
2015 INTERIM RESULTS

30 JULY 2015

100 DAYS IN THE BUSINESS



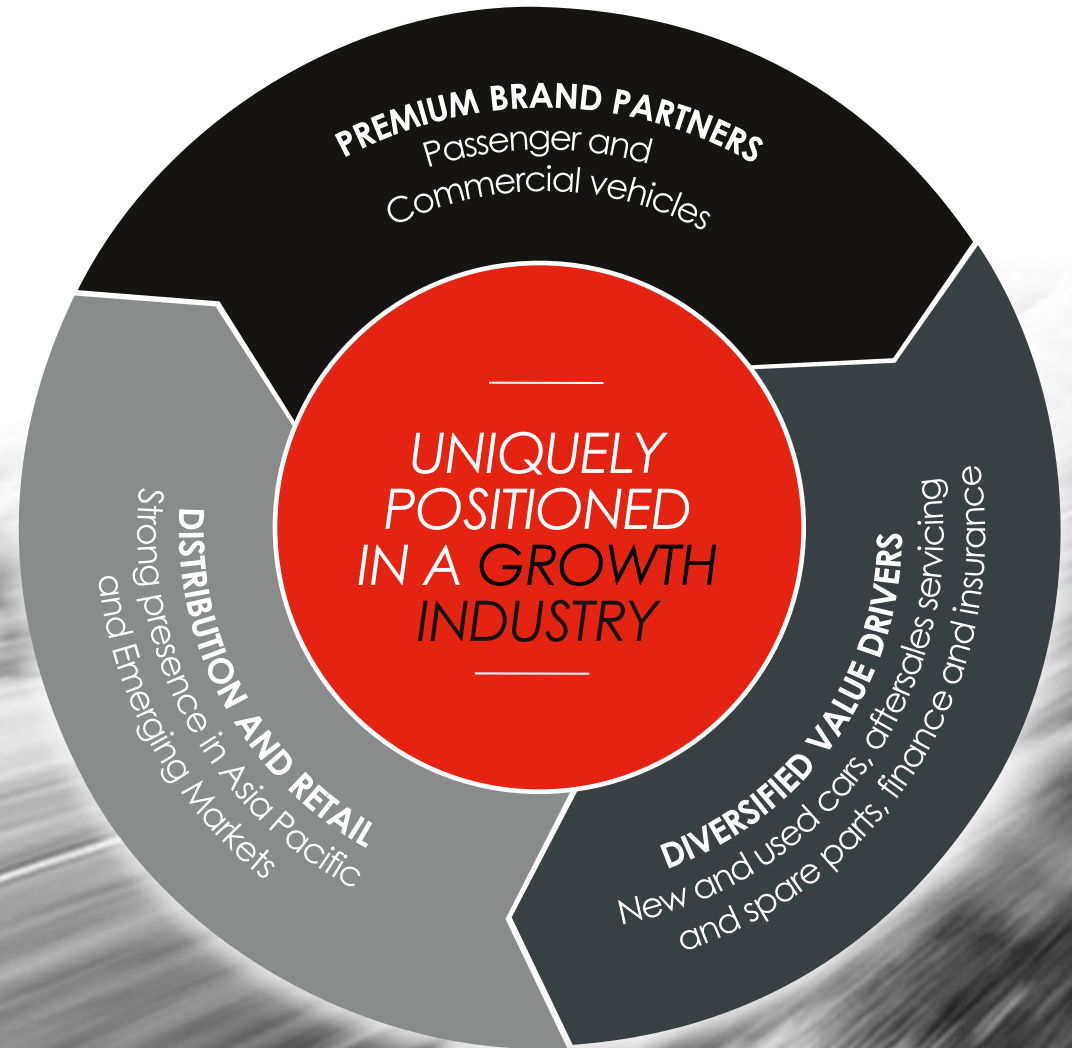
Listening
& Learning



Spending time with
our stakeholders



OUR WINNING BUSINESS PROPOSITION



NEW CEO – A FRESH PERSPECTIVE

INITIAL OBSERVATIONS

Observing through
a **B2B & Customer**
Centric lens



TOP-LINE AND MARGIN GROWTH

REVENUE

+6.3% CCR

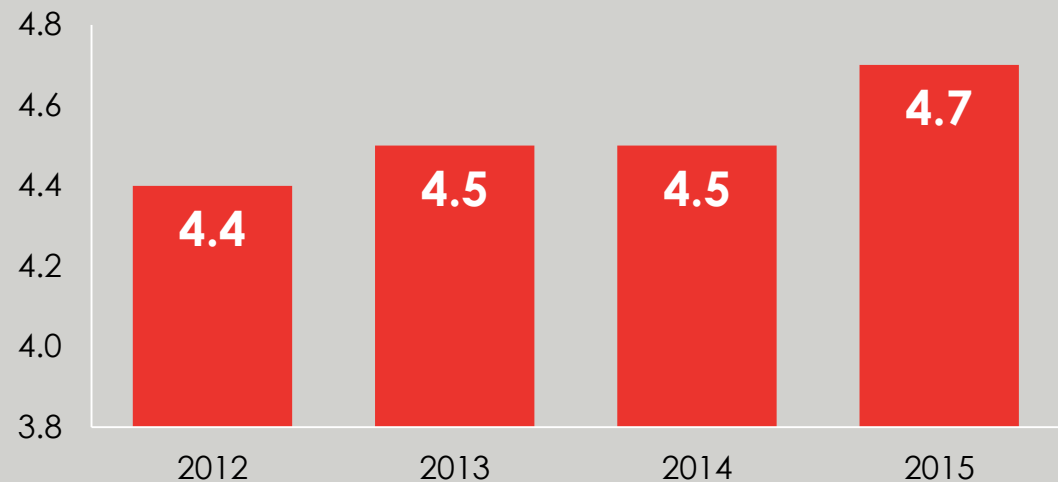
+1.3% ACR

OPERATING PROFIT

+6.3% CCR

+5.6% ACR

H1 OPERATING MARGIN %



20 BPS OF OPERATING MARGIN EXPANSION

RESULTS OVERVIEW

SUMMARY PROFIT & LOSS ACCOUNT

	H1 2015 £M	H1 2014 £M	CHANGE ACR	CHANGE CCR
Sales	3,378.4	3,336.0	1.3%	6.3%
Operating profit	159.2	168.0	(5.2)%	(4.9)%
Underlying operating profit	159.2	150.7	5.6%	6.3%
Profit before tax	153.0	162.1	(5.6)%	(6.1)%
Tax rate (%)*	24	24	-	-
Basic adjusted EPS (p)	25.4	27.1	(6.3)%	-



