

Pendragon PLC
("Pendragon" or the "Company")

US Motor Group - Disposal of certain Dealerships in California

Pendragon announces that it has agreed to dispose of the trade and assets of its Jaguar Land Rover motor vehicle dealership located in Mission Viejo, California (the "First Transaction") and that it has agreed to dispose of the trade and assets of its Jaguar Land Rover dealership located in Newport Beach, California (the "Second Transaction"), together (the "Transactions"). The dealerships subject to the Transactions form part of the Company's overall US Motor Group.

In relation to the First Transaction, the purchaser of the business is Lithia Motors, Inc ("Lithia"), a well known US dealership group listed in the US. The consideration for the First Transaction is expected to be approximately £29.0 million, to be satisfied entirely in cash payable at completion, with the precise amount being determined following the preparation of completion accounts in respect of the transaction. As at 31 December 2018, the gross assets that are the subject of the First Transaction amounted to £24.6 million and the profit prior to central costs amounted to GBP £0.9 million.

In relation to the Second Transaction, the purchaser of the business is US Auto Trust, LLC ("US Auto"). The consideration for the Second Transaction is expected to be approximately £31.0 million, to be satisfied entirely in cash payable at completion, with the precise amount to be determined following the preparation of completion accounts in respect of the transaction. As at 31 December 2018, the gross assets that are the subject of the Second Transaction amounted to £42.9 million and the profit prior to central costs amounted to GBP £6.0 million. In addition to the trade and assets that are the subject of the Second Transaction, US Auto previously acquired the Company's single Aston Martin business in the US on 02 July 2018 for consideration of GBP £3.1m.

Completion of the Transactions is subject, in each case to a number of conditions, including, inter alia, the satisfactory completion of due diligence by both purchasers.

Upon the agreement that has been entered into in respect of the First Transaction and the Second Transaction, respectively, becoming unconditional, Jaguar Land Rover, as the OEM, will have a right of first refusal over the trade and assets that are the subject of the relevant Transaction. In the event that such right is exercised in respect of the First Transaction or the Second Transaction, Jaguar Land Rover will nominate a replacement to the current purchaser, who will otherwise acquire the relevant trade and assets on the same terms.

The Transactions are in line with the Company's stated strategy of disposing of its US Motor Group. The intended application of the sales proceeds, expected to be received in Q3, will be announced as part of the strategic update which will be provided with the announcement of the Company's interim results.

The Company will make a further announcement upon completion of each of the Transactions or earlier in the event that the First Transaction or the Second Transaction will not proceed to completion. The Company continues to progress the disposal of the remainder of its US Motor Group.

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