26 April 2012

Cambria Automobiles plc
Unaudited interim results
for the six months ended 29 February 2012

Cambria Automobiles plc, the franchised motor retailer, announces its interim results for the six months ended 29 February 2012.

Financial highlights

- Total revenue for the 6 months of £166.9m, down from £184.2m in corresponding prior year period
- Underlying Profit before tax of £1.1m, versus £2.6m in corresponding prior year period, in line with the Board's expectation, reflecting weaker new car volume and profitability
- Rationalisation programme implemented in the first quarter with a one off cost of £0.3m significantly reduces ongoing cost structure
- Net debt at £1.0m
- Group net assets at £19.7m

Operating performance highlights

- New vehicle unit sales decreased 9.8% year on year to 3,502 from 3,882 in 2011, the private retail element reduced 3.4% against a market down 8% year on year
- New vehicle gross profit reduced by £1.3m with margin reducing 0.6% impacted by effect of multiple pressures facing vehicle manufacturer partners
- Used vehicle gross profit up £0.3m, and a 0.8% point margin improvement to 9.5%, against unit sales decrease of 4.5% year on year
- Aftersales revenues reduced by 2%, with gross profits decreasing £0.4m, impacted by implementation of cost rationalisation programme
- Acquisition of the Group's maiden Vauxhall business completed in September 2011, the integration is progressing well
- First Abarth showroom opened in March 2012

Mark Lavery, Chief Executive Officer, said:

"The Group has performed in line with our expectations and has produced a relatively resilient performance against a difficult market backdrop with weak consumer confidence, rising unemployment, inflationary pressures and adverse exchange rate pressures which has impacted the vehicle manufacturers that we represent during the reporting period.

The Board foresaw that this trading period would be particularly difficult and undertook a cost rationalisation programme to ensure that the Group was better prepared for the challenging economic outlook for the period under review and throughout the coming trading periods. The cost rationalisation programme was concluded at the end of the Group's first quarter.

The Group's balance sheet and liquidity continues to be strong and this gives us confidence that we enter the second half of the financial year well equipped to deal with the short term challenging economic conditions. As the economic conditions improve over the medium term, we believe that Cambria is well placed to capitalise on improved growth in vehicle volumes, profitability and expansion opportunities.

We are able to report that the important March and April trading periods are in line with previous year, and that the March new retail registrations showed some signs of recovery".

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Directors Review of the Period

Introduction
The Board is pleased to present the interim financial statements for the six months to 29 February 2012. In a challenging trading environment, the Group's operating and financial performance for the first half of the financial year was in line with the Board's expectations. The results are significantly behind the strong first half experienced in the prior year with an underlying profit before tax for the half year of £1.1m compared with £2.6m in the corresponding period in 2011.

Financial Review

	Six months ended 29 February 2012	*Six months ended 28 February 2011*
Revenue	£166.9m	£184.2m
Underlying EBITDA*	£2.2m	£3.8m
Underlying operating profit*	£1.5m	£3.1m
Underlying profit before tax*	£1.1m	£2.6m
Underlying net profit margin*	0.7%	1.4%
EBITDA	£1.9m	£3.8m
Operating profit	£1.1m	£3.1m
Profit before tax	£0.7m	£2.6m
Net profit margin	0.4%	1.4%
Underlying earnings per share	0.80p	1.89p
Earnings per share	0.53p	1.89p
Net Assets	£19.7m	£17.9m

* *excludes non-recurring expenses of £0.4m*

Total revenues in the period decreased by 9.4% to £166.9m.

Gross profit decreased by 5.8% to £22.7m from £24.1m in the period, but the overall gross profit margin across the Group for the period increased to 13.6% compared to 13.1% in the previous period. This is primarily due to the reduced revenue derived from the new car business which operates at lower margins compared to both the used car and aftersales departments.

There were two areas of expense which the Board considered to be non-recurring. These comprise £0.08m of transaction costs relating to the acquisition of the Vauxhall business in Southampton and £0.3m of redundancy costs relating to the Group's cost rationalisation exercise, which took place in the Group's first quarter. There were no non-recurring expenses in the comparative prior year period.

