

1 May 2015

## **Vertu Motors plc (“Vertu Motors” or the “Group”)**

### **Acquisition of Bury Land Rover and Bradford Jaguar, expanding the Farnell brand**

Vertu Motors, the UK automotive retailer with a proven growth strategy, is pleased to announce that it has acquired the business and assets of Bury Land Rover in Lancashire and has also exchanged contracts to acquire the business and assets of Bradford Jaguar in West Yorkshire.

#### **Bury Land Rover Acquisition:**

- High quality business – immediately accretive to Group profits
- Further development of the Group’s representation of Land Rover in the North of England
- Acquisition now combines Jaguar and Land Rover operations in the Bury and Bolton territory under the Group’s ownership
- Opportunity for marketing and management synergies as acquired business will operate under the Farnell banner and management structure

Bury Land Rover has been acquired from a subsidiary of Pendragon PLC and operates from leasehold premises. Total consideration, which includes £7.0m of goodwill, is estimated at £7.0m and has been settled in cash from the Group’s existing resources.

For the year ended 31 December 2014, the management accounts of Bury Land Rover showed revenue of £41m and EBITDA of £1.5m. The Board expects this acquisition to be earnings enhancing in the current financial year.

The acquisition complements the Group’s existing Land Rover dealerships in Nelson, Lancashire and across West Yorkshire and further extends the Farnell brand. The Group already operates the Jaguar franchise in the same territory with a Farnell branded dealership in Bolton.

#### **Bradford Jaguar Acquisition:**

- High quality business with potential for earnings growth as brand develops
- Further development of the Group’s representation of Jaguar in the North of England
- Acquisition now combines Jaguar and Land Rover operations in the Bradford territory
- Opportunity for marketing and management synergies as acquired business would operate under the Farnell banner and management structure

Bradford Jaguar is being acquired from a subsidiary of Lancaster plc and operates from a leasehold property. Total consideration, which includes £0.75m of goodwill, is estimated at £0.9m and will be settled in cash from the Group’s existing resources. Completion of the transaction is anticipated on 12 May 2015 subject to certain conditions.

For the year ended 31 December 2014, the management accounts of the Business showed revenues of £14.7m and a loss of £0.15m. The Board expects this acquisition to be earnings neutral in the current financial year and earnings enhancing thereafter.

The acquisition will complement the Group’s existing Land Rover dealership in Bradford and further extend the Farnell brand. Following completion, the Group will operate five Land Rover dealerships and two Jaguar dealerships.

#### **Robert Forrester, CEO of Vertu Motors, said:**

“Since 2013, the Board has considered it strategically important to balance the Group’s representation of volume franchises, with increased exposure to premium franchises. Today’s announcement is a further step along this path with further extensions of our Farnell Land Rover and Jaguar brand.”

“Bury Land Rover is an earnings enhancing acquisition that will further support the profit growth of the Group in the short and medium term. Bradford Jaguar will complement our successful Land Rover operation in Bradford and will strengthen our Farnell brand in the North.”

The Group will release its final results for the year ended 28 February 2015 on 13 May 2015.

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**Notes to Editors**

Vertu Motors, the UK automotive retailer with a proven growth strategy, is the sixth largest automotive retailer in the UK with a network of 116 sales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu, Farnell and Macklin Motors brand names.

Vertu Motors was established in November 2006 with the strategy to consolidate the UK motor retail sector. It is intended that the Group will continue to acquire motor retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network. The Group currently operates 114 franchised sales outlets and 2 non-franchised sales operations from 95 locations across the UK.

Vertu Motors Group websites - [www.vertumotors.com](http://www.vertumotors.com) / [www.vertucareers.com](http://www.vertucareers.com)

Vertu Motors brand websites - [www.bristolstreet.co.uk](http://www.bristolstreet.co.uk) / [www.vertuhonda.com](http://www.vertuhonda.com) / [www.macklinmotors.co.uk](http://www.macklinmotors.co.uk) / [www.farnellandrover.com](http://www.farnellandrover.com) / [www.farnelljaguar.com/](http://www.farnelljaguar.com/) / [www.vertuvolkswagen.com](http://www.vertuvolkswagen.com)