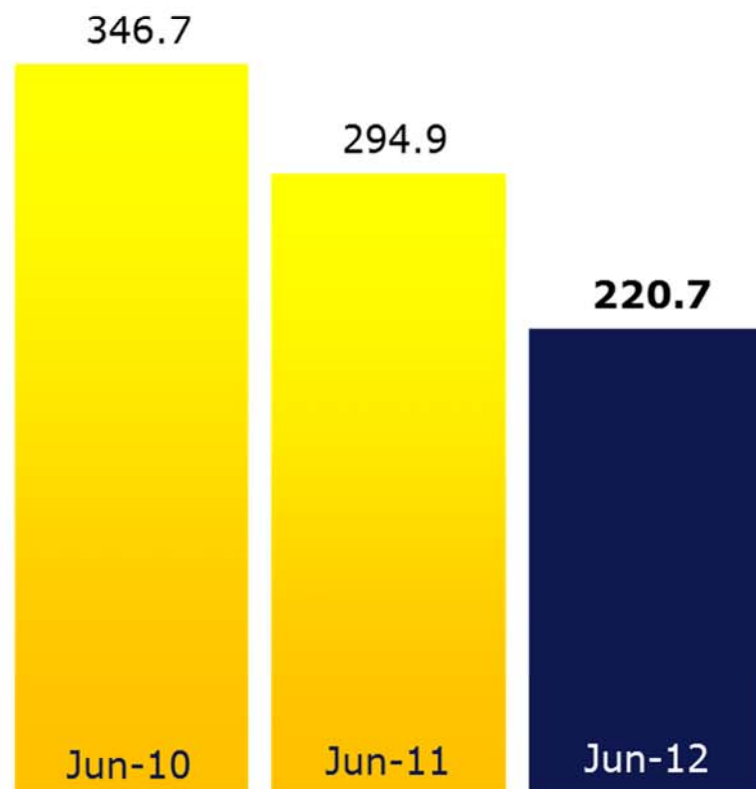
Welcome

Trevor Finn - Chief Executive
Tim Holden - Finance Director

Financial Highlights – Net Debt & Underlying PBT

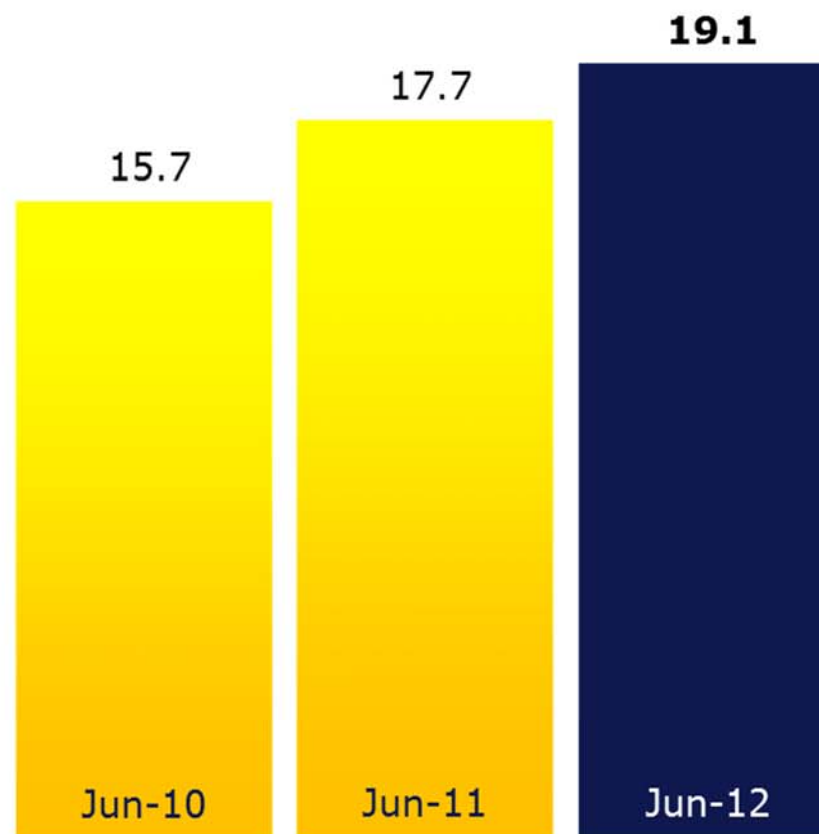
NET DEBT

£220.7m



UNDERLYING PBT

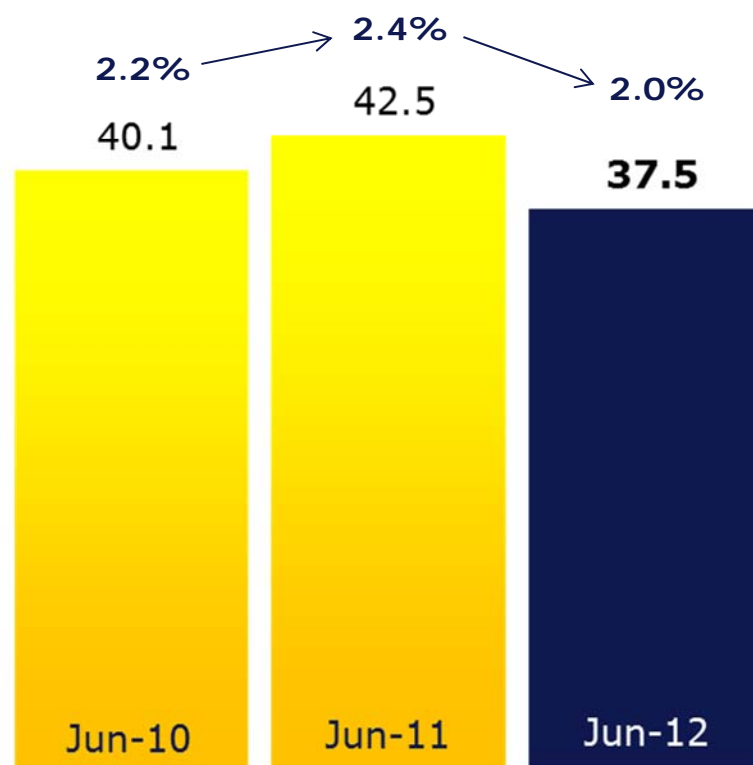
£19.1m



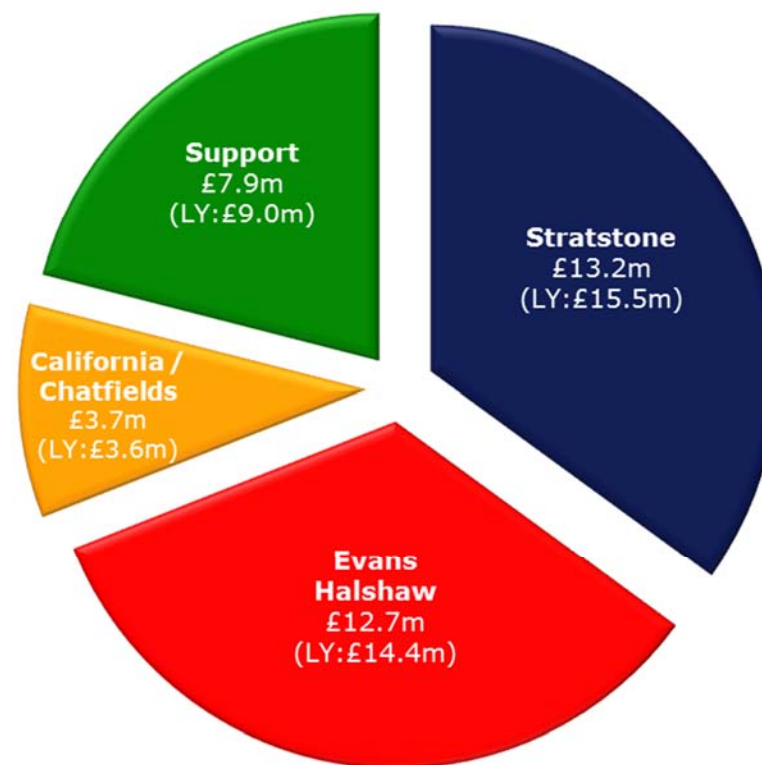
Financial Highlights – Underlying Operating Profit & Margin