Administrative expenses excluding the non-recurring expenses were £21.3m against the previous year of £21.1m this included the Administrative expenses relating to the acquired Southampton business of £1m, therefore continuing operations reduced Administrative expenses by £0.8m as a result of the actions taken in the cost rationalisation exercise.

Underlying EBITDA in the period decreased to £2.2m from £3.8m in the comparative period. Underlying operating profit was £1.5m compared with £3.1m, resulting in an operating margin of 0.9%.

Net finance expenses for the period decreased to £0.41m from £0.44m in the previous year.

The Group's profit before tax decreased to £1.1m compared with £2.6m in the prior year primarily as a result of the new car profitability and volume. The businesses that have been within the Group throughout the 2011 financial year, made a profit before tax of £1.2m, whereas the business acquired during the 2012 financial year made a loss before tax of only £0.1m.

The tax charge for the period of £0.2m represented an effective tax rate of 25.6%. The underlying earnings per share for the period were 0.8p per share compared with 1.89p per share in the previous period.

The Group has a robust balance sheet with net assets of £19.7m under-pinned by £22.6m of freehold and long leasehold property. The Group has only £0.3m of goodwill in the balance sheet, the remaining intangible fixed assets related to software and software licences. Mortgages amounting to £12.0m are secured against the freehold and long leasehold properties.

The net debt of the Group as at 29 February 2012 was £1.0m, reflecting the Group's gross debt of £12.0m and cash position of £11.0m.

During this period the Group generated an operating cash inflow of £0.6m, after allowing for a £0.4m increase in working capital, the majority of which is increased vehicle inventory of £2.5m and an increase in debtors and prepayments of £0.5m, offset by an increase in trade payables of £2.6m. The majority of these movements are attributable to the working capital requirement of the acquired Southampton business. During the period, the Group invested £0.2m in capital expenditure projects and serviced debt with £0.7m of capital and £0.2m of interest associated with the mortgages. A dividend of £0.3m relating to the 2011 financial year was paid in January 2012 following approval at the AGM. The net cash outflow for the period was £0.7m.

It is the Group's intention to maintain its policy of paying a dividend in respect of the full financial year.

Operating Review

Group Strategy

Since its incorporation in March 2006, the Group has followed its focused buy and build strategy of acquiring under-performing motor dealership assets. Following an acquisition the Cambria management team implement new financial and operational controls and processes in order to rationalise, restructure and develop each individual dealership. This tailored approach ensures the changes made to each dealership are sustainable and create shareholder value through achieving an appropriate contribution for the level of investment.

During the period, the Group invested in developing in a Guest Connect Centre to act as a support unit for the dealerships to enhance the interaction between the Group's associates and guests. The centre is still in its early stages, however we are pleased with the positive contribution that the team is making in ensuring that we maximise each contact opportunity with our guests.

The Board believes that it is critical to protect the Group's brand portfolio mix with a balance of Prestige and Volume brands and intends to continue to identify opportunities for growth with existing and new franchise partners with a view to continuing to build primary brand partnerships.

The Board was pleased to announce its 8th corporate acquisition in September 2011 with the acquisition of a Vauxhall dealership in Southampton. It is intended that the Group will work with Vauxhall to add further sites in due course to make it a Primary brand partnership. The Vauxhall business in Southampton has begun its integration into the Group well, and despite the business' historic losses has made trading improvements in all areas. The site has been updated and the group systems implemented which will create a sound foundation for the continued recovery of the dealership going forward.

