



2016 RESULTS

1 MARCH 2017



2016 HIGHLIGHTS



Continued
earnings
growth



Strong
Emerging Markets
performance



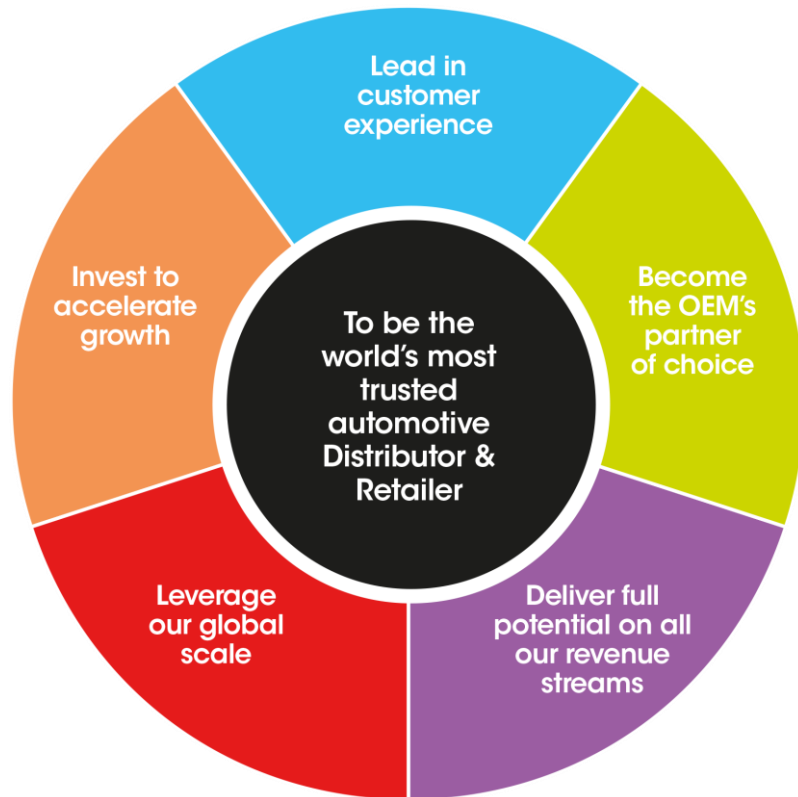
Strong cash
generation
FY DPS +14%



Scale
Distribution
acquisition in
South America

Growing from a strong, diversified base

DELIVERING ON OUR IGNITE STRATEGY



- ✓ Robust profit growth for Aftersales and Used Vehicles
- ✓ First scale Distribution acquisition in > 20 years, and entry into Thailand - stronger OEM relationships
- ✓ Good start to the multi-year objective of leveraging our scale
- ✓ Customer journey mapping completed and new innovations across the Group