UNDERLYING OPERATING PROFIT AND MARGIN (%)

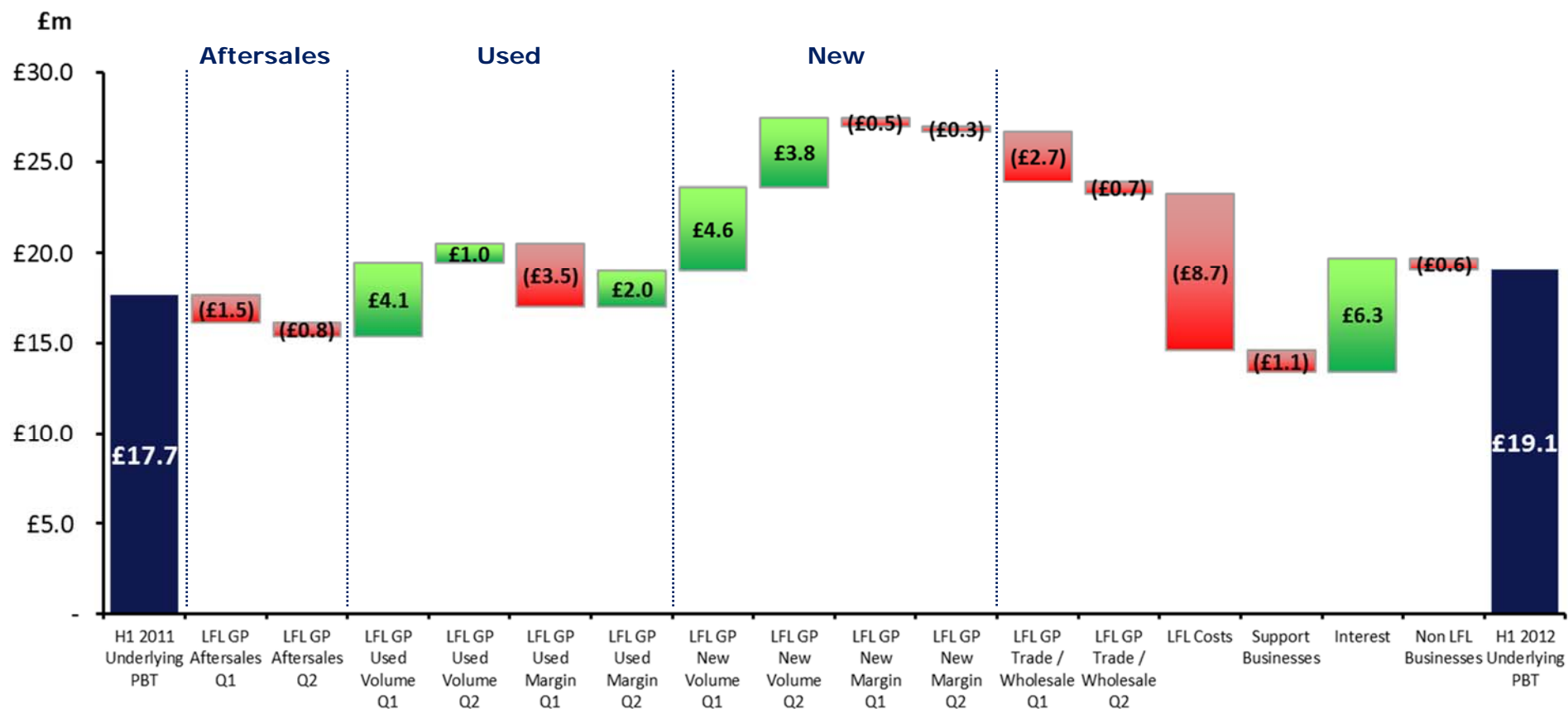
£37.5m



UNDERLYING OPERATING PROFIT BY SEGMENT



Financial Highlights – Underlying Profit Bridge



Financial Highlights – Non-Underlying Items

£m	Jun 2012	Jun 2011
Gains / (loss) on sale of businesses & property	0.2	(0.2)
Pension net finance income	1.6	0.7
VAT assessment refunds	2.7	-
Total	4.5	0.5