Trading Performance

	6 months to 29 February 2012 Revenue	6 months to 29 February 2012 Revenue mix	6 months to 29 February 2012 Gross Profit	6 months to 29 February 2012 Margin	6 months to 28 February 2011 Revenue	6 months to 28 February 2011 Revenue mix	6 months to 28 February 2011 Gross Profit	6 months to 28 February 2011 Margin
	£m	**%**	**£m**	**%**	£m	%	£m	%
New Car	**60.4**	**36.2**	**4.2**	**7.0**	72.5	39.4	5.5	7.6
Used Car	**85.3**	**51.1**	**8.1**	**9.5**	90.2	49.0	7.8	8.7
Aftersales	**25.1**	**15.0**	**10.4**	**41.4**	25.6	13.9	10.8	42.1
Internal sales	**(3.9)**	**(2.3)**	**-**	**-**	(4.1)	(2.2)	-	-
Total	**166.9**	**100.0**	**22.7**	**13.6**	184.2	100.0	24.1	13.1

New vehicles - new vehicle revenue was down from £72.5m to £60.4m, with total new car and motorcycle sales down 9.8% from 3,502 units compared with 3,882 in 2011. The new vehicle department gross profit margin was 7.0% against 7.6% in 2011 reflecting the increased pressure that we are experiencing on margin retention as our manufacturer Brand partners experience exchange rate pressure and a tougher consumer climate across Europe. The European market has seen significant declines with European new car sales falling 7.7% in Q1 2012, and this has put increased pressure on our manufacturer brand partners, which has made new car profitability particularly challenging and remains a concern.

The new car performance of the Group was delivered against a backdrop of a 1.2% year on year decrease in new vehicle registrations in the UK for the period 1 September 2011 to 29 February 2012, the private registrations element of the new car market decreased 8% year on year highlighting the reliance of the manufacturers on the lower margin fleet and fast cycle business for maintaining the registrations in the UK during this period. The Group's sale of new cars to private individuals was relatively resilient down just 3.4% against the market reduction of 8%. The sale of commercial and fleet vehicles by the Group reduced 44% compared with prior year. The reduction was primarily the result of reduced supply terms between one of our manufacturer brand partners and a number of commercial and fleet customers during the period. This reduction in commercial and fleet vehicles impacted new car gross profit by only £0.1m.

Used vehicles – we have seen another strong performance in our used vehicle departments, whilst revenues decreased from £90.2m to £85.3m, and the number of units sold decreased 4.5% from 7,016 to 6,699, the gross profit generated increased by £0.3m with the margin increasing from 8.7% to 9.5%. The major driver of the increased margin and profitability was derived from the focus on sale of Finance and Insurance products. The Group has also focussed on the tight management of its used vehicle inventories controlling the total level of inventory as well as stock profile and average days in stock, this has shown some benefits in the first half, but the Board believes that there is still opportunity to improve further.

Aftersales – aftersales revenue decreased 2% year on year from £25.6m to £25.1m. Aftersales gross profit decreased by 4% year on year in part reflecting the impact of the cost reduction programme implemented in 2011 and in part reflecting the reduced 0-3 year car parc. The Group continues to review its processes for ensuring that we engage with all our guests to maximise the opportunity to interact with them through our Guest Relationship Management programme which is our contact strategy involving the sale of service plans and delivery of service and MOT reminders in a structured manner utilising all forms of digital media and traditional communication methods.

Business Development

As at 29 February 2012 the Group represented 15 separate manufacturers with 39 new car and motorcycle franchises operating from 27 locations across the UK.

Prestige		**Volume**		**Motorcyle**	
Abarth	1	Citroen	1	Triumph	3
Aston Martin	3	Fiat	5		
Alfa Romeo	1	Ford	5		
Honda	2	Mazda	4		
Jaguar	5	Nissan	1		
Volvo	5	Renault	1		
		Seat	1		
		Vauxhall	1		
	17		**19**		**3**

Current Trading and Outlook

The Board reports that the start to the second half of the year is in line with its expectations, and that despite a difficult economic environment and outlook the Group's profitability remains relatively resilient and in line with its business plan.

The Board anticipates that new car profitability will continue to be challenging, the European market is down 7.7% in the first quarter of 2012 with the major casualties being the Italian market down 26.7% and the French market being down 23.2% in the month of March. These declines in mainland Europe will increase the pressures that our manufacturer brand partners face in the UK.

