

11 January 2016

Cambria Automobiles plc
("Cambria" or the "Group")
AIM: CAMB

Acquisition and disposal

Acquisition

Cambria, the franchised motor retailer, is pleased to announce that on 8 January 2016 it completed the acquisition of the trade and assets of the Land Rover franchise in Welwyn Garden City, Hertfordshire from Jardine Motors Group, for a total cash consideration of £10.8 million. This dealership is located approximately two miles from the Group's Jaguar and Aston Martin franchises on Great North Road, Welwyn Garden City. The Group now operates 3 Land Rover dealerships under the Grange trading name.

The consideration for the acquisition comprises £10 million of goodwill, £0.1 million for fixed assets, with the remaining £0.7 million for used vehicles, parts stock and apportionments. The acquisition is being funded from the Group's newly refinanced banking facilities.

The acquired dealerships' management accounts for the year ended 31 December 2015 show unaudited revenue of £54 million and Cambria estimates the profit before tax for the same period was £2.5 million. It is anticipated that this acquisition will be immediately earnings enhancing for the Group in the second half of the financial year to 31 August 2016.

Disposal

The Group also announces that it has signed Heads of Terms to dispose of its Grange Jaguar franchise in Exeter to Helston Garages Limited. The consideration for the disposal is expected to be in the region of £1.3 million (subject to final adjustment and preparation of completion accounts) and includes £1.2 million for Goodwill. It is anticipated that this deal will complete in the coming few weeks and further announcements will be made at the appropriate time.

The Group is simultaneously closing its Aston Martin boutique which is located in the same premises, to facilitate the transaction. The closure of the Aston Martin boutique in Exeter is in line with the Aston Martin franchise network restructuring strategy, and the Group continues to work closely with Aston Martin to enhance its partnership with the brand, as a result of which the Group anticipates adding another Aston Martin franchise to the Group's portfolio in the short to medium term. The combined Jaguar and Aston Martin Franchises at the Exeter dealership had revenue of £20 million and made a positive net profit contribution to the Group of £0.5 million in the 2015 financial year.

Both the Acquisition and Disposal of the businesses above are in line with the Jaguar Land Rover strategy that both the Jaguar and Land Rover brands are to be represented by the same dealer in a given franchise territory. The Group continues to work with Jaguar Land Rover to develop its Brand Partnership.

Following these transactions, the Group will operate a total of 29 dealerships representing 44 franchises and 17 brands across the UK.

Mark Lavery, Chief Executive Officer of Cambria, said:

"We are pleased to have acquired this Land Rover franchise in Welwyn Garden City, which complements the Group's Jaguar and Aston Martin site nearby. The acquisition represents further delivery of our strategy to develop our portfolio of premium and high luxury franchises, while acquiring immediately earnings enhancing businesses.

"The disposal of our Jaguar franchise in Exeter is in line with the Group's reorganisation to ensure compliance with Jaguar Land Rover's network strategy. The closure of our Aston Martin boutique is in line with Aston Martin's network restructuring and we remain excited about the potential to continue to develop our partnership with Aston Martin in the short to medium term."

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About Cambria - www.cambriaautomobilesplc.com

Cambria Automobiles ("Cambria") was established in March 2006 with the aim of creating a balanced independent UK motor retail group through a self-funded "buy and build" strategy, focused on turnaround opportunities.

Working in close cooperation with its manufacturer partners, the Group has built a balanced portfolio of 29 luxury, premium and volume dealerships, representing 44 franchises and 17 brands, with geographical representation spanning from the North West to the South East in Kent and South West in Exeter. These businesses are autonomous and trade under local brand names, including Dees, Doves, Grange, Invicta, Motorparks and Pure Triumph.

Cambria's brand portfolio currently comprises Abarth, Alfa Romeo, Aston Martin, Dacia, Ford, Fiat, Honda, Jaguar, Jeep, Land Rover, Mazda, Nissan, Renault, Seat, Triumph, Vauxhall and Volvo.

The management's success in turning around under-performing dealerships has allowed Cambria to build a strong balance sheet. As a result, the Group is in a position to acquire valuable premium operations, like the recently acquired Land Rover dealership in Welwyn Garden City, Jaguar Land Rover business in Barnet and Land Rover business in Swindon, which are immediately earnings enhancing and directly in line with the Group's strategy to further enhance the brand portfolio.

The Group's medium term ambition is to create a £1 billion turnover business producing attractive returns on capital.