



Cambria Automobiles plc Cambria pre-close statement

12 September 2011

The Board is pleased to announce that the Group has achieved another year of significant earnings growth in a very difficult market which has seen the UK new car total registrations in the 12 months to 31 August reduce by 9.1% year on year and private registrations fall 21% over the corresponding period. Following a strong first 6 months, the Group experienced a mixed performance in the second half of the year, but remains on track to deliver full year results broadly in line with market expectations. Furthermore, the Board intends to announce a maiden dividend for Cambria in respect of the full year to 31st August 2011.

The Board is seeing an increasing number of acquisition opportunities and we are pleased to announce the acquisition of a further franchised dealership which was completed post year end. Cambria completed the acquisition of the Vauxhall dealership in Southampton on 1 September 2011 and in so doing we are delighted to add Vauxhall as a partner to our brand portfolio.

This is the first Vauxhall franchised outlet for Cambria, the addition of which increases the number of Group locations to 27 and the total number of new car franchises to 39. The Board is delighted to be partnering with Vauxhall and intends to pursue further opportunities with it. The acquired business has been loss making in recent years, and it is anticipated that the acquisition will be earnings dilutive in the short term while the Cambria systems and processes are implemented. We are confident of returning the business to profitability in the medium term. The business was acquired on a net asset basis and no goodwill was paid.

The outlook for the UK automotive market for the next 12 months remains challenging with the business facing a combination of declining used car residuals and reduced new car margins as a consequence of the pressure being faced by our suppliers, the vehicle manufacturers, from the relative strength of the Yen and the Euro and depressed UK consumer demand. However these market conditions will generate an increasing number of opportunities to aggressively extend our buy-and-build strategy, utilising our strong balance sheet. We anticipate this will accelerate the growth of the Group, capitalising on our excellent track record in turning around loss making businesses. Historically the Group has made its most successful acquisitions at times of market difficulty and the current conditions will continue to offer Cambria significant opportunities to continue to generate exceptional returns on capital invested.

Rodney Smith, a Non-Executive Director, and founding Director of the Group has informed the Board of his intention to retire, and will step down from the Board on 30 November 2011. The Board would like to thank Rodney for his valued contribution to the development of the Group over the last 5 years. We will announce the appointment of a new Non-Executive Director in due course.

Mark Lavery, Chief Executive Officer, said:

"I am pleased with the performance achieved by the Group against a background of a very challenging new and used car market. We continue to use this market weakness to drive forward our buy-and-build strategy, utilising our strong balance sheet and today announce the acquisition of our maiden Vauxhall dealership. We continue to out-perform our under lying markets and view the future with confidence notwithstanding the obvious short-term challenges the industry faces."



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