The Group's balance sheet and liquidity continues to be strong and following the completion of the cost rationalisation programme, gives us confidence that we enter the second half of the financial year well equipped to deal with the short term challenging economic conditions. Whilst the economic outlook remains volatile we believe that the Group is well placed to capitalise on improved growth in vehicle volumes, profitability and expansion opportunities.

Consolidated Statement of Comprehensive Income
for the six months ended 29 February 2012

	Notes	**6 months to 29 February 2012 £000**	6 months to 28 February 2011 £000	12 months to 31 August 2011 £000
Revenue				
Continuing Operations		**161,655**	184,184	373,303
Acquisitions		**5,258**	-	-
		166,913	184,184	373,303
Cost of Sales				
Continuing Operations		**(139,851)**	(160,058)	(325,748)
Acquisitions		**(4,319)**	-	-
		(144,170)	(160,058)	(325,748)
Gross Profit				
Continuing Operations		**21,804**	24,126	47,555
Acquisitions		**939**	-	-
		22,743	24,126	47,555
Administrative expenses				
Continuing Operations		**(20,580)**	(21,055)	(42,055)
Acquisitions		**(1,041)**	-	-
		(21,621)	(21,055)	(42,055)
Operating Profit				
Continuing Operations		**1,224**	3,071	5,500
Acquisitions		**(102)**	-	-
Results from operating activities		**1,122**	3,071	5,500
Finance income		**34**	12	38
Finance expenses		**(449)**	(455)	(882)
Net finance expenses		**(415)**	(443)	(844)
Profit before tax from continuing operations before non-recurring expenses		**1,197**	2,628	4,887
Loss before tax – acquisitions before non-recurring expenses		**(121)**	-	-
Underlying Profit before tax		**1,076**	2,628	4,887
non-recurring expenses	*4*	**(369)**		
Profit before tax - continuing operations		**830**	2,628	4,656
Loss before tax – acquisitions		**(123)**	-	-
		707	2,628	4,656
Taxation	*7*	**(181)**	(736)	(1,190)
Total comprehensive income for the period		**526**	1,892	3,466
Basic and diluted earnings per share	*5*	**0.53p**	1.89p	3.47p

Consolidated Statement of Changes in Equity

as at 29 February 2012

	Share Capital £000s	Share premium £000s	Retained earnings £000s	Total Equity £000s
For the 6 months ended 28 February 2011				
Balance at 31 August 2010	10,000	799	5,236	16,035
Profit for the period	-	-	1,892	1,892
Balance at 28 February 2011	10,000	799	7,128	17,927
For the 12 months ended 31 August 2011				
Balance at 31 August 2010	10,000	799	5,236	16,035
Profit for the period	-	-	3,466	3,466
Balance at 31 August 2011	10,000	799	8,702	19,501
For the 6 months ended 29 February 2012				
Balance at 31 August 2011	10,000	799	8,702	19,501
Profit for the period	-	-	526	526
Dividend paid	-	-	(300)	(300)
Balance at 29 February 2012	**10,000**	**799**	**8,928**	**19,727**

Consolidated Statement of Financial Position

as at 29 February 2012

	As at 29 February 2012 £000	As at 28 February 2011 £000	As at 31 August 2011 £000
Non-current assets			
Property, Plant & equipment	**25,159**	25,586	25,676
Intangible assets	**428**	505	470
Deferred tax asset	**356**	508	356
	25,943	26,599	26,502
Current assets			
Inventories	**59,942**	68,976	57,460
Trade and other receivables	**7,429**	8,856	6,905
Cash & Cash equivalents	**11,002**	8,446	11,702
	78,373	86,278	76,067
Total assets	**104,316**	112,877	102,569
Current liabilities			
Other interest bearing loans and borrowings	**(1,352)**	(1,352)	(1,352)
Trade and other payables	**(71,748)**	(79,357)	(69,109)
Taxation	**(181)**	(1,255)	(652)
Provisions	**(41)**	(342)	(41)
	(73,322)	(82,306)	(71,154)
Non-current liabilities			
Other Interest Bearing loans and borrowings	**(10,689)**	(12,021)	(11,358)
Provisions	**(71)**	(115)	(95)
Other payables	**(507)**	(508)	(461)
	(11,267)	(12,644)	(11,914)
Total liabilities	**(84,589)**	(94,950)	(83,068)
Net assets	**19,727**	17,927	19,501
Equity attributable to equity holders of the parent			
Share capital	**10,000**	10,000	10,000
Share premium	**799**	799	799
Retained earnings	**8,928**	7,128	8,702
	19,727	17,927	19,501