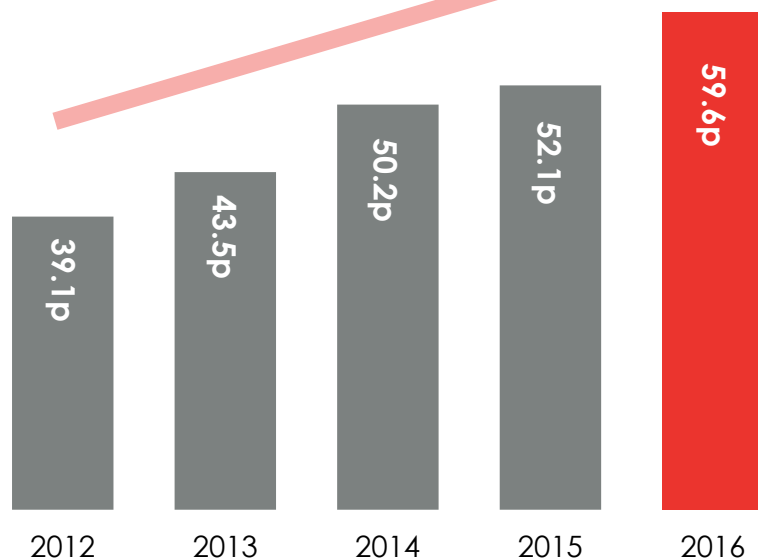
TRACK RECORD OF EARNINGS GROWTH

SUPPORTING TOTAL SHAREHOLDER RETURNS



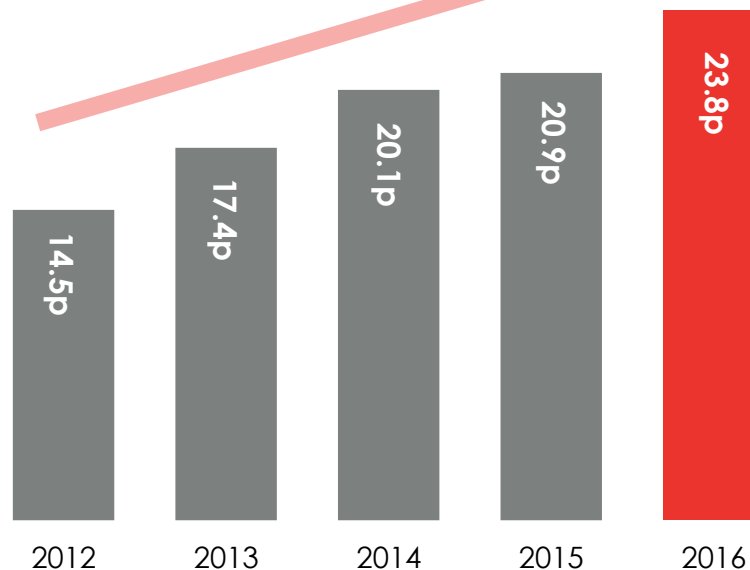
EPS*

+11% CAGR



DPS

+13% CAGR



Note: * adjusted EPS, pre exceptional items

SUMMARY INCOME STATEMENT

	2016 £M	2015 £M	CHANGE ACR	CHANGE CCR
Sales	7,838	6,836	14.7%	7.6%
Operating profit*	359	325	10.6%	0.2%
Profit before tax*	349	312	12.0%	1.3%
Tax rate (%)**	25.2	24.0	-120 bps	
Basic adjusted EPS (p)	59.6	52.1	14.4%	
Dividend per share (p)	23.8	20.9	13.9%	

Fixed cost review
exceptional
charge £25m

Goodwill and iPower
impairment £48m

Acquisition costs £9m

* Pre exceptional items ** Effective tax rate



FINANCIAL DISCLOSURE CHANGES

TO ALIGN WITH IGNITE STRATEGY

Gross profit by
value driver
Vehicles and Aftersales



Reporting aligned with the Ignite
strategy: '**Deliver full potential on
all our revenue streams**'

Four geographic regions
**Asia, Australasia,
UK & Europe, Emerging Mkts**



Leveraging our
scale in Asia and
clarity of reporting



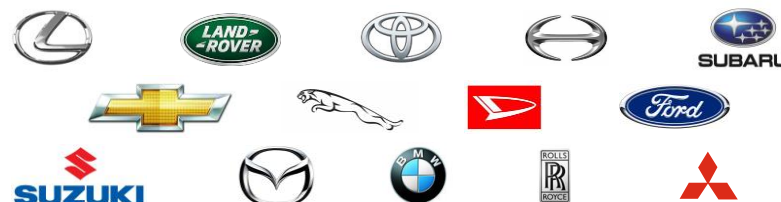
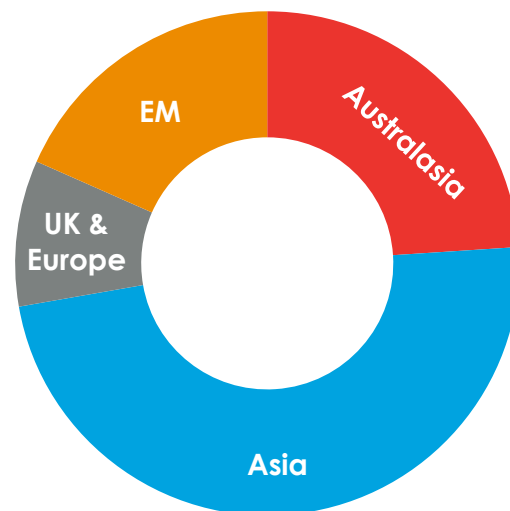
DISTRIBUTION

	2016 £M	2015 £M	CHANGE ACR	CHANGE CCR
Revenue	3,398	2,897	17.3%	5.1%
Trading profit	283	267	6.0%	(5.0%)
Trading margin %	8.3%	9.2%	-90 bps	

43% of Group
Revenue

73% of Group
Trading profit

TRADING PROFIT MIX



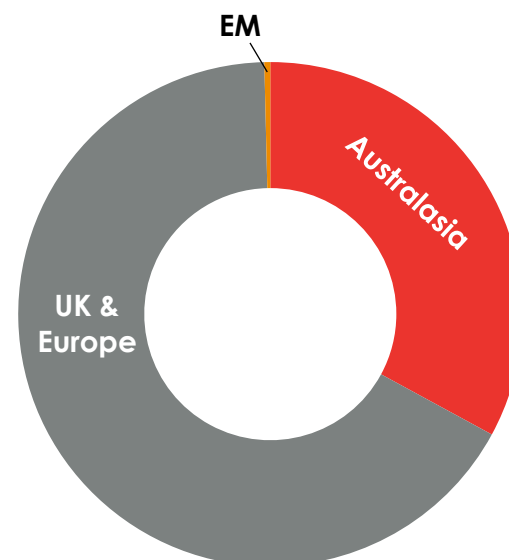
RETAIL

	2016 £M	2015 £M	CHANGE ACR	CHANGE CCR
Revenue	4,441	3,939	12.7%	9.6%
Trading profit	106	88	20.4%	16.4%
Trading margin %	2.4%	2.2%	+20 bps	


57% of Group
Revenue

27% of Group
Trading profit

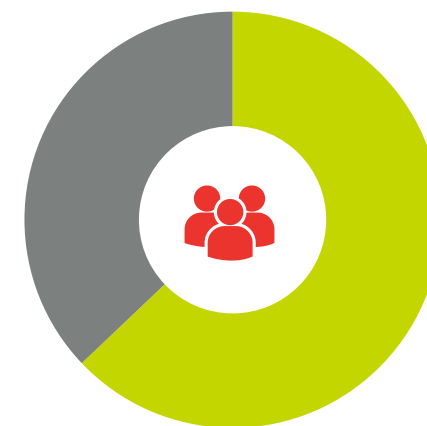
TRADING PROFIT MIX



NEW VALUE DRIVER DISCLOSURE AFTERSALES AND VEHICLES

		GROSS PROFIT (£M)	YoY CHANGE
		2016	CCR
	Vehicles	679	0.2%
	Aftersales	400	4.0%
	GROUP Total	1,079	1.5%

