



# **2011 FULL YEAR RESULTS**

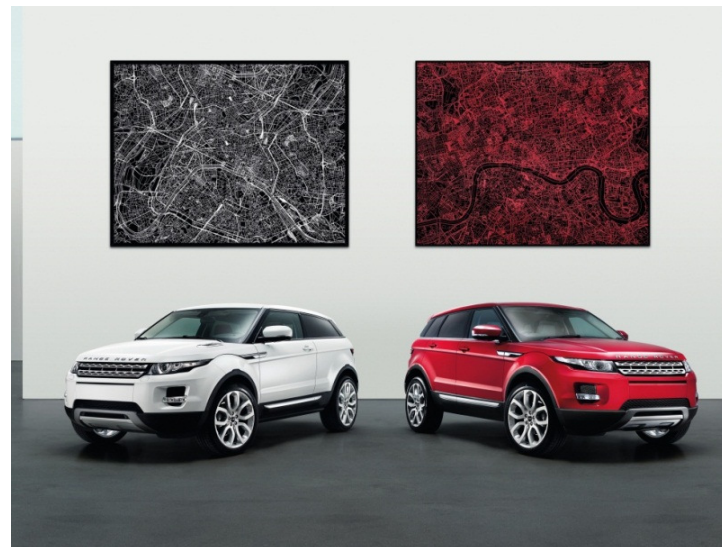
**21 February 2012**

**“The UK’s Leading Automotive Retailer”**

Pendragon PLC

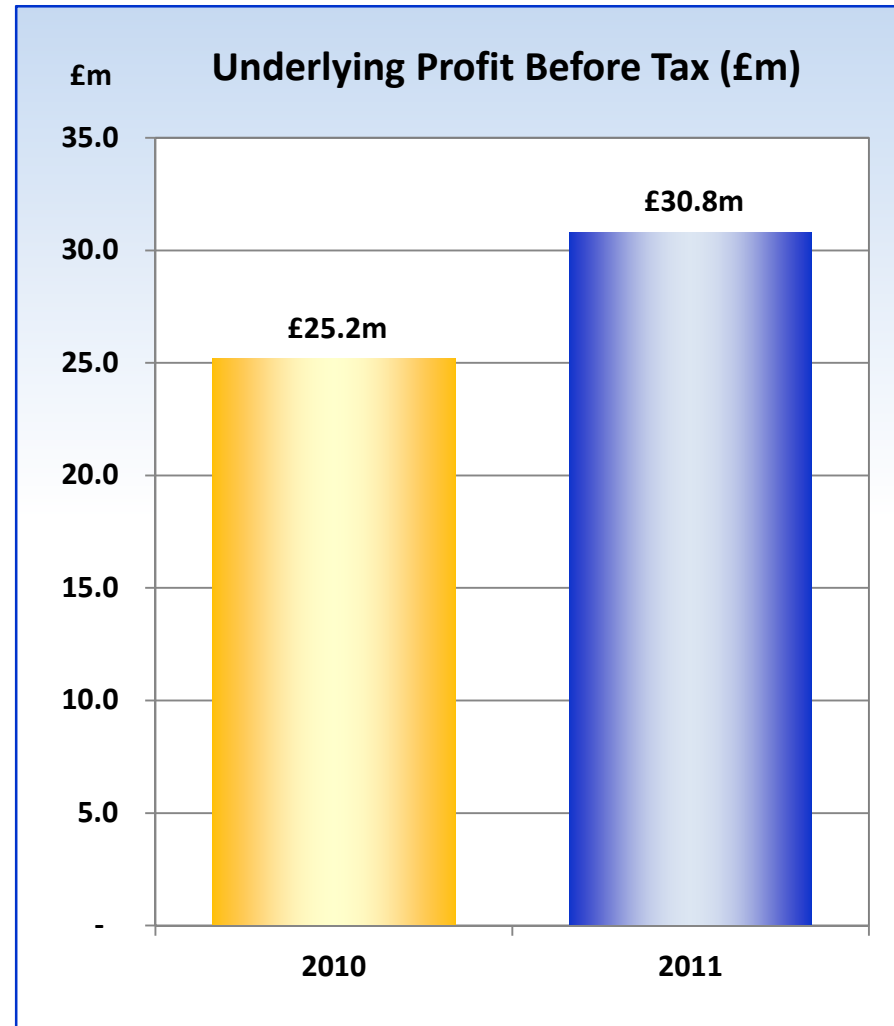
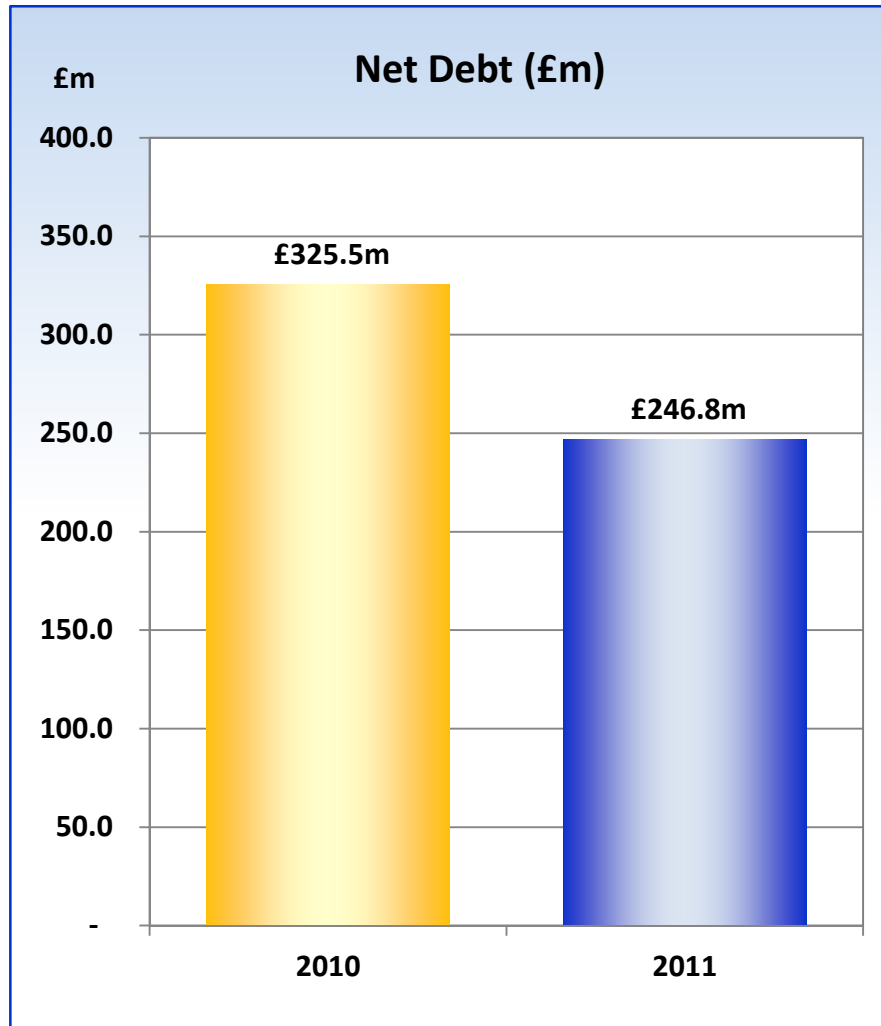
# Welcome