* Effective tax rate Note: All numbers at actual exchange rates

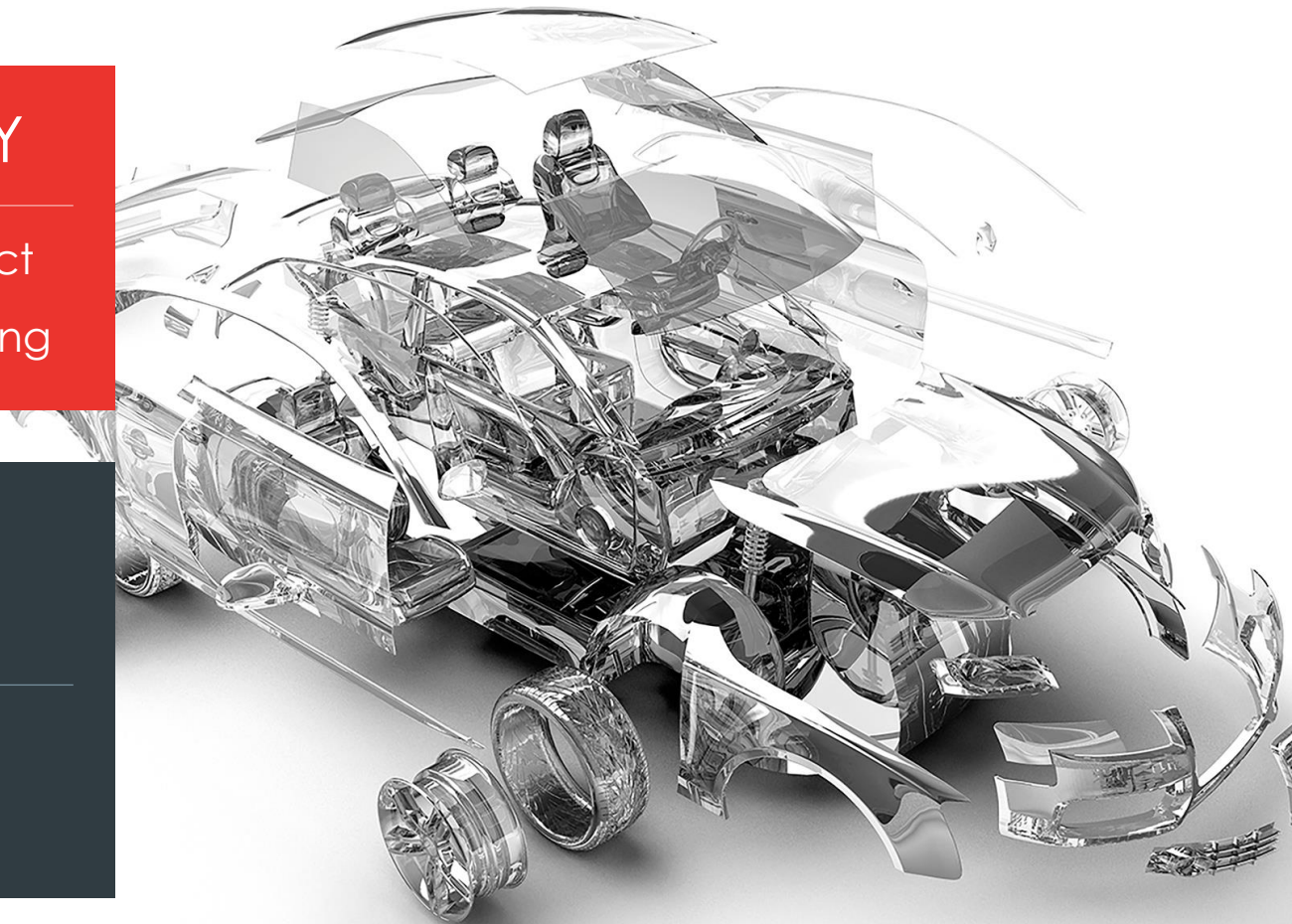
GROSS MARGIN AND OVERHEAD ANALYSIS

GM **14.3%** STABLE YoY

Balanced value drivers mix effect
Aftersales margin remained strong

OVERHEADS **9.6%** OF SALES, -10 BPS YoY*

Fixed cost leverage
Continued cost discipline



*Note: H1 2014 included a property disposal profit of £17.3m. YoY change excludes this from the prior year base