GROSS PROFIT MIX

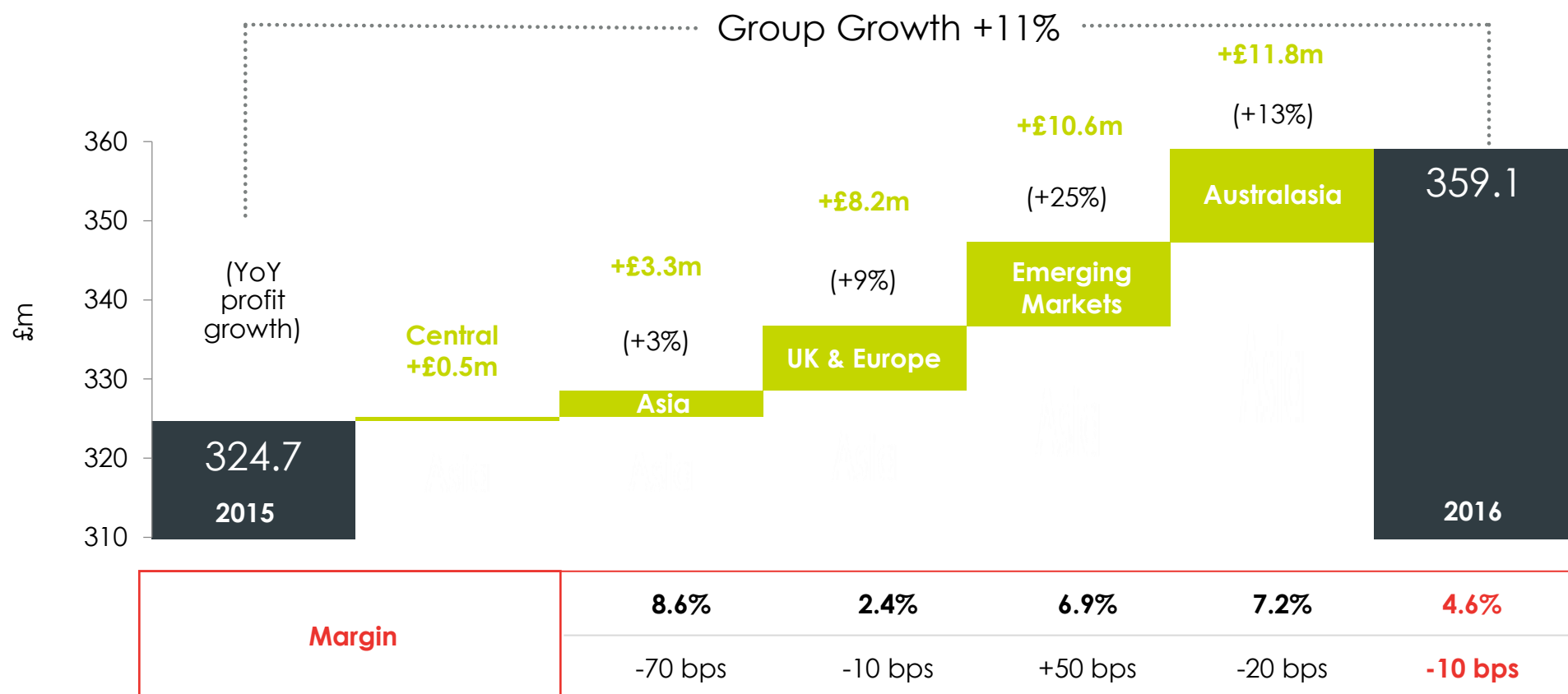


● Vehicles 62.9% (-1.0% YoY)

● Aftersales 37.1% (+1.0% YoY)

Aftersales leading growth in 2016

GROUP OPERATING PROFIT



Note: All numbers at actual exchange rates

AUSTRALASIA

RESILIENT PERFORMANCE DESPITE CURRENCY HEADWINDS

NEW MARKET SHARE RECORD

Subaru Volume **+8%**

Market Share **+20 bps (4.0%)**

SUCCESSFUL LAUNCH

for new generation
Subaru Impreza
December 2016

TRANSACTIONAL FX

H1 16: Yen GM neutral

H2 16: Yen GM adverse

REVENUE

+5%

TRADING PROFIT

+1%

7.2% Margin (-20 bps)

Note: All numbers at constant exchange rates



ASIA

CHALLENGING HK, PARTIALLY OFFSET BY STRONG SINGAPORE

STRONG PERFORMANCE IN SINGAPORE

Gross profit growth
across all value drivers

CHALLENGING MARKET ENVIRONMENT IN HONG KONG

Mkt volume -21%

Market share leadership

ASIA COMBINATION

Leveraging our
regional scale

REVENUE

-1%

TRADING PROFIT

-9%

8.6% Margin (-80 bps)

Note: All numbers at constant exchange rates

UK & EUROPE

STRONG TOP-LINE GROWTH

IMPROVED UK PERFORMANCE

Growth across all value drivers
Good profit growth for Used and Aftersales
UK (ex IFS) profit +4% YoY