**Trevor Finn**  
**Chief Executive**

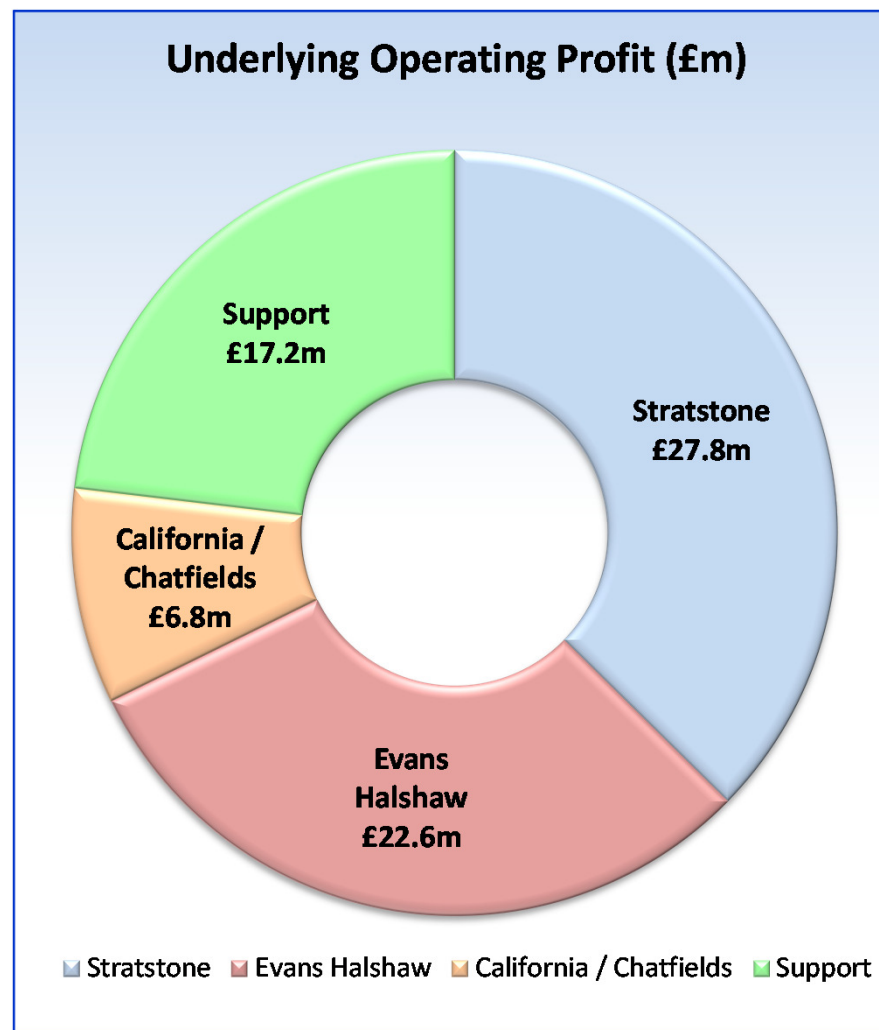
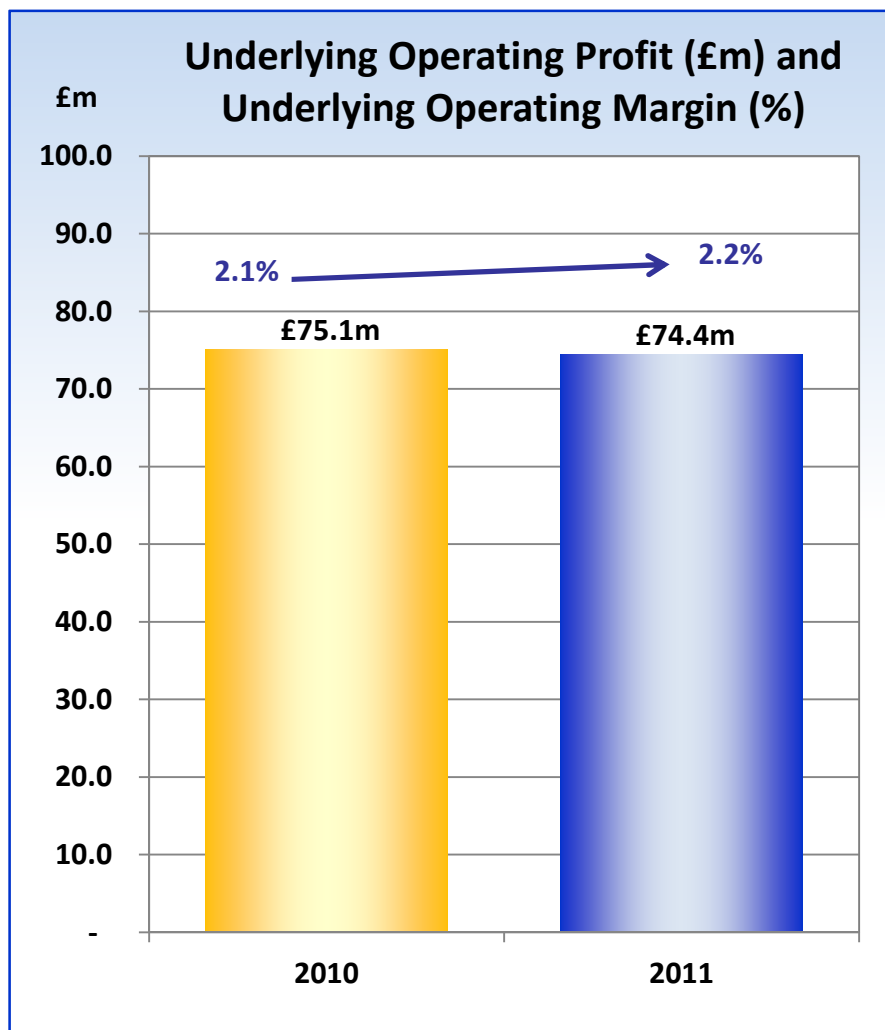


**Tim Holden**  
**Finance Director**

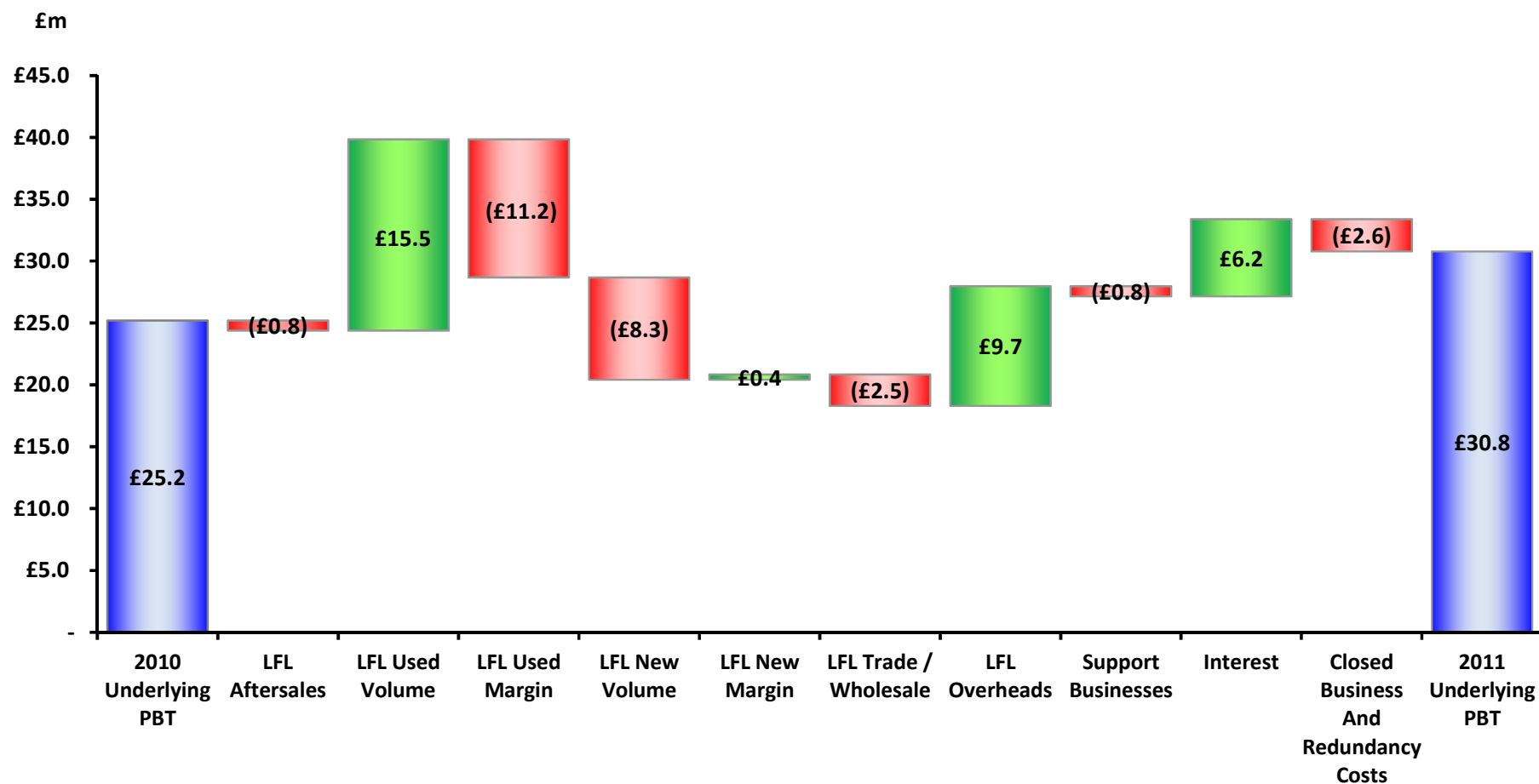
# Financial Highlights – Net Debt & Underlying PBT