Financial Highlights – Balance Sheet

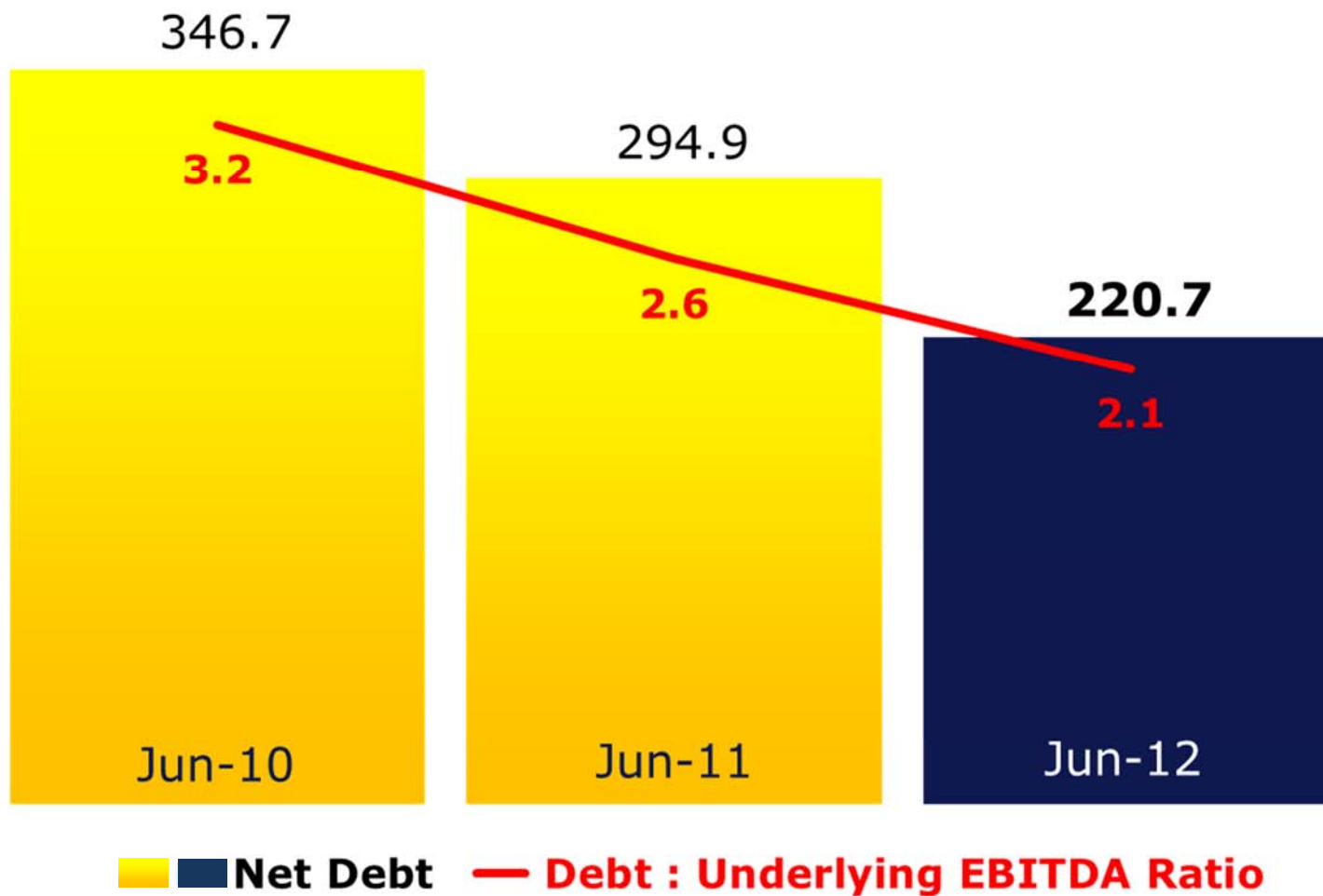
£m	Jun 2012	Dec 2011	Jun 2011
Property	169.2	173.8	172.8
Plant & equipment	121.2	125.6	119.8
Goodwill & intangibles	372.6	371.5	371.4
Stock	523.5	565.4	558.5
Debtors	126.6	101.3	118.9
Assets held for resale	26.9	29.0	28.5
Creditors	(838.2)	(852.6)	(952.2)
Net borrowings	(220.7)	(246.8)	(294.9)
Shareholders Funds	281.1	267.2	122.8