POSITIVE GROUP MIX EFFECT +20 BPS

H1 REGIONAL MARGIN ANALYSIS

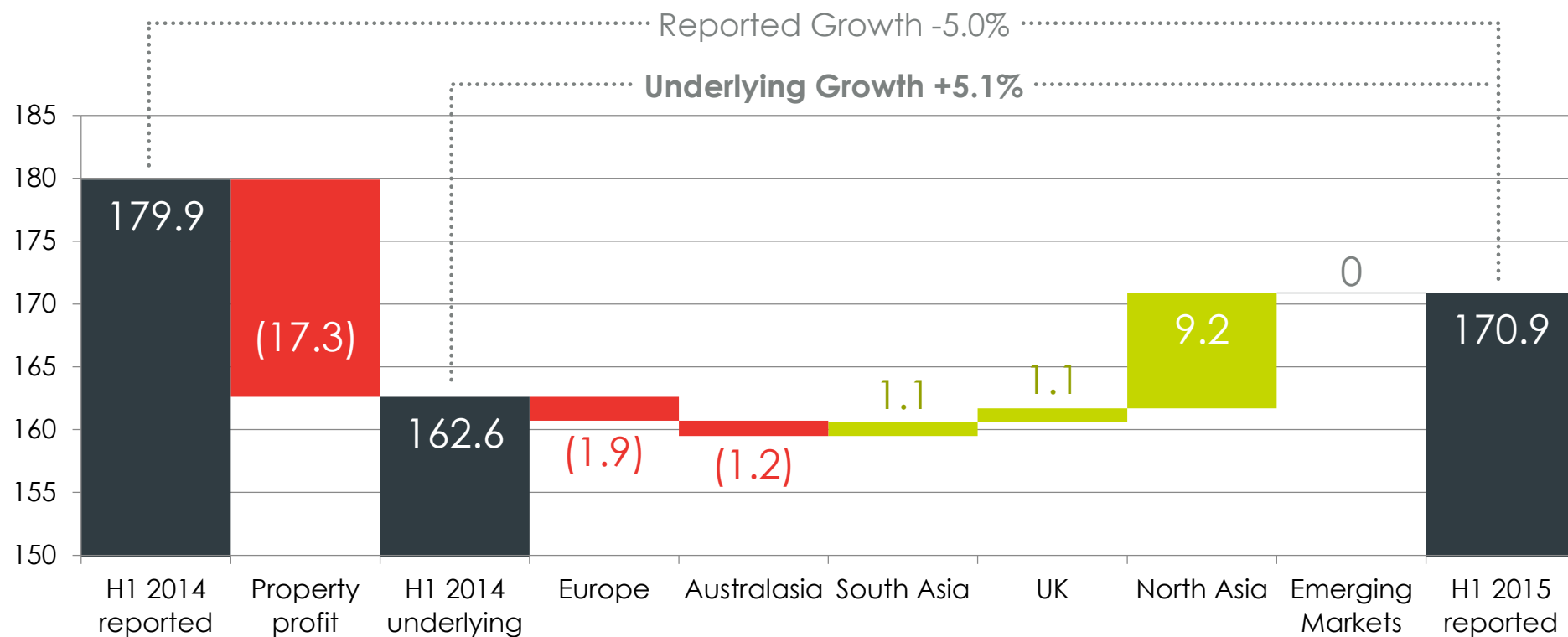
Australasia	6.8%	-20 BPS
North Asia	10.5%	-30 BPS
UK	2.8%	-20 BPS
South Asia*	9.4%	-30 BPS
Emerging mkts	4.3%	+90 BPS
Europe	3.4%	+10 BPS

* South Asia H1 2014 trading margin excludes property disposal profit

GROUP +20 BPS



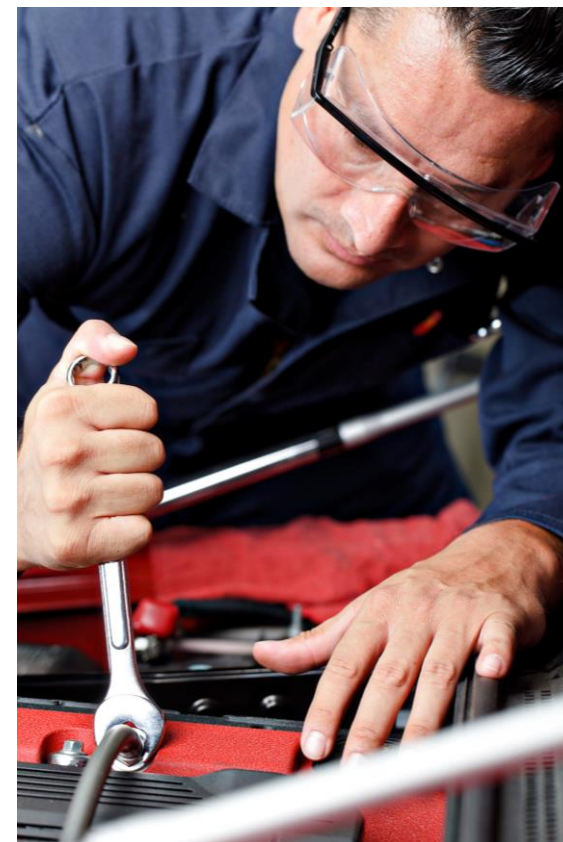
GROUP TRADING PROFIT



NET FINANCE COSTS

	H1 2015 £M	H1 2014 £M
Bank and loan interest	0.7	0.6
Stock holding interest	(9.3)	(9.3)
Interest on private placement notes	(1.5)	(1.4)
Pension interest net	2.2	2.6
Other	1.6	1.0
Interest excluding mark to market	(6.3)	(6.5)
FV on private placement	7.6	13.0
FV on cross currency interest rate swaps	(7.5)	(12.4)
Mark to market gain	0.1	0.6
Total net finance costs	(6.2)	(5.9)