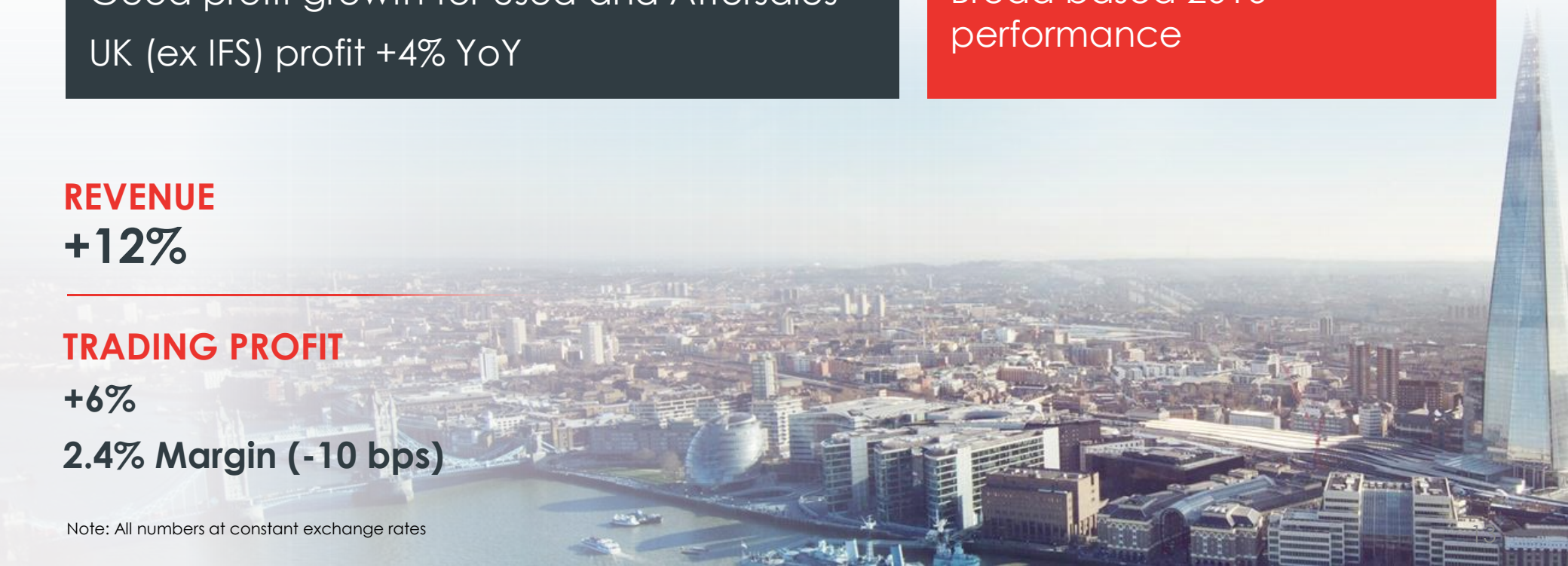
STRONG PROFIT GROWTH IN EUROPE

Broad based 2016
performance

REVENUE
+12%

TRADING PROFIT
+6%
2.4% Margin (-10 bps)

Note: All numbers at constant exchange rates



EMERGING MARKETS

STRONG BROAD-BASED PERFORMANCE

**PROFIT GROWTH ACROSS
ALL EM REGIONS**

**SOLID PROFIT GROWTH
IN ETHIOPIA**

**IMPROVING TREND
IN SOUTH AMERICA**

Chile & Peru Luxury Vol*

H1 -1% YoY

H2 +21% YoY

**IMPROVING RUSSIA
PERFORMANCE**

2015 trading loss £2.0m

2016 trading profit £0.4m

REVENUE

+10%

TRADING PROFIT

+17%

6.9% Margin (+40 bps)



OVERHEADS AND GROSS MARGIN

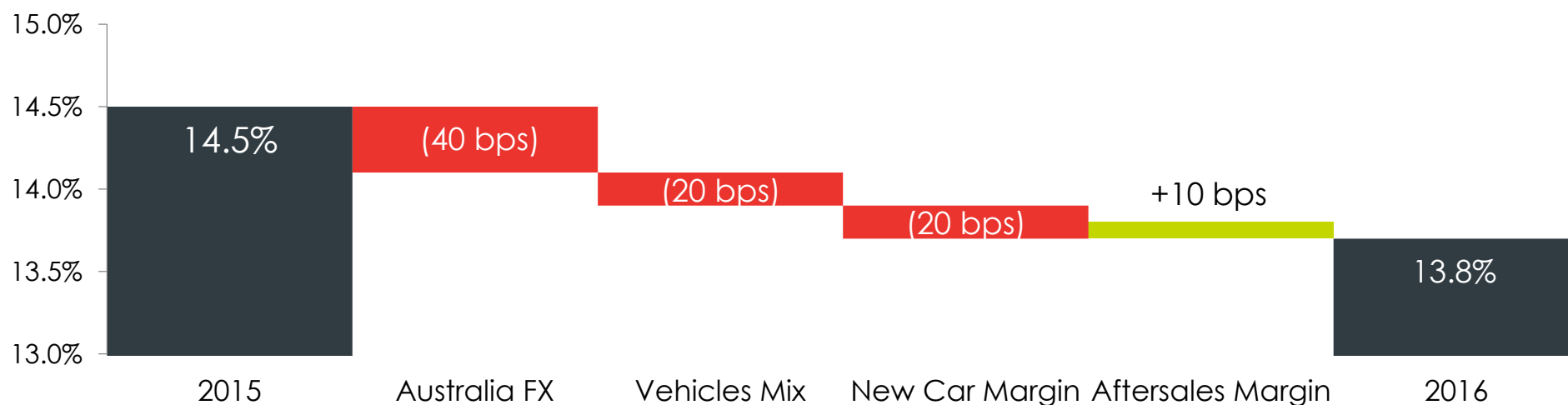
GOOD FIXED COST LEVERAGE

OVERHEADS **9.2%**
OF SALES, -50 bps YoY

Fixed cost
leverage

Site / IT
investments

Gross Margin Bridge



FIXED COST REVIEW UPDATE

- Leveraging our global scale
- Eliminating cost duplication
- Consolidating support functions
- Addressing uneconomic sites