## Financial Highlights – Underlying Operating Profit And Margin



# Underlying Profit Before Tax Bridge



# Balance Sheet

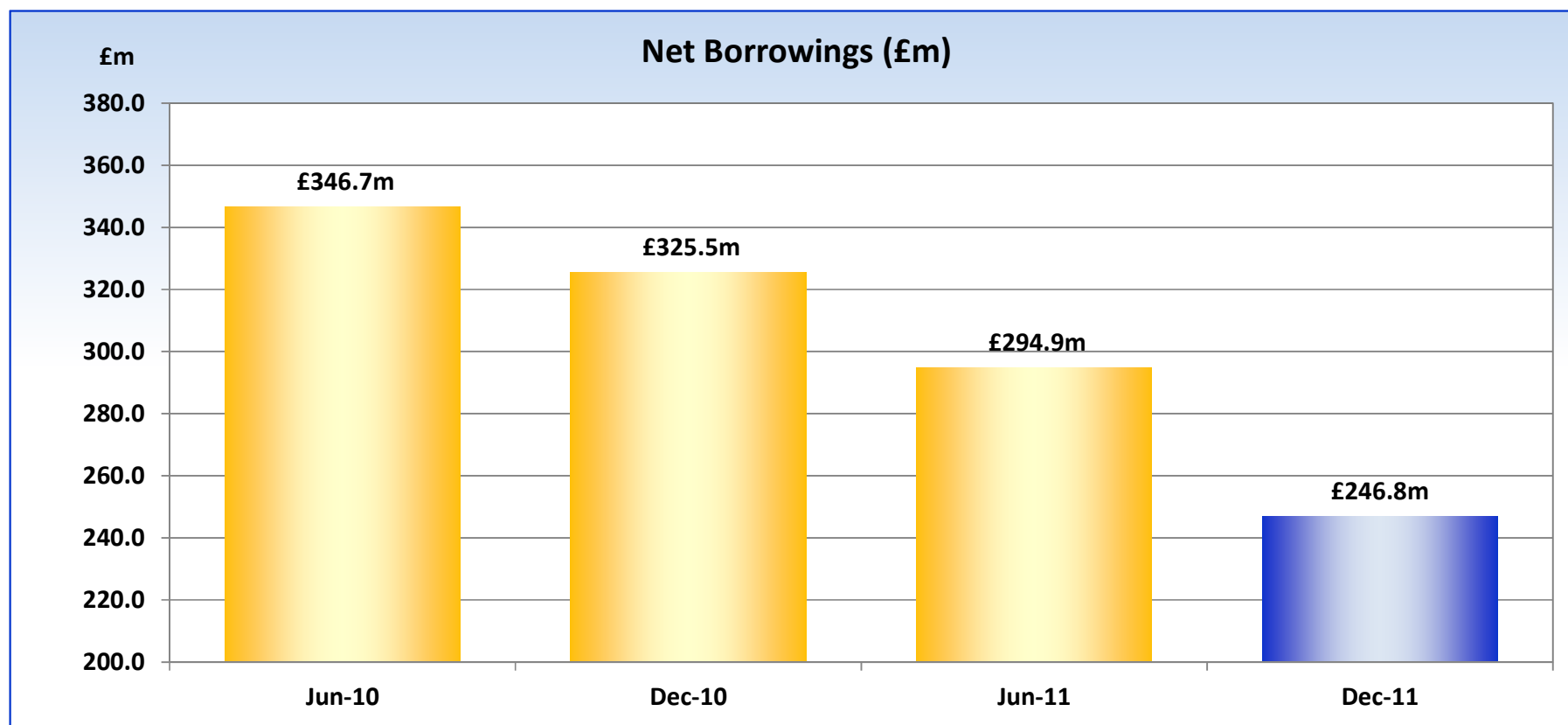


<b>£m</b>	<b>Dec 2011</b>	<b>Dec 2010</b>
Property	173.8	177.1
Plant and equipment	125.6	107.4
Goodwill & intangibles	371.5	371.2
Stock	565.4	492.8
Debtors	101.3	110.2
Assets held for resale	29.0	25.1
Creditors	(852.6)	(847.1)
Net borrowings	(246.8)	(325.5)
<b>Shareholders Funds</b>	<b>267.2</b>	<b>111.2</b>

# Borrowings

	£m	FY 2011	FY 2010
	<b>Underlying Operating Profit</b>	<b>74.4</b>	<b>75.1</b>
<b>Operating Activities</b> {	Depreciation and amortisation	37.2	40.0
	Non-underlying cashflow	4.2	(11.3)
	Underlying working capital movement	(19.0)	(59.6)
	Other items	0.8	0.6
	<b>Operating Cash Flow</b>	<b>97.6</b>	<b>44.8</b>
<b>Finance Activities</b> {	Net underlying interest paid	(48.2)	(36.9)
	Net non-underlying interest paid	(8.3)	-
	Tax paid	(1.5)	(1.4)
	Replacement capital expenditure	(21.2)	(13.3)
	<b>Free Cash Flow</b>	<b>18.4</b>	<b>(6.8)</b>
<b>Investing Activities</b> {	Acquisitions	(6.8)	(6.5)
	Disposals	4.2	9.0
	Other	(7.9)	(5.8)
	Net proceeds of Rights Issue	70.8	-
	<b>Decrease / (Increase) In Net Debt</b>	<b>78.7</b>	<b>(10.1)</b>
	<b>Closing Net Debt</b>	<b>246.8</b>	<b>325.5</b>