Note: All numbers at actual exchange rates



IMPACT OF CURRENCY

REVENUE	-5.0%
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OPERATING PROFIT*	-0.7%
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*Note: H1 2014 included a property disposal profit of £17.3m. YoY change excludes this from the prior year base

CASH FLOW

OPERATING CASH FLOW	H1 2015 £M	H1 2014 £M
Operating profit	159.2	168.0
Depreciation / amortisation	24.0	22.0
Other non cash items	5.3	(17.4)
Working capital	(45.2)	32.0
Pension	0.6	-
Payment in respect of exceptional items	-	(0.7)
Other	(5.9)	(2.6)

FREE CASH FLOW	H1 2015 £M	H1 2014 £M
Operating cash flow	138.0	201.3
Net interest	(7.7)	(7.4)
Taxation	(39.0)	(30.2)
Non controlling interest	(4.8)	(6.7)
Net capex	(21.7)	(8.7)

NET CASH	H1 2015 £M	H1 2014 £M
Free cash flow	64.8	148.3
Share issue	-	0.9
Share buy back	(50.0)	(50.0)
Acquisitions	-	3.6
Disposals	-	1.9
Equity dividends	(61.1)	(53.0)
Other	(12.9)	6.6
Net cash flow	(59.2)	58.3
Opening net cash	210.2	123.0
Non cash movements**	(27.9)	(21.2)

Operating cash flow **138.0** **201.3**

Free cash flow **64.8** **148.3**

Closing net cash **123.1** **160.1**

** Includes fair value re-measurements & currency translation

All numbers at actual exchange rates

GUIDANCE – FULL YEAR 2015

Tax rate
24%

Interest cost
c£14m
(excl. mark to market)

Capital
expenditure
£85m

Net cash
c£130m



COMMITTED TO CASH AND CAPITAL DISCIPLINE

Capex investment
to drive growth
and pricing power



Key H1 investments

Pandan Singapore
Dire Dawa Ethiopia
BMW/MINI Tonbridge

Maximise
shareholder returns

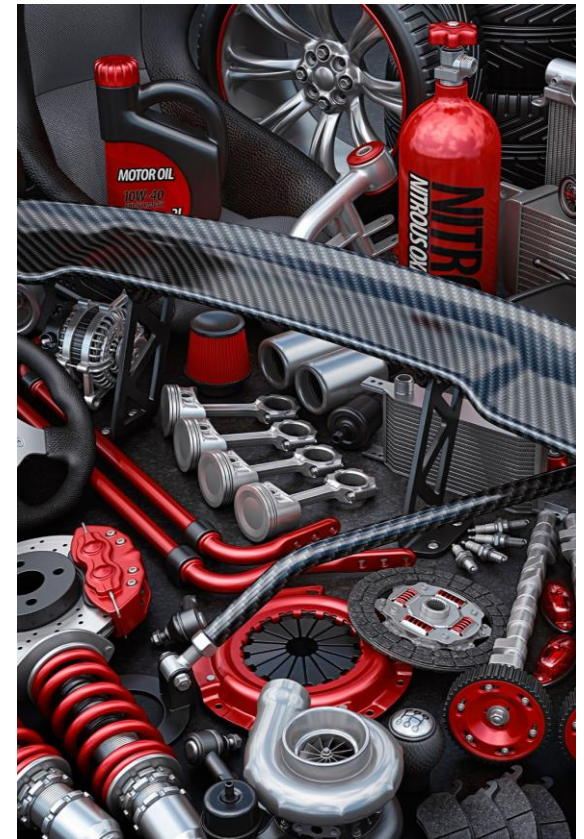


Interim dividend 6.8p
up 7.9% YoY

Efficient capital
structure



£200m returned to shareholders
since July 2013 through buybacks
**New buyback of
£100m announced**





BUSINESS UPDATE

BETTER PRODUCT AVAILABILITY IN H2

Engaging with
our customers

Consistent
pipeline of
excellent vehicles
from our brand
partners

Toyota Euro 6
vehicles
launching in H2

BMW / MINI



Land Rover /
Jaguar



Mercedes
Benz



Subaru



Toyota / Lexus



VW / Audi /
Porsche



DRIVING CUSTOMER CONVERSION WITH DIGITAL



Group-wide Inchcape Digital Standards driving customer traffic to Retail centres - and Aftersales centres



Personalisation with rich media content with click-through service booking

Dear Mr Shailema Sherman,

It's Servicing Time For Your Toyota SKA2345L!