£35m total cost

£25m 2016 cost

Cash phased
2017 & 2018



Pay back
expected
over **2 years**

INCOME STATEMENT REVIEW

£M	2016 £M	2015 £M
Trading profit	388.6	354.7
Central costs	(29.5)	(30.0)
Operating profit	359.1	324.7
Operating margin	4.6%	4.7%
Finance charges / JVs	(9.7)	(12.6)
Profit before tax	349.4	312.1
Tax	(88.0)	(74.9)
Tax %	25.2	24.0
Minority interest (MI)	(6.9)	(7.1)
Profit after MI	254.5	230.1

**Refinanced USPP £210m
(7, 10, 12 year tenors)**

2017 GUIDANCE

Interest cost
up to **£19m**
(excl. mark to market)

Tax rate
26%

OPERATING & FREE CASH FLOW

OPERATING CASH FLOW	2016 £M	2015 £M	FREE CASH FLOW	2016 £M	2015 £M
Operating profit	359.1	324.7	Operating cash flow	386.0	328.4
Depreciation / amortisation	52.9	48.5	Net interest	(11.7)	(17.4)
Working capital	(21.9)	(32.8)	Taxation	(99.5)	(69.6)
Pension	1.9	2.7	Non controlling interest	(12.2)	(10.2)
Other*	(6.0)	(14.7)	Net Capex	(72.1)	(53.6)

Operating cash flow	386.0	328.4
Conversion	108%	101%

Free cash flow	190.5	177.6
Conversion	53%	55%
FX Gain / (Loss)	129.7	(21.2)

2017 GUIDANCE

Underlying
capital
expenditure
£75m

£25m
additional
spend

2016 YE
Net Cash
£27m

Note: All numbers at actual exchange rates. * Excludes payments (£3.2m) in respect of exceptional items