Financial Highlights – Borrowings

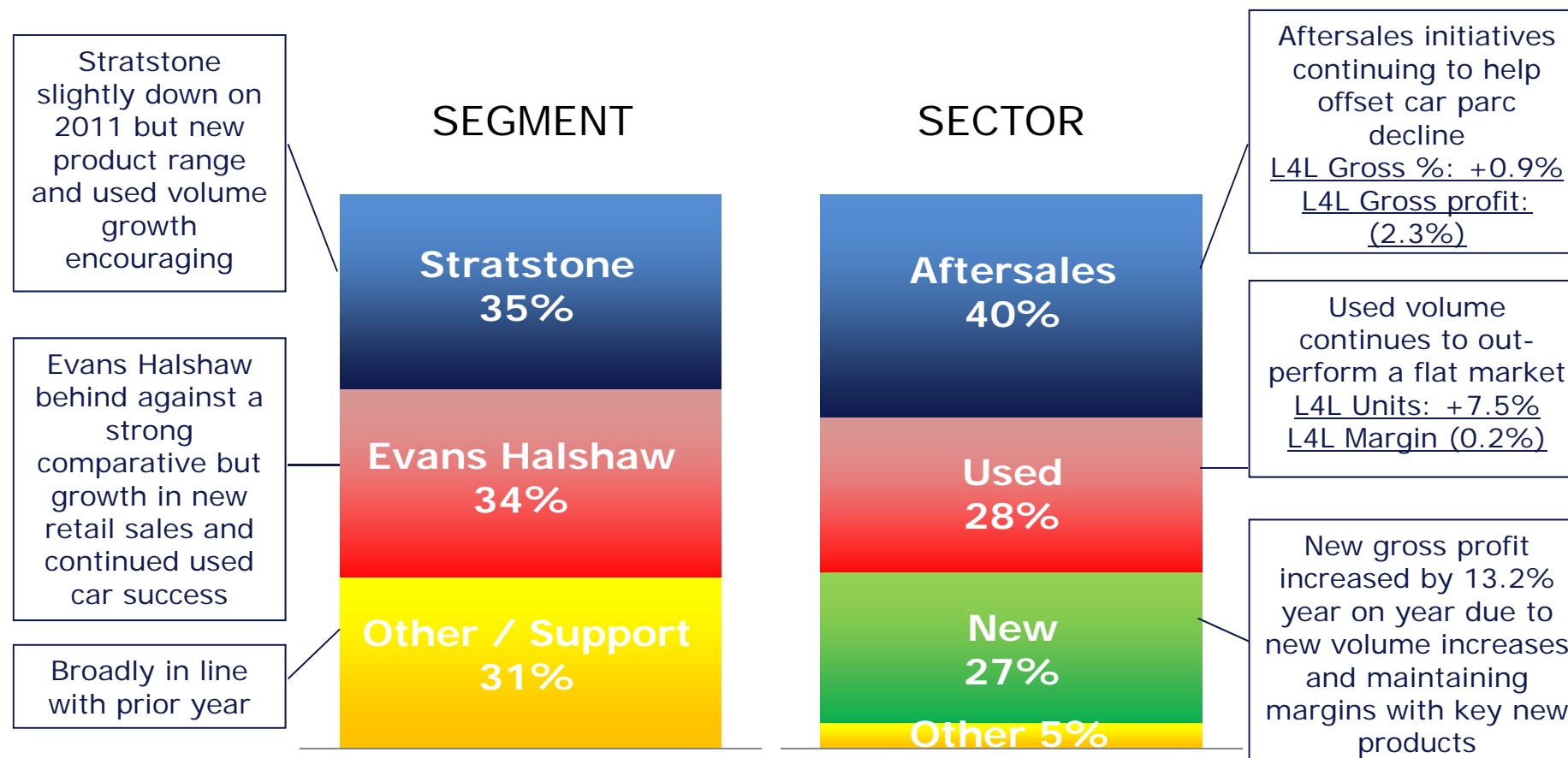
£m	Jun 2012	Jun 2011 *
Underlying Operating Profit	37.5	42.5
Depreciation and amortisation	9.4	9.4
Non-underlying cash flow	0.8	-
Underlying working capital movement	1.6	20.2
Other items	0.4	0.4
Operating Cash Flow	49.7	72.5
Interest paid	(18.6)	(21.5)
Tax paid	(1.3)	(1.2)
Replacement capital expenditure	(3.6)	(14.5)
Free Cash Flow	26.2	35.3
Acquisitions	(3.9)	(3.5)
Disposals	5.0	1.9
Other	(1.2)	(3.1)
Decrease in Net Debt	26.1	30.6
Closing Net Debt	220.7	294.9