# Financial Highlights – Net Debt





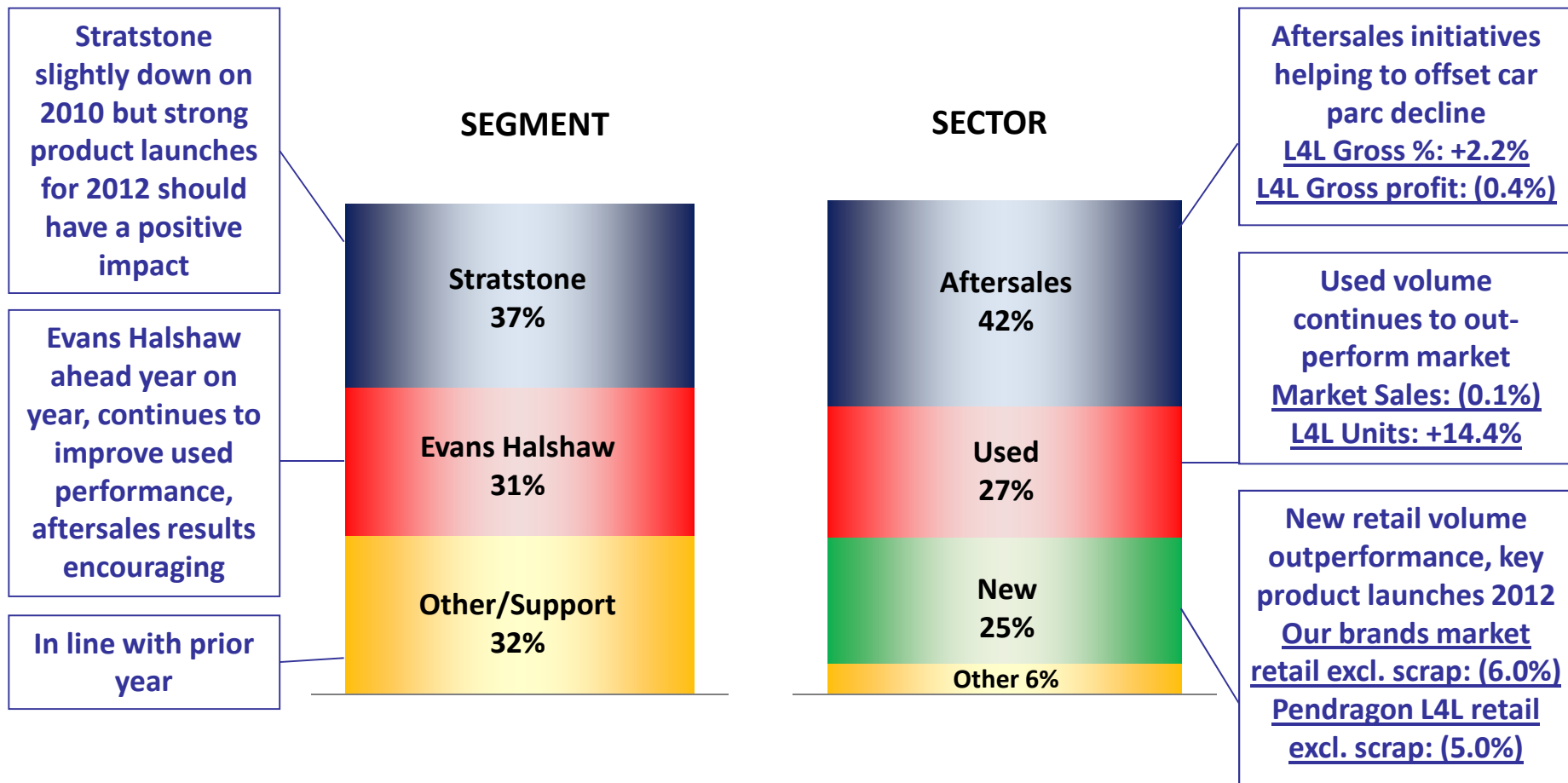
# Non-underlying Items



£m	FY 2011	FY 2010
Closed business and redundancy costs	- *	(8.5)
Start-up business costs	(4.8)	(2.8)
Fixed asset impairment loss and net loss on disposal	(0.6)	(0.6)
Refinancing and Pension Deficit Reduction Plan costs	(18.5)	-
Pension net finance income / (charge)	2.6	(2.3)
VAT settlements and provision releases	14.5	-
<b>Total</b>	<b>(6.8)</b>	<b>(14.2)</b>

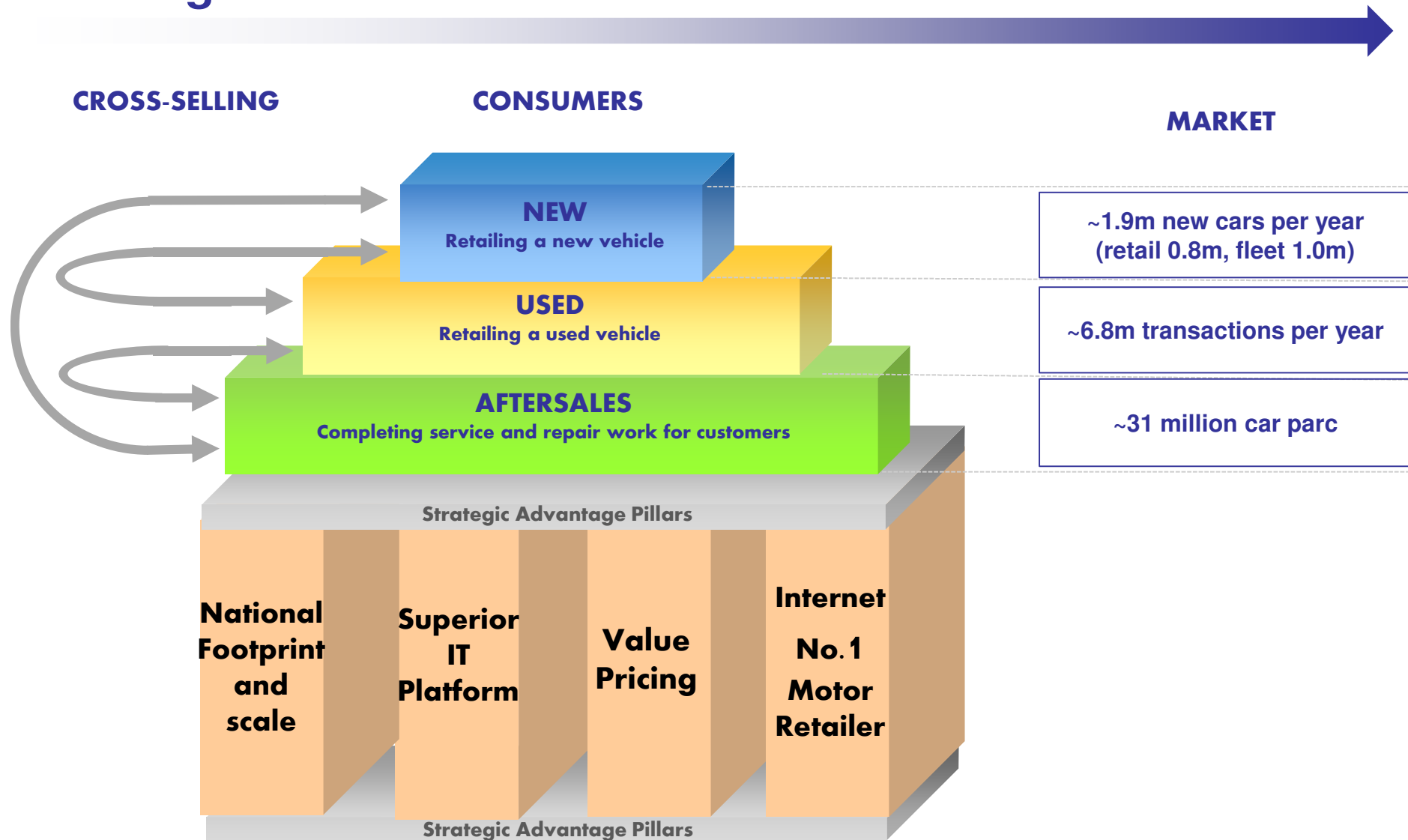
\* Closed business and redundancy costs were shown within the non-underlying results in FY 2010. In FY 2011 these costs are shown within the underlying results.