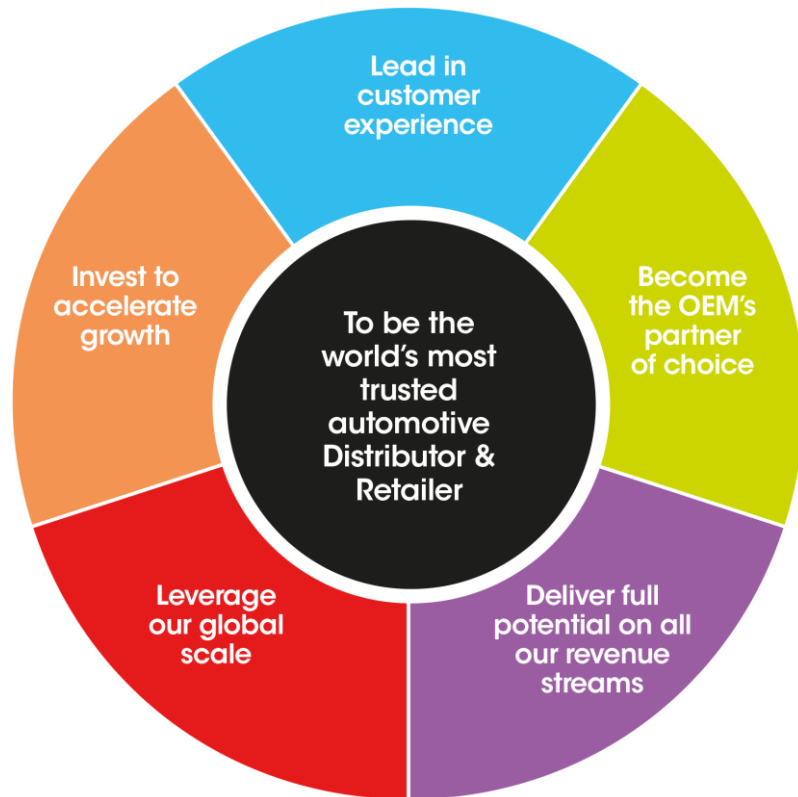


IGNITE STRATEGY UPDATE



STRATEGIC UPDATE

GOOD PROGRESS IN YEAR ONE



Performing well against each objective

Confident in the long-term potential to drive value creation from each one

Strategic objectives link and strengthen each other

Improved disclosure to gauge performance against



50 YEARS OF PARTNERSHIP WITH TOYOTA GROUP IN 2017



Relationships
in **16 markets** and
across four continents

Delivering long-term
sustainable growth



BECOME THE OEM'S PARTNER OF CHOICE



RELATIONSHIP QUALITY

Increasing the quality of relationships we have across our OEMs



PERFORMANCE

Consistently delivering our OEMs targets

2016

Mapped relationships by market by brand

Established development teams to coordinate our global and local relationships

Understanding OEM targets regionally and globally

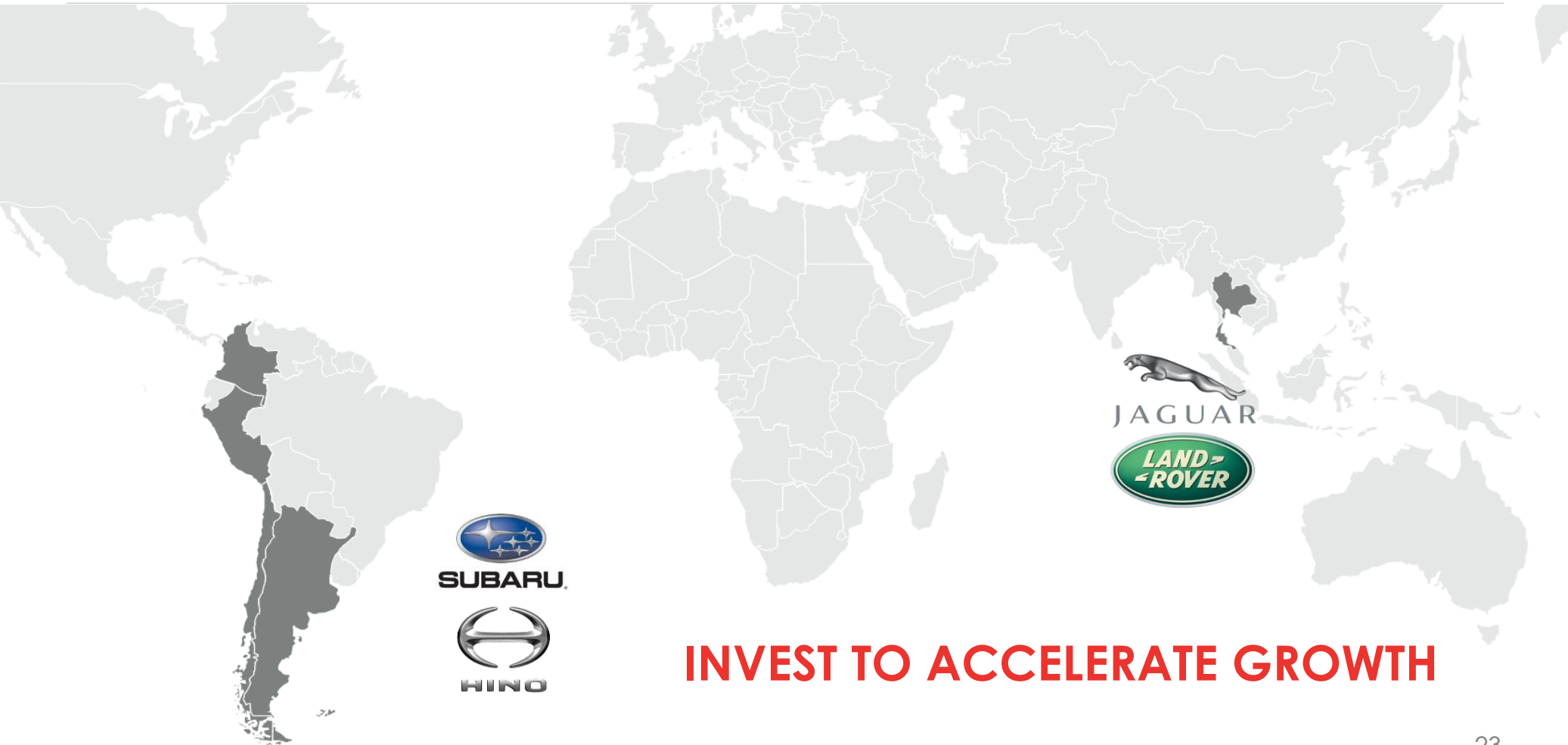
Aligning our performance tracking to OEM standards

Understanding the OEM strategy and reflecting this in our actions

Driving mutual value creation



STRONG OEM RELATIONSHIPS A STRATEGIC ENABLER



INVEST TO ACCELERATE GROWTH



INVEST TO ACCELERATE GROWTH

SCALE DISTRIBUTION ACQUISITION

Attractive business, creating a scale Distribution presence in South America for long-standing partners

Accretive to earnings in Year 1 and enhances Group operating margin

Committed to ensuring a smooth transition process with a continued focus on operational success

Owned Sales & Service sites (independent)

 COLOMBIA	 SUBARU	11 (6)	 HINO	16 (7)
 PERU	 SUBARU	4 (4)		
 CHILE	 SUBARU	3 (27)	 HINO	4 (10)
 ARGENTINA	 SUBARU	1 (14)	 SUZUKI	1 (7)