* Jun 2011 restated due to change in presentation of contract hire cash flows

Financial Highlights – Debt : Underlying EBITDA Ratio

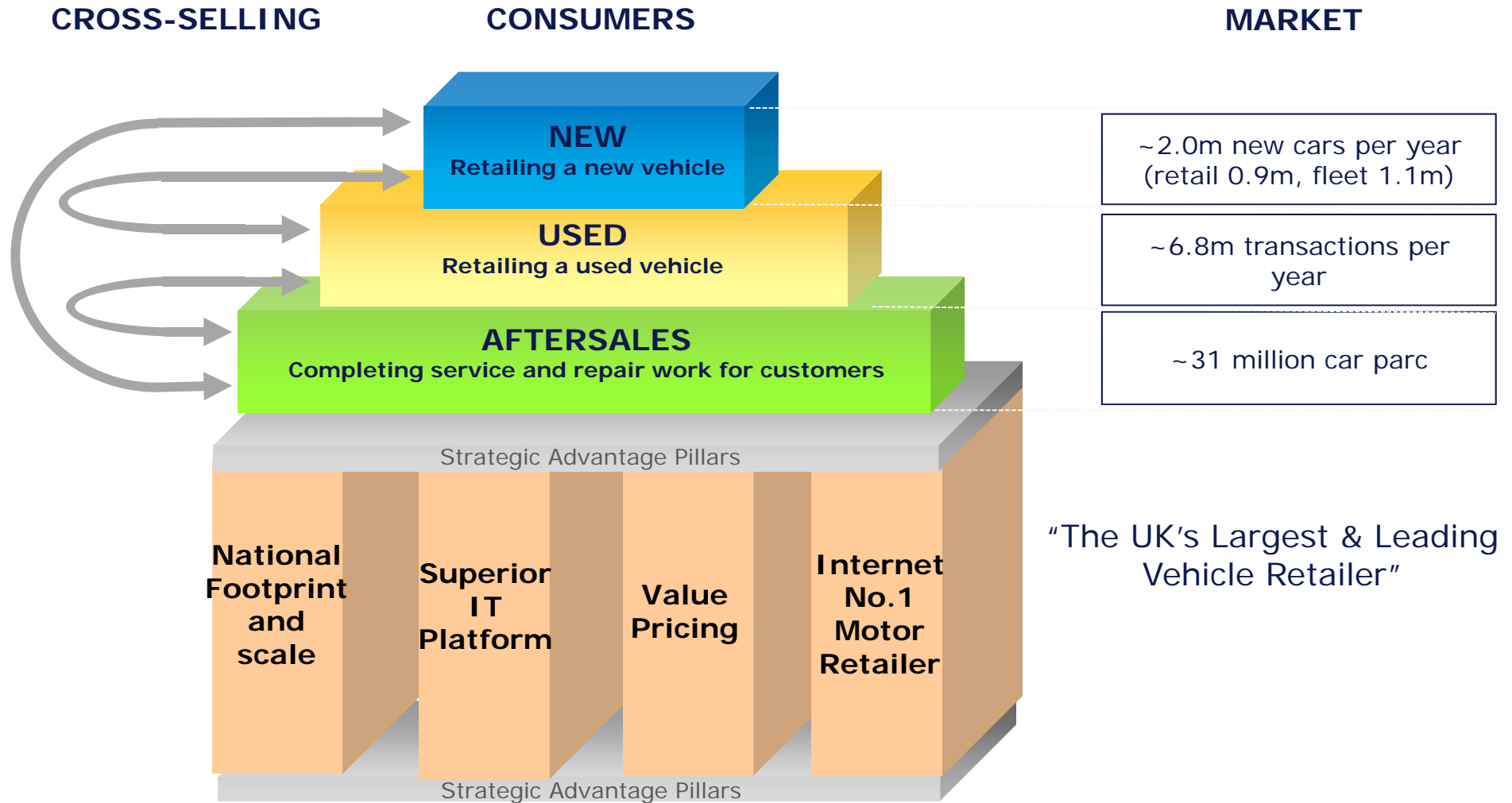


2012 Interim Summary By Segment & Sector

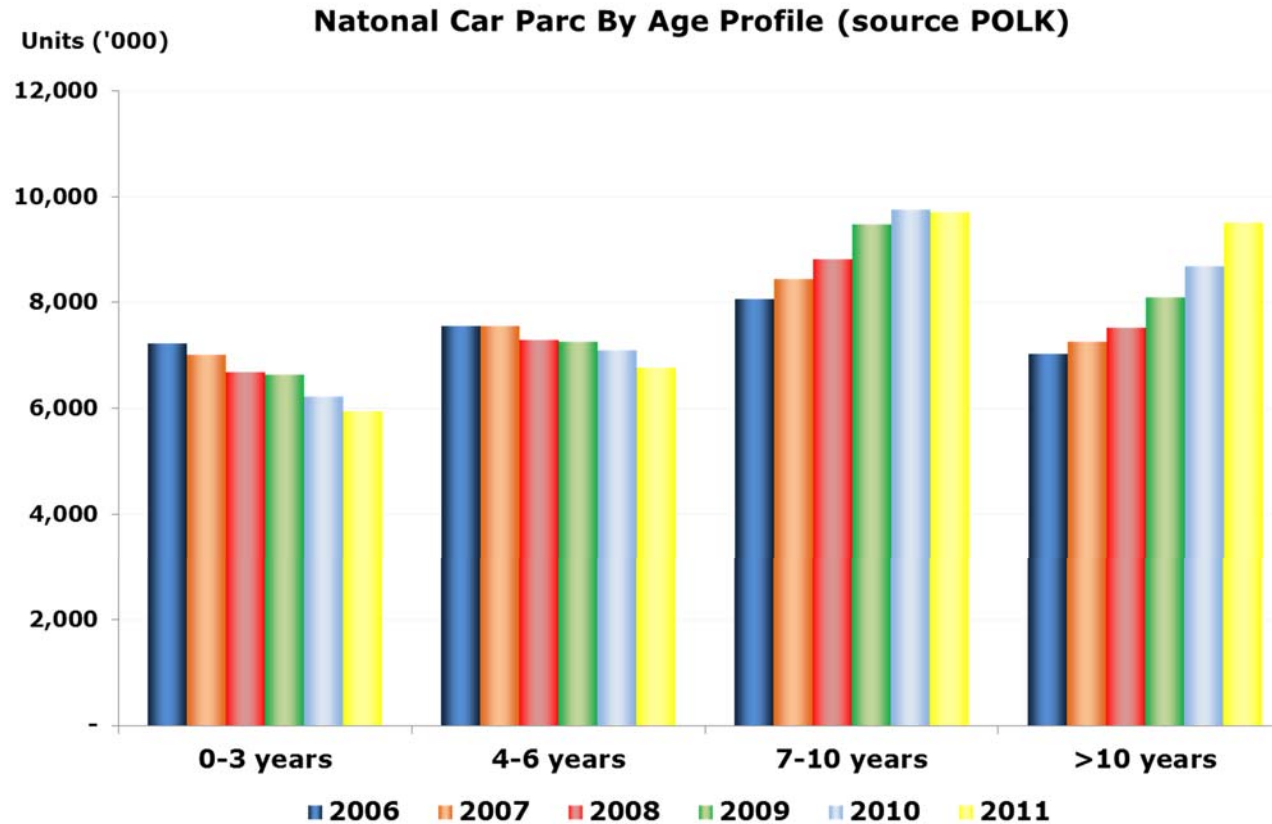


Group well placed for H2 2012

Business Model

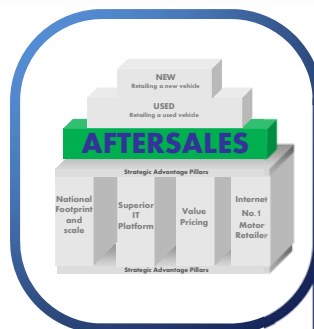


Aftersales - Market

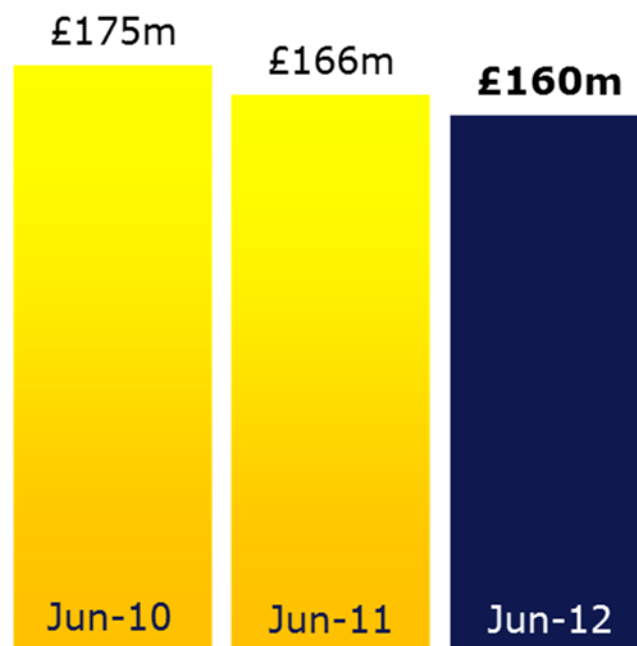


- Decline in 0-3 year car parc expected to flatten following year on year growth in new registrations in 2012.