Consolidated Cash flow statement

For the six months ended 29 February 2012

	6 months to 29 February 2012 £000	6 months to 28 February 2011 £000	12 months to 31 August 2011 £000
Cash flows from operating activities			
Profit for the period	**526**	1,892	3,466
Adjustments for:			
Depreciation, amortisation and impairment	**754**	681	1,422
Finance income	**(34)**	(12)	(38)
Finance expense	**449**	455	882
Gain on sale of property, plant and equipment	**-**	-	1
Taxation	**181**	736	1,190
Non-recurring expenses	**369**	-	231
	2,245	3,752	7,154
(Increase)/ Decrease in trade and other receivables	**(524)**	(918)	1,033
(Increase)/ Decrease in inventories	**(2,482)**	(6,541)	4,975
Increase/ (Decrease) in trade and other payables	**2,639**	4,462	(5,787)
(Decrease) in provisions	**(24)**	(36)	(357)
	1,854	719	7,018
Interest paid	**(281)**	(275)	(531)
Taxation paid	**(607)**	-	(952)
Non-recurring expenses	**(369)**	-	(231)
Net cash flow from operating activities	**597**	444	5,304
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	**-**	-	-
Interest received	**34**	12	38
Dividend paid	**(300)**	-	-
Acquisition of property, plant and equipment	**(194)**	(707)	(1,495)
Acquisition of other intangible assets	**-**	(66)	(74)
Net cash flow from investing activities	**(460)**	(761)	(1,531)
Cash flows from financing activities			
Proceeds for new loan	**-**	-	-
Interest paid	**(168)**	(180)	(351)
Repayment of borrowings	**(669)**	(323)	(986)
Net cash (outflow)/inflow from financing activities	**(837)**	(503)	(1,337)
Net (Decrease)/ Increase in cash and cash equivalents	**(700)**	(820)	2,436
Cash and cash equivalents at start of period	**11,702**	9,266	9,266
Cash and cash equivalents at end of period	**11,002**	8,446	11,702

Notes

1 General information

Cambria Automobiles plc is a company which is listed on the Alternative Investment Market (AIM) and is incorporated and domiciled in the United Kingdom. The address of the registered office is Swindon Motor Park, Dorcan Way, Swindon, SN3 3RA. The registered number of the company is 05754547.

These interim financial statements as at and for the six months ended 29 February 2012 comprise the Company and its subsidiaries (together referred to as the "Group") and have been prepared in accordance with Adopted International Financial Reporting Standards ("Adopted IFRS").

The financial statements for the period ended 29 February 2012 has neither been audited nor reviewed by the auditors. The financial information for the year ended 31 August 2011 has been based on information in the audited financial statements for that period.

This unaudited interim financial report does not comply with IAS 34 'Interim Financial Reporting' which is not required to be applied under the AIM rules.

2 Accounting policies

The Group's principal activity is the sale and servicing of motor cars and the provision of ancillary services.

The Group's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as Adopted by the EU ("Adopted IFRSs").

The accounting policies adopted in this interim financial report are consistent with the Group's financial report for the year ended 31 August 2011 and can be found on our website www.cambriaautomobilesplc.com.

Notes *(continued)*

3 Operating Segments

Segmental reporting

The Group complies with IFRS 8 'Operating Segments' which determines and presents operating segments based on information presented to the Group's Chief Operating Decision Maker ("CODM"), the Chief Executive. The Group is operated and managed on a Dealership by Dealership basis. The CODM receives information both on a dealership basis and by revenue stream (New, Used, Aftersales). Given the number of dealerships, it was deemed most appropriate to present the information by revenue stream for the purposes of segmental analysis.

