

## **Lithia Adds \$1.0 Billion in Annualized Revenue; Welcomes Downtown Los Angeles Auto Group**

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Lithia Motors, Inc. (NYSE: LAD) has acquired Downtown Los Angeles Auto Group ("DTLA"), comprised of Audi, Mercedes-Benz, Nissan, Porsche, Toyota, and Volkswagen stores located in downtown Los Angeles and a Nissan store in nearby Carson. On a forecasted annualized basis, DTLA can generate \$1 billion in revenue and \$0.55 in earnings per share. We are increasing 2017 guidance to a range of \$8.55 to \$8.70 per share.

"We are pleased to continue our robust acquisition cadence of purchasing strong assets with considerable upside," said Bryan DeBoer, President and Chief Executive Officer. "These stores are located in the fast-growing downtown area, within close proximity to the Staples Center and L.A. Live, and are among the largest volume stores of their brands in the nation." DeBoer added, "We are excited to partner with Elay Sung and the entire Downtown LA team to accelerate their growth."

DTLA joins DCH, Carbone and the Baierl Auto Group to further diversify Lithia and grow through sharing best practices, high-performing people and innovative technology. Lithia is strengthening its omnichannel retail strategy focused on expanding its customer base from coast to coast.

"This opportunity deploys approximately half of the \$300 million raised in our recent senior notes offering," said DeBoer. He added, "The remaining funds from the notes offering, our free cash flow and a recently increased syndicated credit facility support our continued growth cadence. Improving performance to realize the full potential of our acquisitions achieves greenfield rates of return."

### **About Lithia**

Lithia Motors, Inc. is one of the largest automotive retailers in the United States and is among the fastest growing companies in the Fortune 500 (#318-2016) with 167 stores representing 30 brands in 18 states. We offer vehicles online and through our nationwide retail network. Our "Growth Powered by People" strategy drives us to innovate and continuously improve the customer experience.

### **Sites**

[www.lithiamotors.com](http://www.lithiamotors.com)

[www.lithiainvestorrelations.com](http://www.lithiainvestorrelations.com)

[www.lithiacareers.com](http://www.lithiacareers.com)

Lithia Motors on Facebook

[www.facebook.com/LithiaMotors](http://www.facebook.com/LithiaMotors)

Lithia Motors on Twitter

<http://twitter.com/lithiamotors>

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning the "Safe-Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding our goals, plans,

projections and guidance regarding our financial position, results of operations, market position, pending and potential future acquisitions and business strategy, and often contain words such as "project," "outlook," "expect," "anticipate," "intend," "plan," "believe," "estimate," "may," "seek," "would," "should," "likely," "goal," "strategy," "future," "maintain," "continue," "remain," "target" or "will," and similar references to future periods.

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