STRUCTURAL GROWTH POTENTIAL

GOOD TIMING FOR SOUTH AMERICAN EXPANSION

2016E – 2021E TIV CAGR

CHILE
+3.3%



New Automotive consumers
as middle classes expand

PERU
+7.5%



Stabilising / improving
commodity price environment

COLOMBIA
+6.2%



Greater political stability -
supportive of investment
and growing consumption

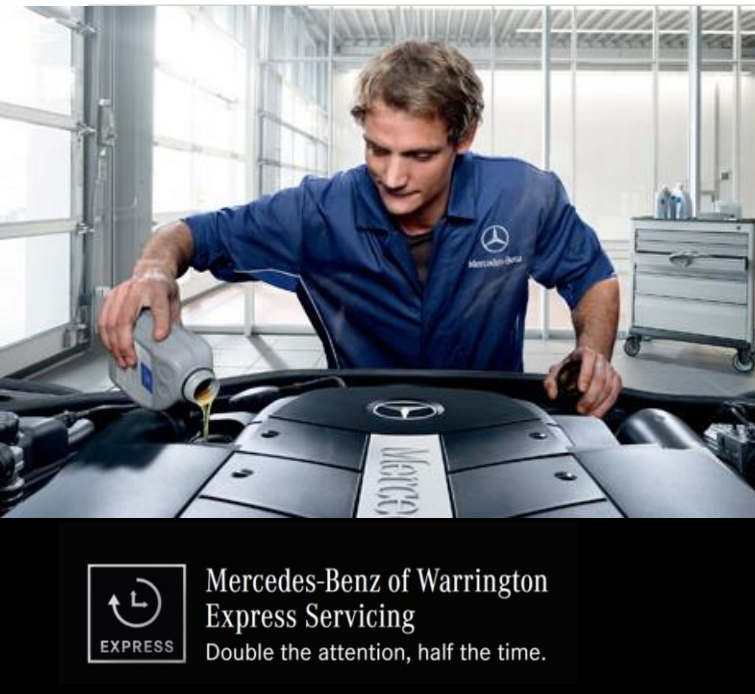
ARGENTINA
+2.3%



Pent up demand from
weakness in recent years



AFTERSALES SUCCESS



H1 Aftersales
Gross Profit
+7% YoY

H2 Aftersales
Gross Profit
+15% YoY

Express services implemented July 2016 at Mercedes-Benz Warrington

- Detailed mapping of site processes to optimise efficiency
- Two technicians per vehicle while customer waits

Opportunities

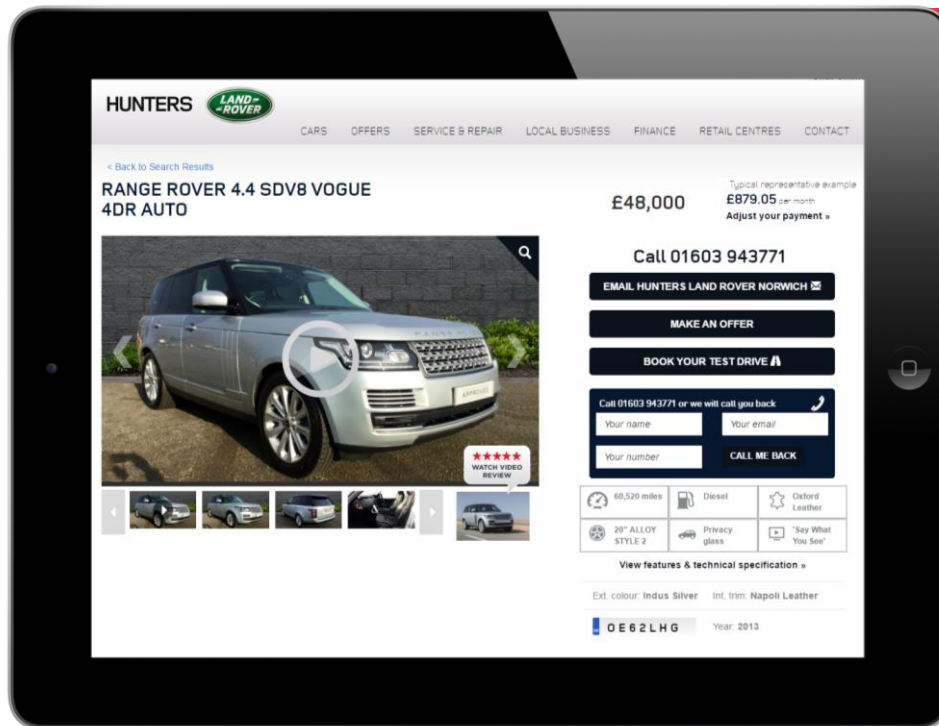
- Roll out across more UK sites and brands
- Global: remove more capacity constraints and increase utilisation
- Leverage skills across countries and brands for this high margin revenue stream

Success with customers

Aftersales mystery shopper score +7% YoY



USED VEHICLES SUCCESS IN THE UK



**2016 UK Used Gross Profit
+26% YoY**



2016

- Dedicated Used sales teams
- Reduced UK stock position
- Retailing high quality PCP returns

OPPORTUNITIES

- Improving pricing models
- Improving digital presence
- Continuation of high-quality PCP returns to sell



LEVERAGE GLOBAL SCALE



COST BASE

DRIVING EFFICIENCY FROM OUR 29 MARKETS

Annualised procurement savings
of £7m identified in 2016

(IT, Media, Property, Consumables)