	6 months to 29 February 2012 Revenue	**6 months to 29 February 2012 Revenue mix**	**6 months to 29 February 2012 Gross Profit**	**6 months to 29 February 2012 Margin**	6 months to 28 February 2011 Revenue	6 months to 28 February 2011 Revenue mix	6 months to 28 February 2011 Gross Profit	6 months to 28 February 2011 Margin
	£m	%	£m	%	£m	%	£m	%
New Car	**60.4**	**36.3**	**4.2**	**7.0**	72.5	39.4	5.5	7.6
Used Car	**85.3**	**51.1**	**8.1**	**9.5**	90.2	49.0	7.8	8.7
Aftersales	**25.1**	**15.0**	**10.4**	**41.4**	25.6	13.9	10.8	42.1
Internal sales	**(3.9)**	**(2.4)**			(4.1)	(2.2)		
Total	**166.9**	**100.0**	**22.7**	**13.6**	184.2	100.0	24.1	13.1
Underlying Administrative expenses			**(21.3)**				(21.1)	
Operating profit before non-recurring expenses			**1.5**				3.1	
Non-recurring expenses			**(0.4)**				-	
Operating profit			**1.1**				3.1	

The CODM reviews the performance of the business in terms of both net profit before tax and EBITDA, as such the following table shows a reconciliation of the Profit before tax to EBITDA.

Notes *(continued)*

3 Operating Segments *(continued)*

Segmental reporting *(continued)*

	6 months to 29 February 2012 £000	6 months to 28 February 2011 £000
Profit Before Tax	**707**	2,628
Non-recurring expenses (note 4)	**369**	-
Underlying Profit Before Tax	**1,076**	2,628
Net finance expense	**415**	443
Depreciation and Amortisation	**754**	681
Underlying EBITDA	**2,245**	3,752
Non-recurring expenses	**(369)**	-
EBITDA	**1,876**	3,752

4 Non-recurring expenses

	6 months to 29 February 2012 £000	6 months to 28 February 2011 £000
Transaction and new franchising costs	**78**	-
Cost rationalisation programme	**291**	-
	369	-

There were two areas of expense which the Board considered to be non-recurring. These comprise £0.08m of transaction costs relating to the acquisition of the Vauxhall business in Southampton and £0.3m of redundancy costs relating to the Group's cost rationalisation exercise, which took place in the Group's first quarter.

Notes *(continued)*

5 Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to equity shareholders by the number of ordinary shares in issue in the period. There are no dilutive share options in issue.

	6 months to 29 February 2012 £'000	6 months to 28 February 2011 £'000	Year ended 31August 2011 £'000
Profit attributable to shareholders	**526**	1,892	3,466
Non-recurring expenses	**369**	-	231
Tax on adjustments (at 25.6%, 2011: 28%)	**(94)**	-	(63)
Adjusted profit attributable to equity shareholders	**801**	1,892	3,634
Adjusted number of share in issue ('000s)	**100,000**	100,000	100,000
Basic earnings per share	**0.53p**	1.89p	3.47p
Adjusted earnings per share	**0.80p**	1.89p	3.63p

Notes *(continued)*

6 Acquisitions

Effect of Acquisitions in the period ended 28 February 2012

On 1 September 2011, the Group acquired the trade and assets of the Vauxhall dealership in Southampton from Hartwell Group plc for total cash consideration of £313,428. Transactions fees of £77,785 have been expensed through operating expenses in the period. No Goodwill arose on this transaction.

Acquiree's Net Assets at the acquisition date	**Recognised values on acquisition £000**
Plant and equipment	46
Inventories	277
Trade and other payables	(10)
	313
Goodwill on acquisition	-
Consideration Paid (transaction costs of £77,785 have been written off to Administrative expenses), satisfied in cash	313

7 Taxation

The tax charge for the six months ended 29 February 2012 has been provided at the effective rate of 25.6% *(six months ended 28 February 2011: 28%)*.