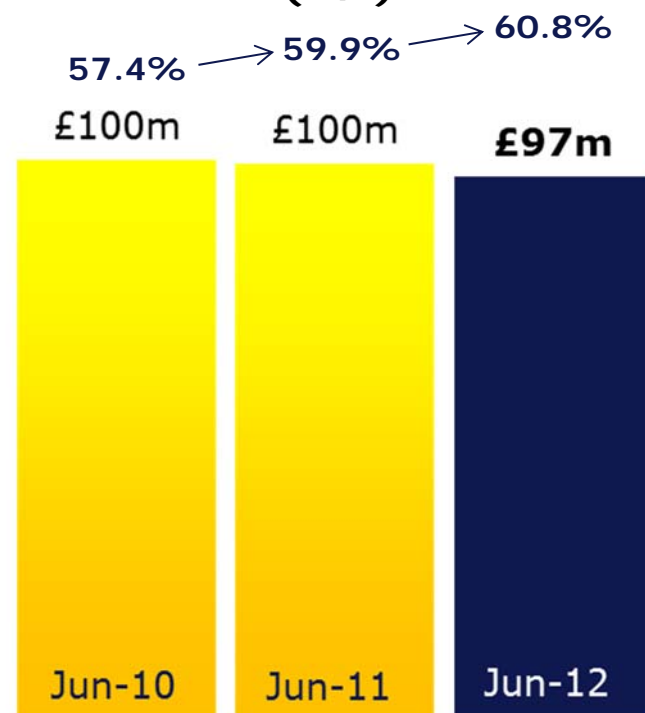
Aftersales – Our Performance



Aftersales Revenue (L4L)

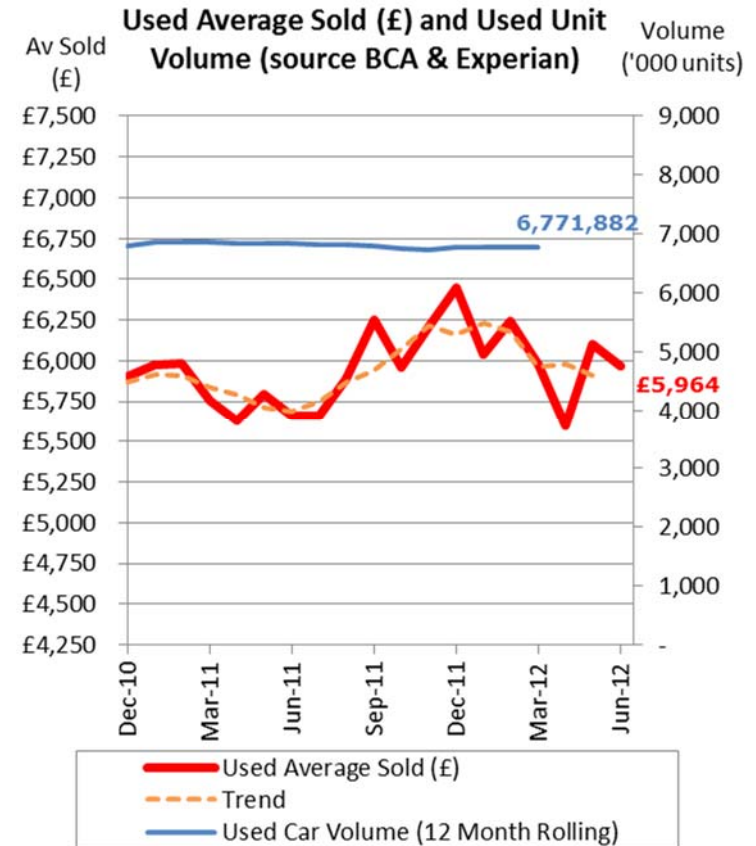
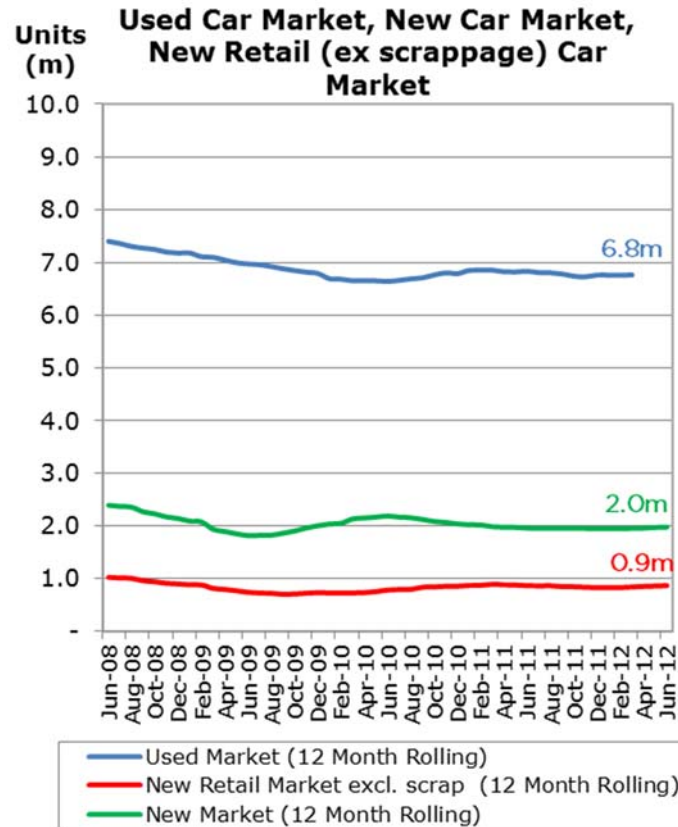


Aftersales Gross Profit & Margin (L4L)



- Fall in like for like aftersales revenue due to car parc pressure which is expected to flatten imminently and reduced warranty activity.
- Like for like service retail sales increased by 0.2% for the Group.
- Aftersales like for like gross margins increase by 0.9% from Jun-11.

Used - Market

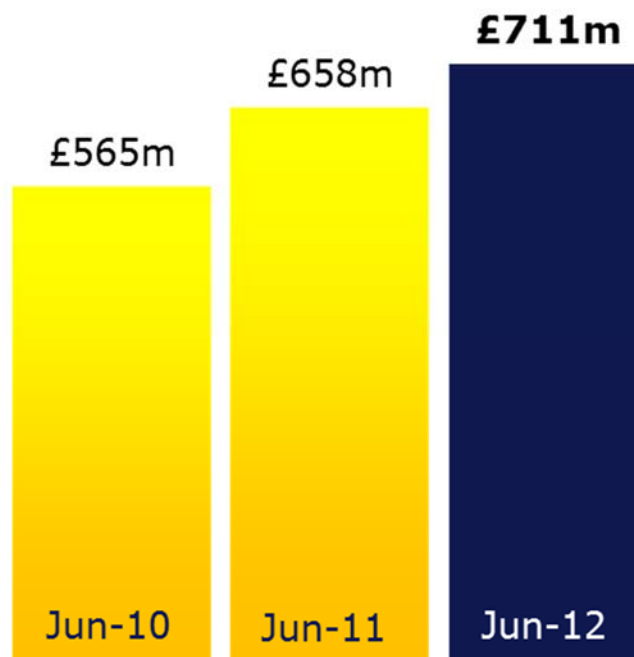


- 0.2% increase in Q1 2012 used market volumes.

