



## **Preliminary Results Presentation – 6 March 2006**

**Peter Johnson, Chairman**

### **Slide 1 - Introduction**

Good morning ladies and gentlemen and welcome to our preliminary results presentation for the year ended 31 December 2005; the first full year set of results under the new International Financial Reporting Standards.

Before I begin, we would appreciate it if you could switch your mobiles, blackberries etc. off during this morning's presentation. Thank you.

With me today are André Lacroix, Group Chief Executive, and Amanda Brooks, Group Financial Controller.

This morning Amanda will outline some of the key financials relating to our 2005 results. André will then take you through the Group's performance market by market, and will provide an update on our strategy.

After that, we will be happy to take questions.

### **Slide 2 - Financial highlights**

Inchcape had another successful year in 2005 showing strong profits growth and continued cash generation.

We also increased operating profit by over 10.0% in five of our six core markets.

Headline profit before tax was up 13.0% at £190.3m, and Headline earnings per share, up 14.6%, was 178.5p.

Profit before tax was up 8.6% at £177.3m.

### **Slide 3 - Highlights**

We announced today, our entry into the high growth Russian market.

We have entered into a joint venture with the Independence Group, one of Moscow's leading independent car retailers, to establish two retail and service centres in the Moscow region for Toyota vehicles.

This is an exciting opportunity for the Group and an important step in our expansion plan for Moscow and the Russian market place.

In 2005 we returned £31.0m to shareholders through our share buy back programme. It is envisaged a further £34.0m will be returned this year.

Given the rise in our share price over the last five years, a proposal has been made by the Board to split each ordinary share of 150.0p into six ordinary shares of 25.0p each.

This proposal will be put forward at our annual general meeting in May this year.

#### Slide 4 - Dividend

The Board has proposed a final dividend of 38.0p per share, up 8.6% on last year. The total dividend for the year will therefore be 57.0p per share, an increase of 14.0%. The dividend is covered 3.1 times by Headline earnings per share.

#### Slide 5 - Board changes

In 2005 we made a number of changes to our Board.

On 1 January 2006 I succeeded Sir John Egan as Non-executive Chairman; André Lacroix was appointed Group Chief Executive and Karen Guerra joined the Board as a Non-executive Director.

Barbara Richmond, our new Group Finance Director, will take up her role on 3 April 2006.

Let me now hand over to Amanda who will provide you with a more detailed analysis of the financial results.