# 2011 Executive Summary by Segment and Sector



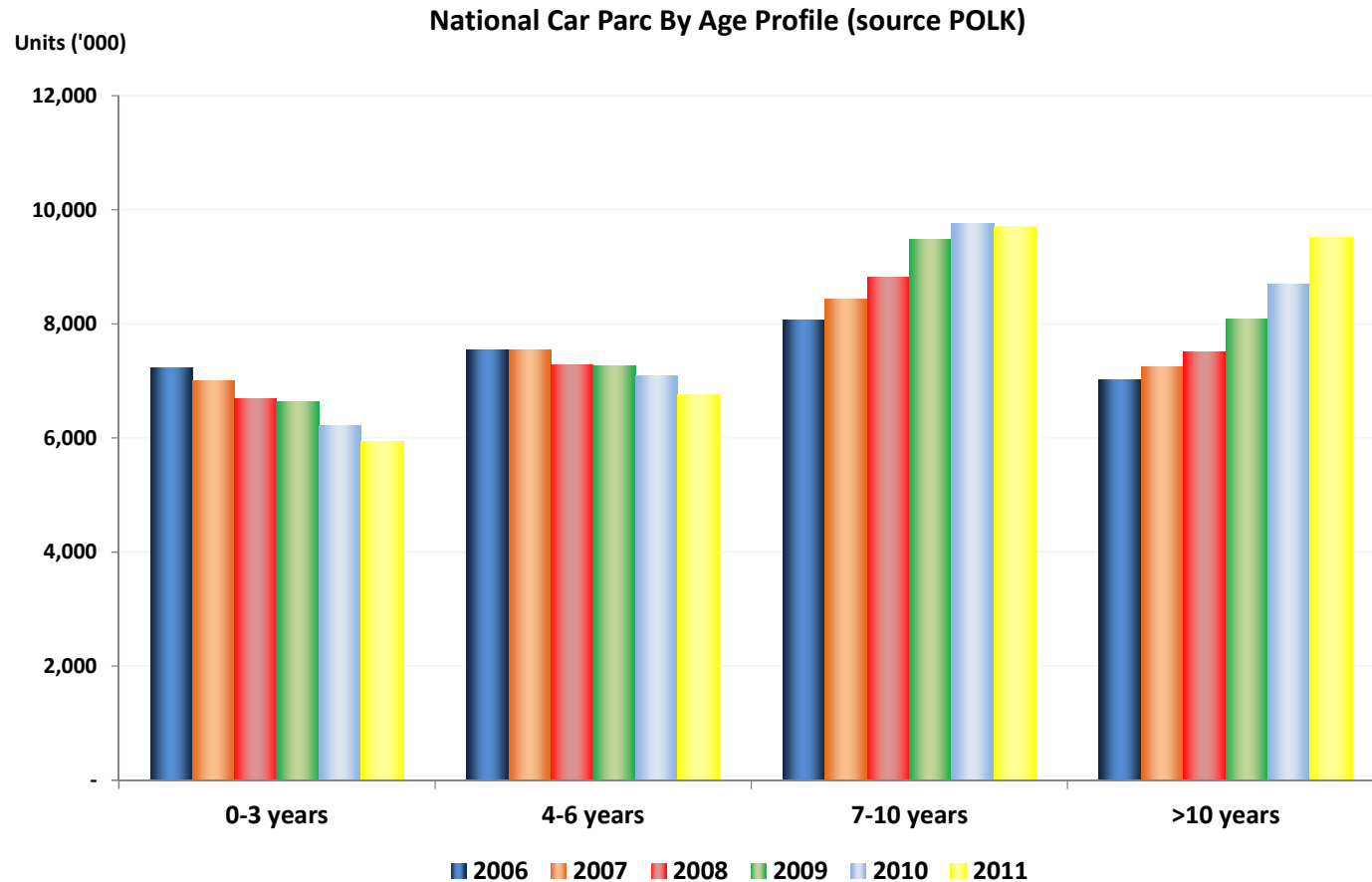
**Group well placed for 2012**

# Pendragon Business Model



“The UK’s Leading Vehicle Retailer”

# Aftersales – Market

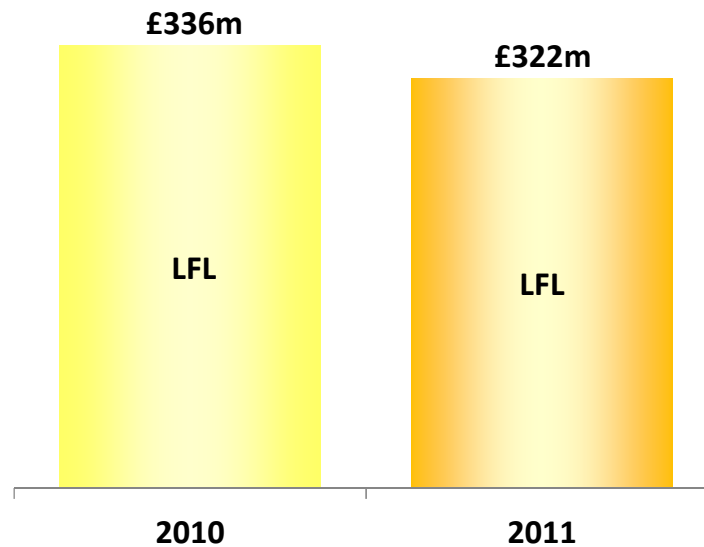


- Total carparc for 2011 of 31.9m versus 2010 of 31.7m
- Car parc for less than 3 years has declined by 4.5% year on year

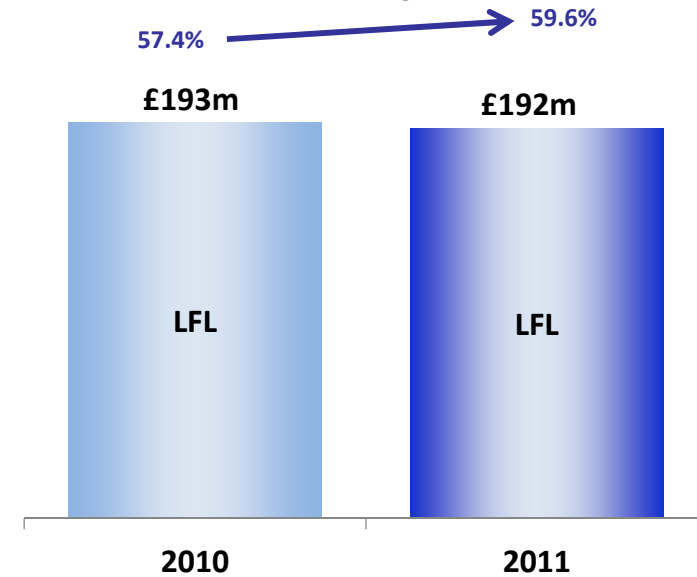
# Aftersales – Our Performance



Like-For-Like Aftersales Revenue

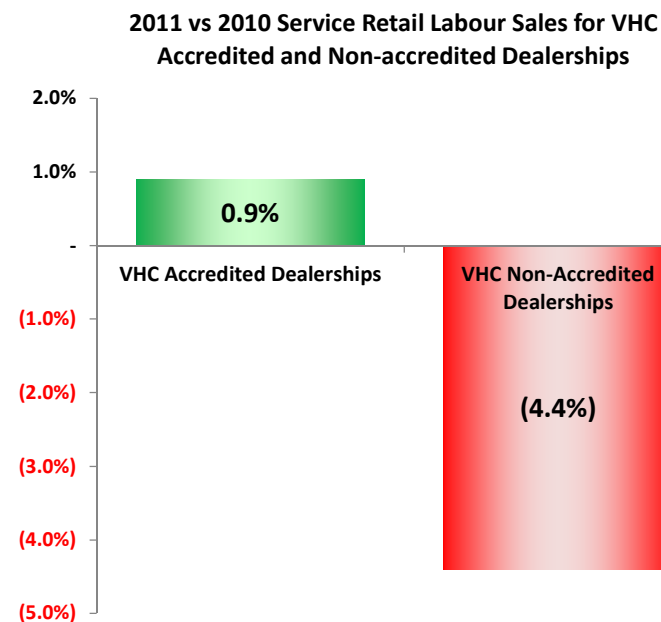
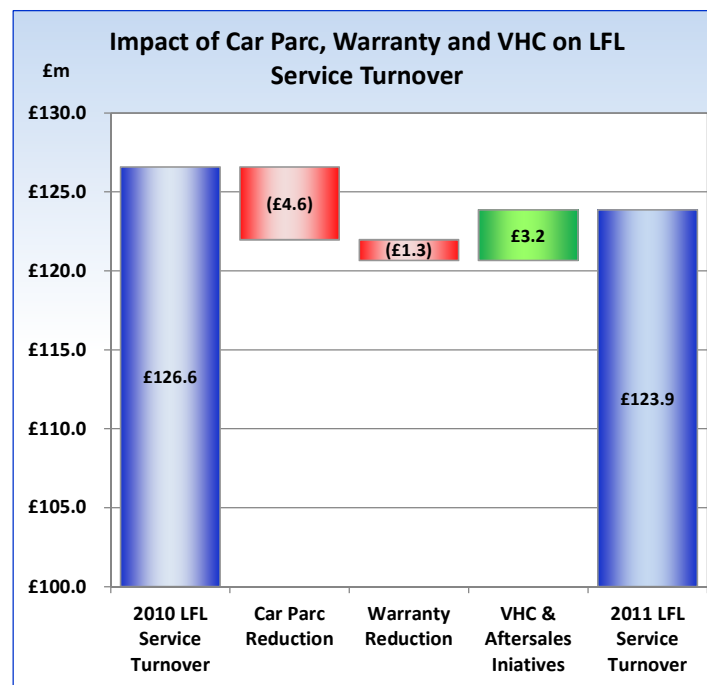