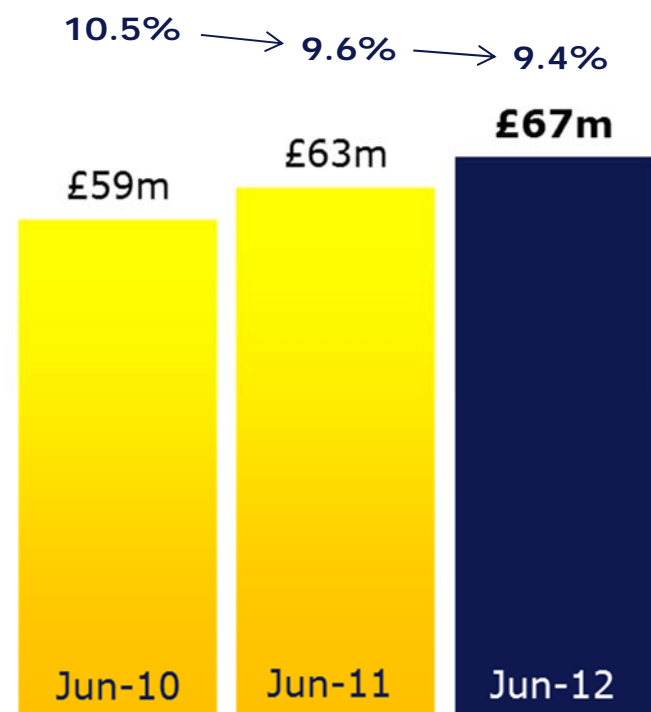
Used – Our Performance



Used Revenue (L4L)

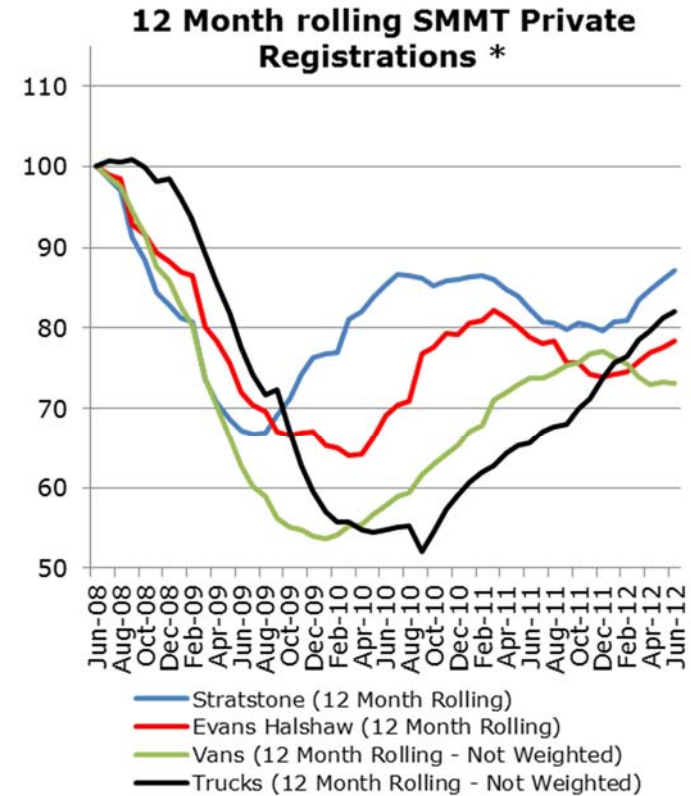
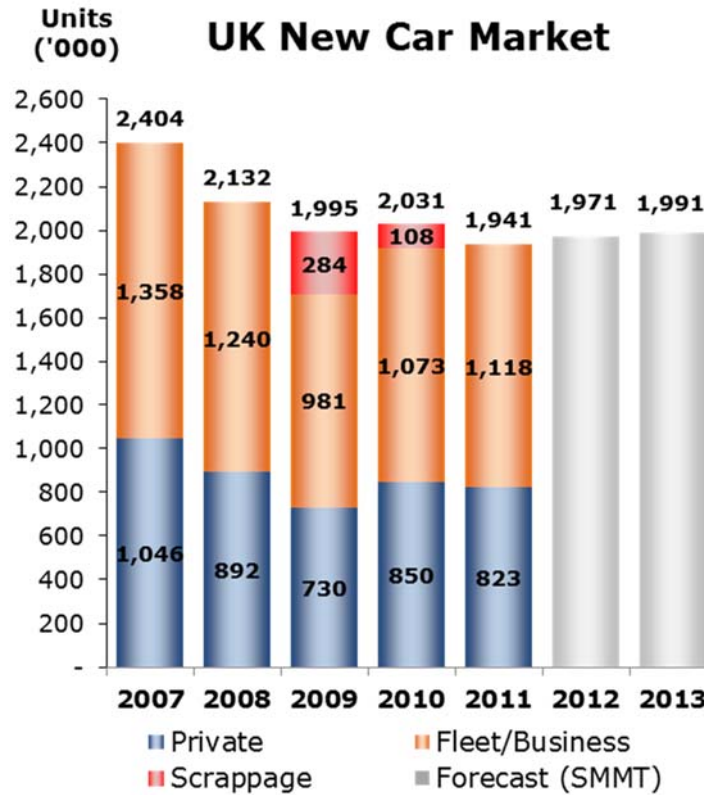


Used Gross Profit & Margin (L4L)



- Used vehicle volume growth of 7.5% on a like for like basis.
- Used vehicle gross profit up 5.7% on a like for like basis due to increased volumes.

New - Market



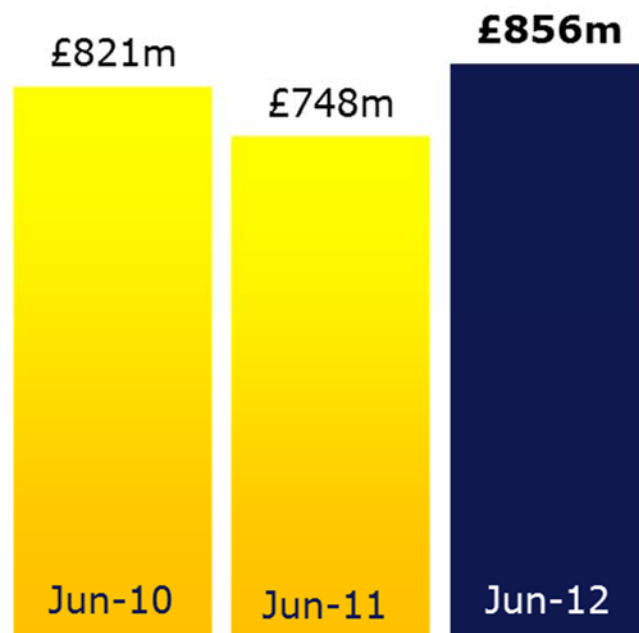
* Excluding scrapage (indexed from Jun-08) weighted on Pendragon market share

- Stratstone and Evans Halshaw brands recovering strongly in 2012 follow 'double dip' profile.

