

BCA Remarketing Group Limited – half year update

The directors present their half year update for BCA Remarketing Group Ltd (BCA) as at 30 June 2014.

BCA is Europe's biggest vehicle remarketing firm, with operations throughout Europe across multiple sites. BCA services make vehicle remarketing more profitable and successful for our customers, with physical auctions, online sales, vehicle in-life services, logistics and vehicle preparation. We Buy Any Car (acquired in August 2013) has extended the Group's operations to include vehicle buying.

Strategy

BCA's objective is to remain Europe's number 1 vehicle remarketing company through a combination of organic growth, continued investment in new and existing auction facilities and services, both physical and electronic, and through strategic acquisitions with a strong commercial fit.

BCA has an ongoing programme of development of customer focused technology applications and continued renovation and improvement of its physical auction facilities. BCA continues to develop, and build on, close relationships with buyers and sellers (vendors) whilst continuing to develop enhanced services.

Market

The Society of Motor Manufacturers and Traders published data for June 2014 which shows growth in UK new car registrations (compared to prior year) for the twenty eighth month in a row, and a 10.6% increase compared to the prior year on a year to date basis. New car registrations in Europe have recovered and show an increase compared to the prior year in the majority of territories in which BCA operates.

Trading and Outlook

Trading performance in the half year to June 2014 has been satisfactory with growth achieved in terms of volume, revenue and EBITDA, however the varying market conditions across Europe have placed some constraints on supply and demand. BCA's geographic spread continues to mitigate the impact of local economic conditions in certain parts of Europe.

BCA continues to perform in line with management expectations, continues to be cash generative and meet all banking covenants.

Business Development

BCA continues to seek opportunities to extend the reach of existing activities and services through both organic expansion and acquisitions. Following June 2014, BCA has acquired controlling interests in Tradeouts Limited and Life on Show Limited, two businesses with a close commercial fit with BCA's vehicle remarketing operations.

* BCA is a portfolio company of Clayton Dubilier & Rice.

** Any forward looking statement reflects the belief of the directors at the time and should not be relied upon as a forecast.