Leveraging our scale in Asia and
Europe, fixed cost review



REVENUE AND GROSS MARGIN

BETTER SHARING OF KNOWLEDGE

Bonus structure change
70:10:20, local : one-up : Ignite

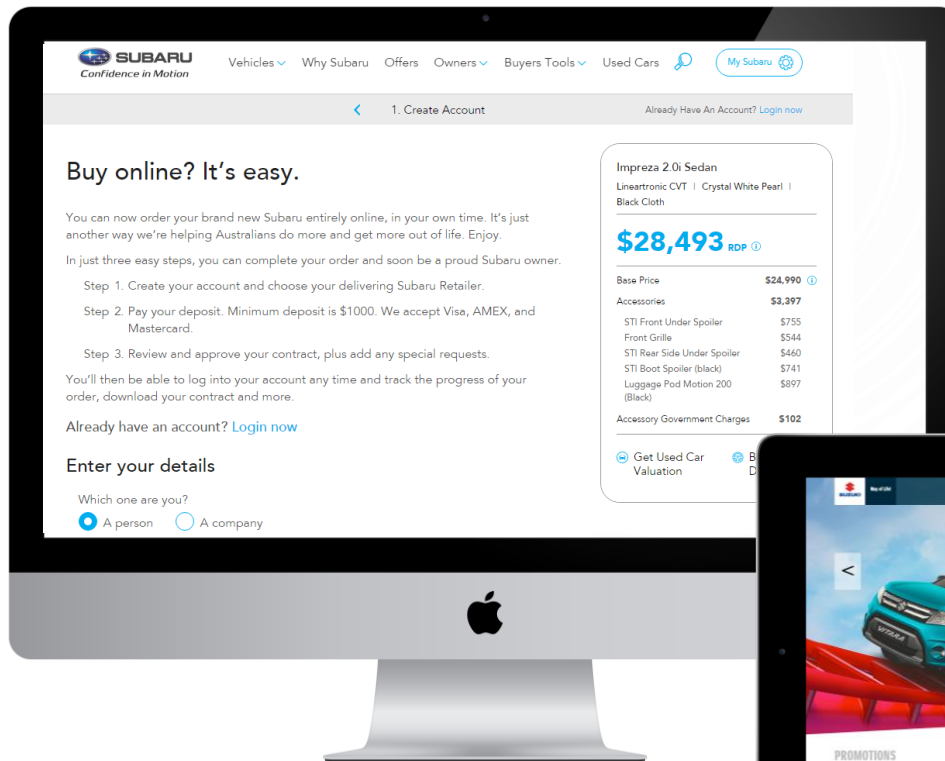
Digital platforms created to
support knowledge sharing

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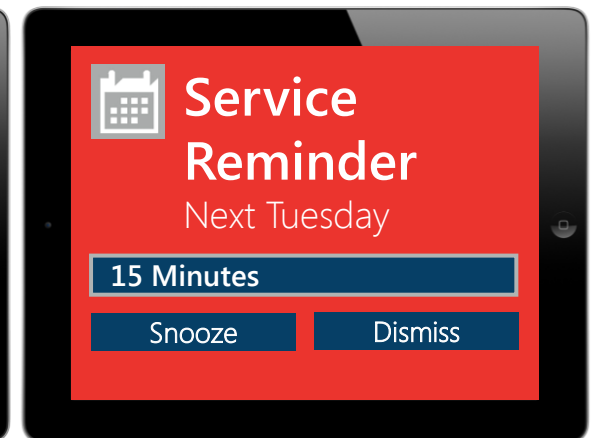
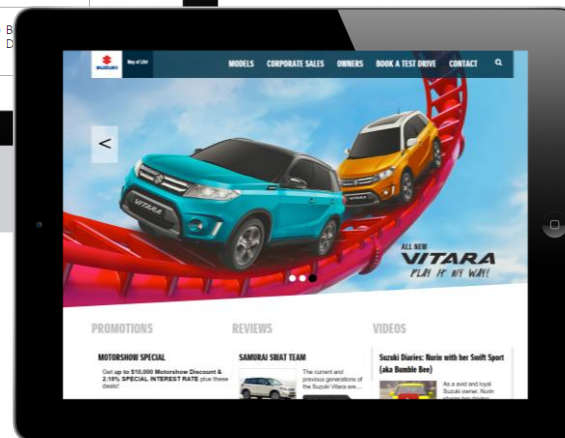


ENHANCING OUR DIGITAL CAPABILITIES



New digital offers for vehicles in Australia and Singapore

Successful trial for service reminder automation with Salesforce.com





LOOKING AHEAD

2017 OUTLOOK

Portfolio of markets support growth opportunity

- Increased Emerging Markets presence
- Slower New Vehicle trend expected in some markets

Leveraging scale & cost review to enhance profitability

Continued growth in Aftersales and Used Vehicles

- Expansion in 1-5 year Car Parc
- Focus under Ignite strategy

YEN: AUS \$ to act as a transactional FX headwind

RESILIENT
CONSTANT
CURRENCY
PERFORMANCE
EXPECTED
IN **2017**



CONCLUSION



**Predominantly
Distribution in
Asia Pacific &
Emerging Markets**



**Strongly cash
generative
business model**



**Driving performance
for our partners and
creating value for
shareholders**



**Significant growth
opportunities from
our Ignite strategy**





APPENDIX

NEW GEOGRAPHICAL BREAKDOWN

AUSTRALASIA (NO CHANGE)

Australia
New Zealand

ASIA

Brunei
China
Guam
Hong Kong
Macau
Saipan
Singapore
Thailand

UK & EUROPE

Belgium
Bulgaria
Estonia
Finland
Greece
Latvia
Lithuania
Luxembourg
Macedonia
Poland
Romania
UK

EMERGING MARKETS

Argentina
Chile
Colombia
Djibouti
Ethiopia
Peru
Russia

 Previously EM



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