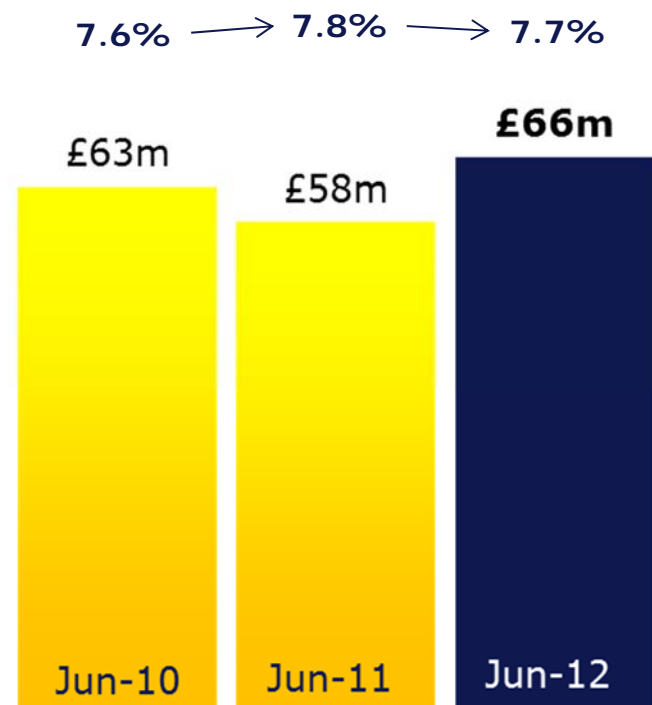
New – Our Performance



New Revenue (L4L)



New Gross Profit & Margin (L4L)

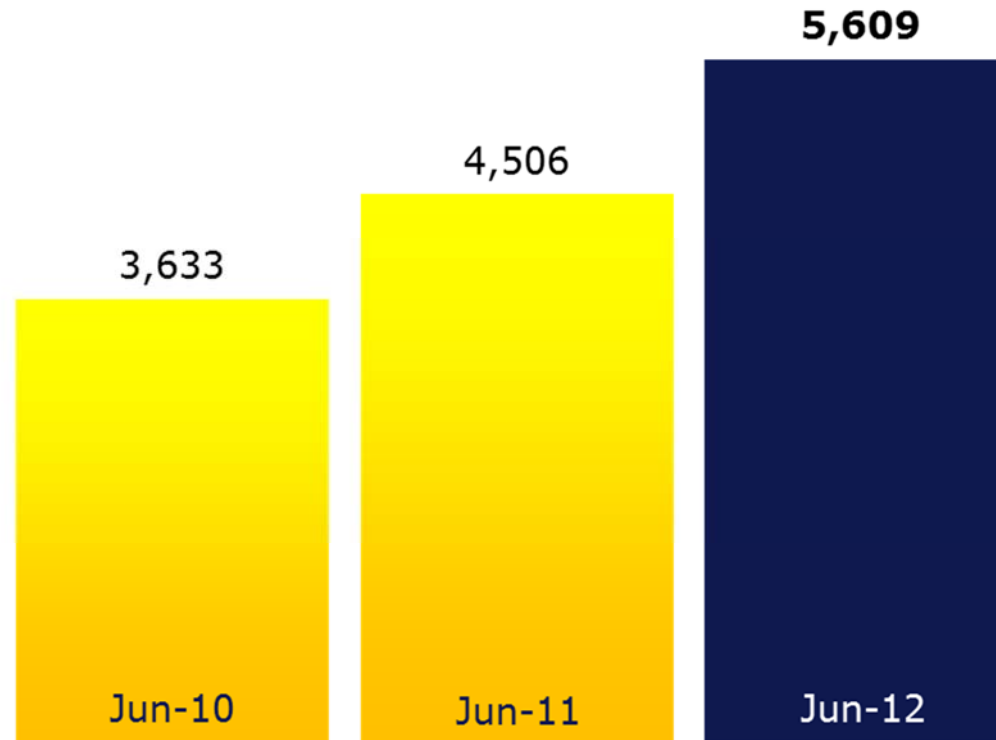


- New vehicle gross profit up 13.2% on a like for like basis.

Internet – Strategic Pillar

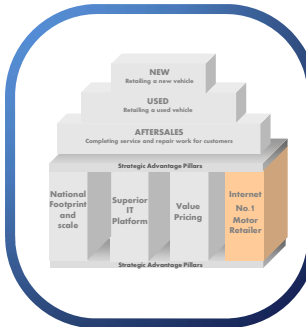


Website Visits ('000) – Stratstone.com, Evanshalshaw.com and Quicks.co.uk



- Website visits grow by 24.0% from Jun-10 to Jun-11 and by 24.5% from Jun-11 to Jun-12.

Internet – Internet Strategic Pillar



Stratstone.com and Evanshalshaw.com growth and development key strategy

5.24% Share of Automotive Websites for Stratstone.com & Evans Halshaw.com











> 70 Million page views in FY 2011

iPhone and Android apps successfully deployed

Launch of new Stratstone.com website foundation in April 2012

Website Visits up 24.5% year on year for H1 2012 v H1 2011

Outlook

Area	Jun-11 Assessment	Jun-12 Assessment	Success Factors
Aftersales			<ul style="list-style-type: none"> • Flatter car parc profile • VHC continues
Used			<ul style="list-style-type: none"> • Volume • Margin recovery
New			<ul style="list-style-type: none"> • New retail volume • Stable margin
Financials			<ul style="list-style-type: none"> • Debt / EBITDA 1.5
Internet			<ul style="list-style-type: none"> • Website hits to continue to grow