



Interim Results Presentation – 1 August 2005

Alan Ferguson, Group Finance Director

Slide 4 – Introduction

Thank you John, and good morning ladies and gentlemen.

Slide 5 – Operating profit

Group operating profit rose 20.9% to £104.1m. Before exceptional items, operating profit rose 12.5% to £100.1m. The exceptional profit in the period related to the release of litigation provisions arising from the settlement and expiry of non-motors claims.

Slide 6 – Operating profit before exceptional items

We have seen strong performances in most of our core markets and profit from operating units rose £9.2m.

Central costs are lower than last year due to a one off charge incurred in 2004. On an underlying basis costs are slightly ahead of last year.

The impact of exchange rate movements was broadly neutral in the period.

Slide 7 – Interest, tax and minorities

The net interest charge for the first half is £2.4m. This is substantially below 2004, primarily due to the permanent repatriation of cash late last year to the UK, from countries with lower interest rates. Stock holding interest has risen £1.0m in the period due in the main to additional UK dealerships, as a result of our acquisition programme.

The Headline tax rate for subsidiaries at the half year is 25.5%, down from the full year rate of 26.6% for 2004. This reduction arose mainly as a result of there being no UK losses due to the cash repatriation already referred to, and improved trading. In addition the rate benefited by 0.5% from a one off gain in Greece. The guidance for the next couple of years is a Headline subsidiaries tax rate in the range of 26.0 to 27.0%.

The profits attributable to minorities are £2.1m. This is slightly up on last year due to increased profits in Australia and Bulgaria.

Slide 8 – Dividends and share buy back

I am pleased to announce an interim dividend of 19.0p an increase of 26.7%. Our policy at the interim stage remains a one third two thirds interim final split.

We have commenced our £65.0m share buy back programme announced earlier this year. To date we have returned £31.0m to shareholders. The full earnings impact of this will be seen over the next eighteen months.

Slide 9 – Operational cash flow

In the first half our operations generated £114.8m of cash. Net capex in the period was higher than normal due principally to some significant refurbishment projects in UK Retail. Despite this, operational cash flow is almost 80.0% of trading profit clearly demonstrating the cash generative qualities of the business. The level of net capex in the second half is expected to be lower than in the first half.

Slide 10 – Total cash flow

Free cash flow in the period was £26.1m, after investing £28.5m in acquisitions, mainly Mercedes-Benz dealerships in the North West of England, and spending almost £7.0m in settling old non-motors litigation claims.

The total cash movement was an outflow of £32.1m due in the main to the £31.0m spent as part of the share buy back programme.

I will now hand you over to Peter.

Thank you for your attention.