Like-For-Like Aftersales Gross Profit and Margin



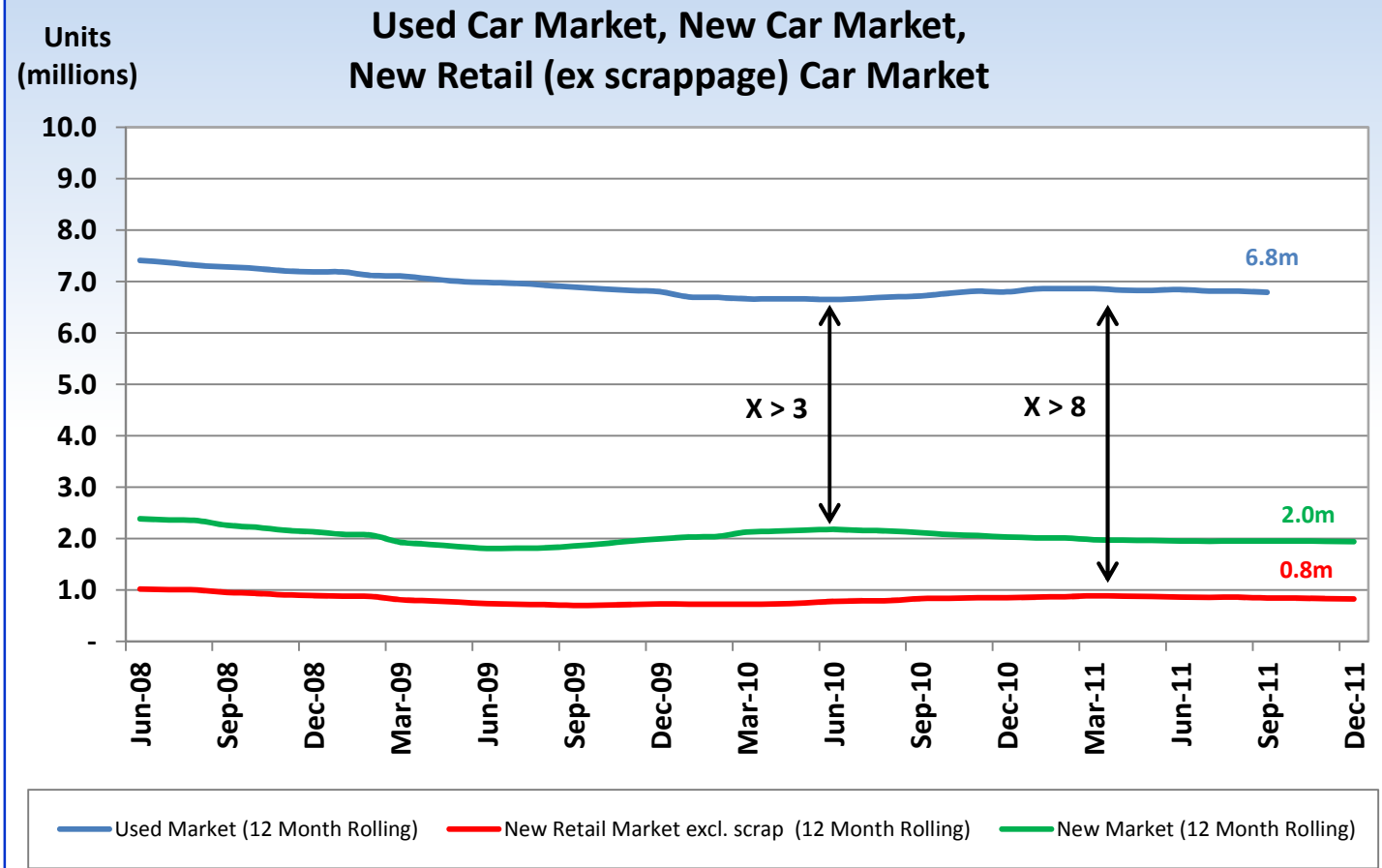
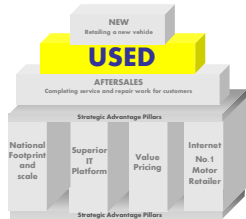
- Fall in like for like aftersales turnover due to car parc pressure but like for like aftersales gross profit in line with prior year
- Aftersales like for like gross margins increase by 2.2% from 2010

# Aftersales – Our Performance

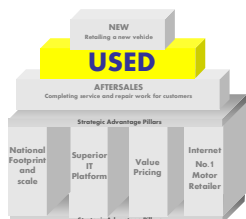


- The Vehicle Health Check (“VHC”) programme is one of our key aftersales initiatives.
- Our VHC accredited dealerships have stronger performance than our VHC non-accredited dealerships
- 54% of our dealerships are VHC accredited and “ready” on VHC standards

# Used Market - Volume

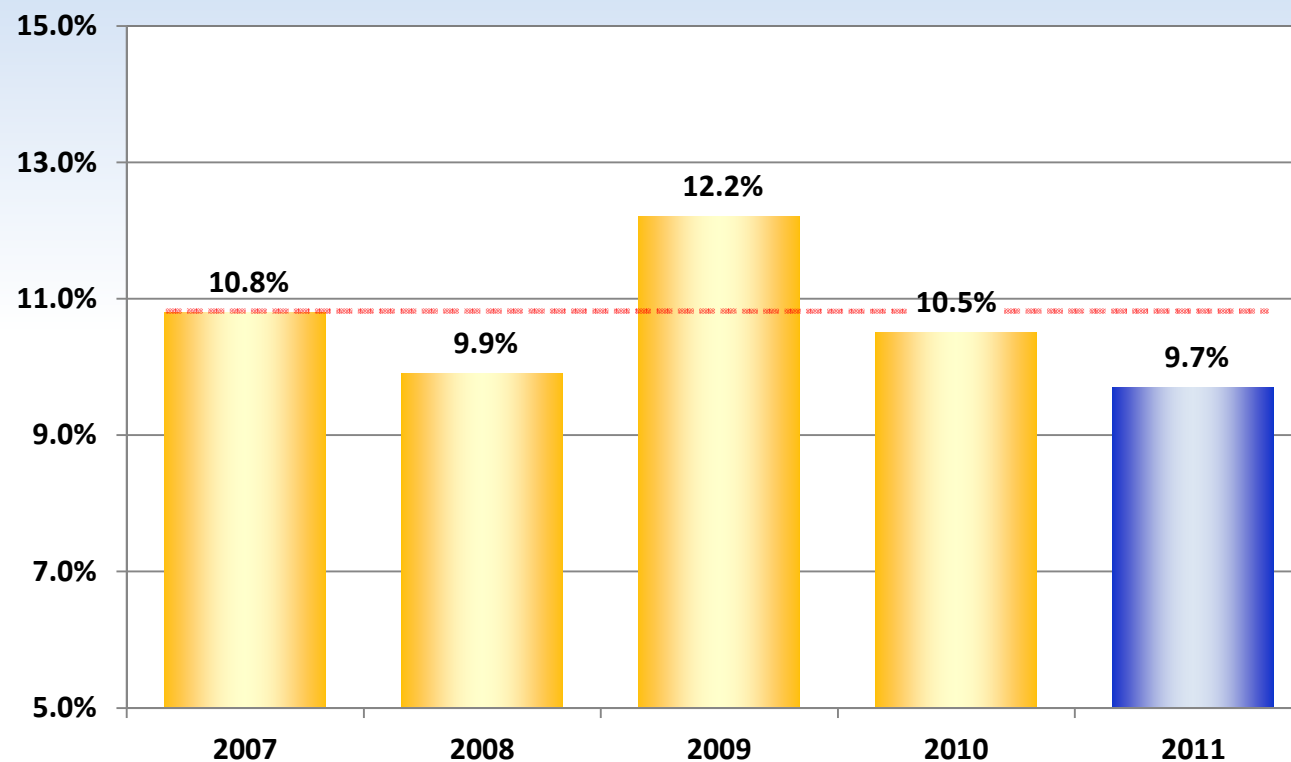


# Used Market – Our Performance



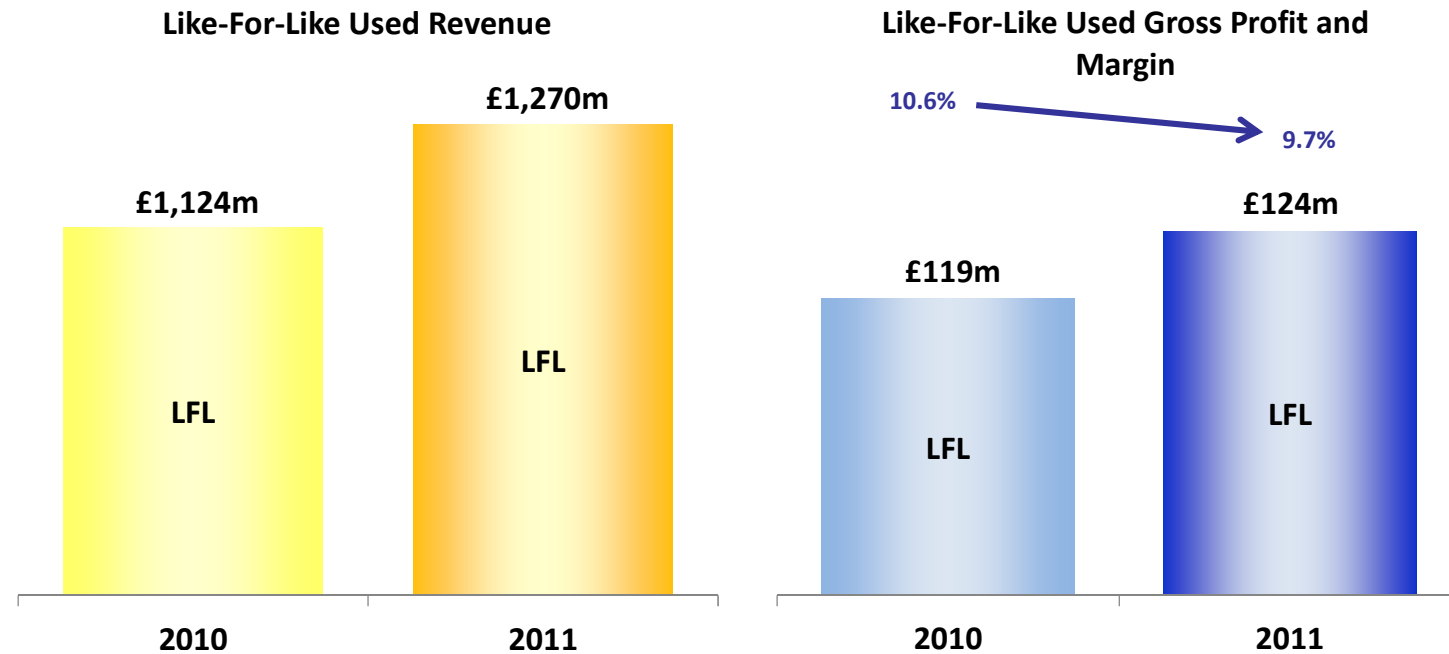
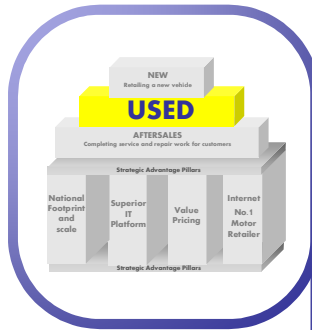
Gross  
Margin (%)

Used Gross Margin History (%)



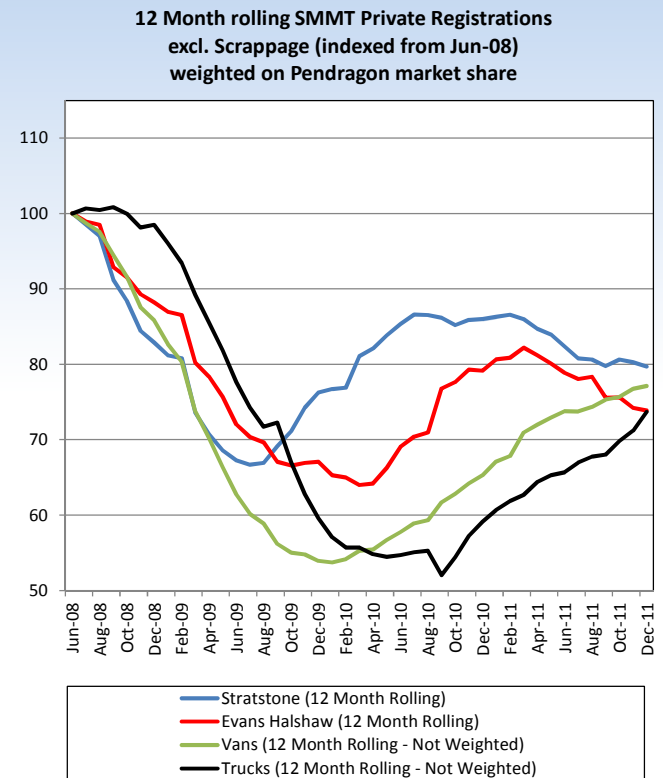
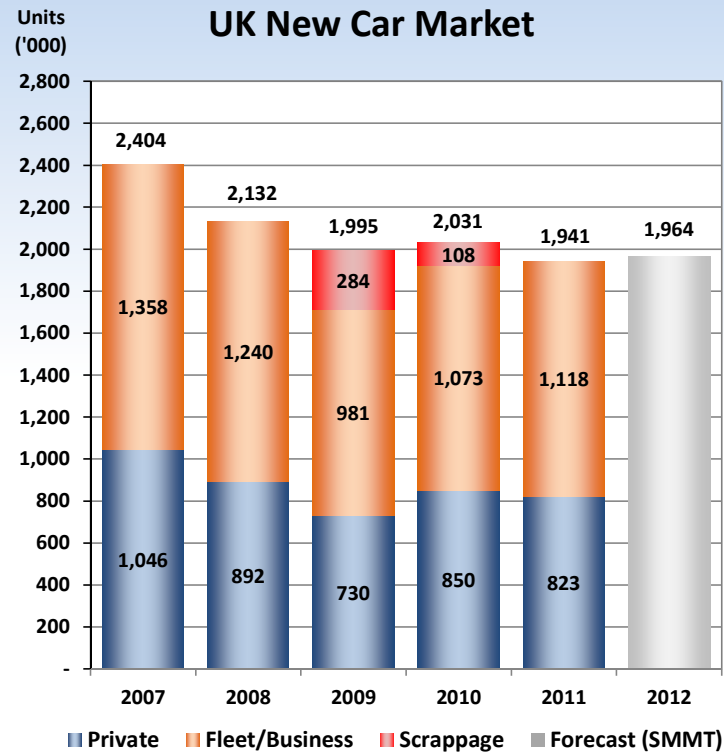
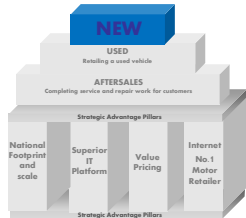


# Used – Our Overall Performance



- Used car performance continues to develop and remains a key focus going forward
- Used vehicle volume growth of 14.4% on a like for like basis
- Used vehicle gross profit up 3.6% on a like for like basis due to higher throughput from volume

# New Market - Volume

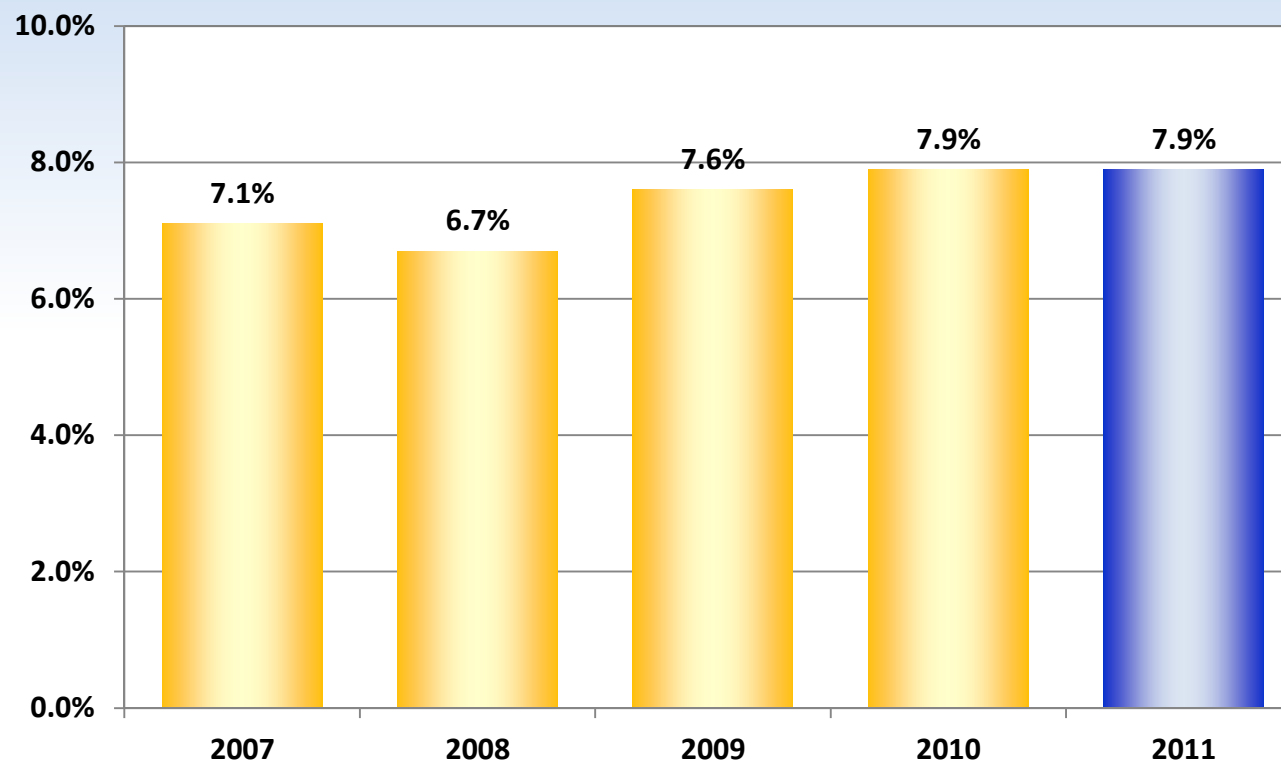


# New – Our Performance

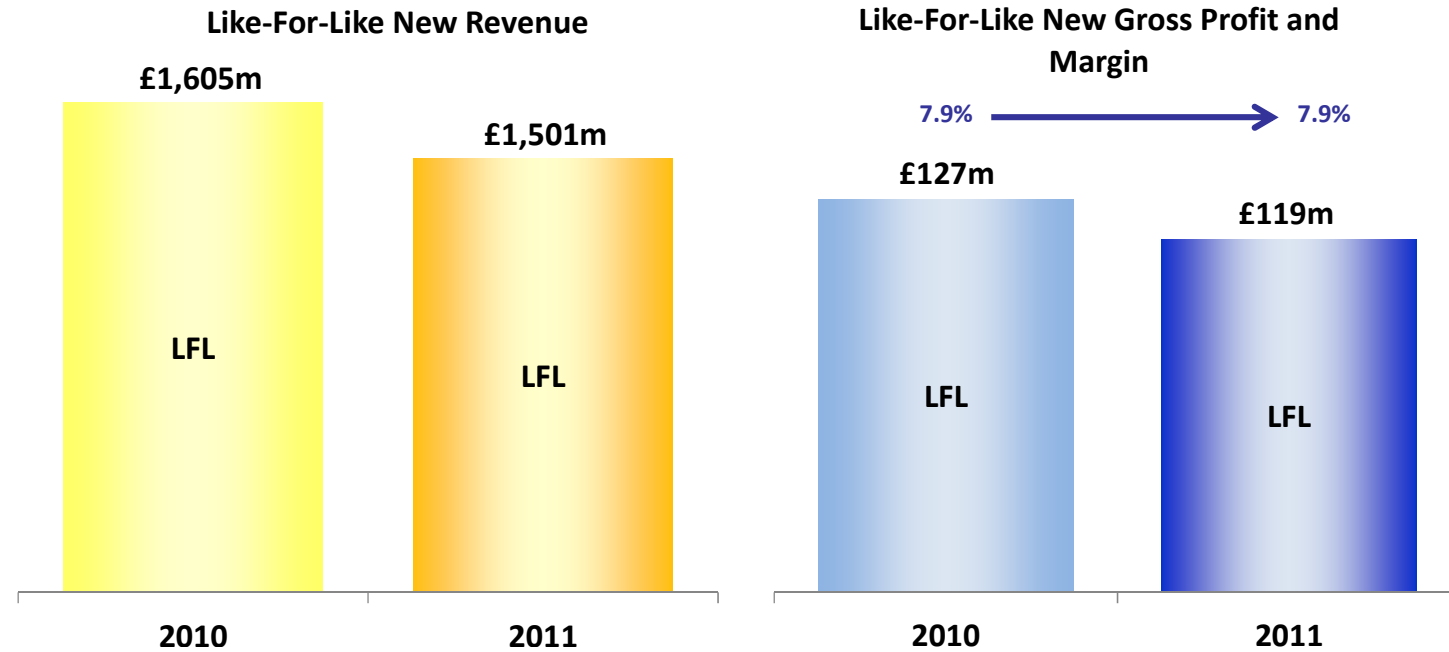
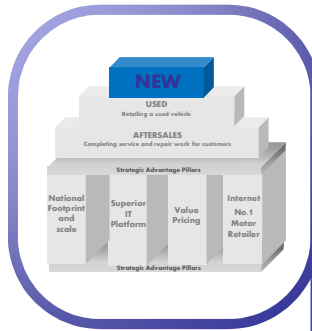


Gross  
Margin (%)

**New Gross Margin History (%)**



# New – Our Performance







- New revenue falls predominantly in the volume brands
- New gross margin maintained at 7.9%

# Quicks



- **Overview**
  - **7 independent used car sites**
  - **Used car volume of ~6,700**
  - **Quicks throughput 950 per site per year (higher throughput than Evans Halshaw)**
- **Key learnings / strategy**
  - **Team efficacy**
  - **Brand recognition**
  - **Stock mix and pricing refinement**

# 2012 Outlook

Area	Assessment	Success Factors
Aftersales		<ul style="list-style-type: none"><li>• Car parc profile is plateauing</li><li>• VHC initiatives, development and continued roll-out to remainder of the Group</li></ul>
Used		<ul style="list-style-type: none"><li>• Continued volume growth</li><li>• Expect to outperform the market in 2012</li></ul>
New		<ul style="list-style-type: none"><li>• New product launches key opportunity for Group</li><li>• New retail market flat to moderate growth in 2012</li></ul>
Financials		<ul style="list-style-type: none"><li>• Improved capital structure</li><li>• Continued focus on balance sheet</li></ul>