It's time to recharge your **Toyota Altis**, for optimal performance and be rewarded with **Toyota ME Bonus** points for your timely service!

2 1 Days #

To your next servicing Date with us!
(# As of 25th June 2015)

Your Next Service is Due

16 07 15


Date: 16 Jul 2015*
Mileage: 52,350KM*
Type: Standard Servicing

* whichever comes first

BOOK NOW
for your preferred Toyota Servicing Slot

WARRANTY

Safety Reminder: Maintain a valid warranty by servicing with us every 6 months or 10,000km (whichever comes first)



Personalisation

Visual reminder

Rich content

Instant call for action

Warranty maintenance reminder

SOUTH ASIA STRONGER H2

H1 guaranteed COE price pressure taken, positioned for a stronger H2

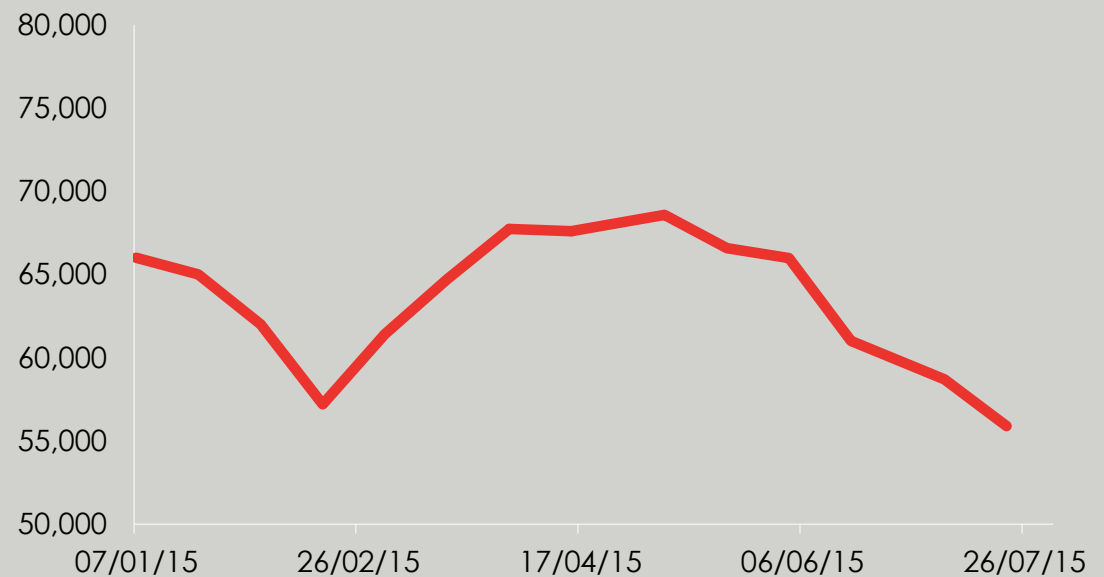
**SINGAPORE:
DE-REGISTRATIONS**

H1 2015

46k units

+75% YoY

RATIONAL PRICING IN SINGAPORE POST APRIL



Note: CAT A COE bidding results (\$)

NORTH ASIA ON TRACK FOR A STRONG YEAR

Multi-year diesel commercial vehicle (DCV)
replacement scheme driving growth in Hong Kong

H1 HONG KONG NEW VOLUME:

Total Market +12%

PC +3%

CV & Taxi +35%

MARKET
SHARE
+340 BPS

AUSTRALASIA

OUTPERFORMING THE MARKET

SUV GROWTH

H1 +14%
(Market +3%)

PREMIUMISATION OF DEMAND

Premium / Luxury
Brands growing faster
than the market

PRODUCTS

Better H2 Subaru
availability



UK PREMIUM AND CORPORATE SALES DRIVING GROWTH

UK Premium Brand Portfolio taking share

Investing (IT / Sites) to support growth

PCP financing shortening the replacement cycle

NEW ONLINE
PLATFORM
H1 LEADS
+24% YoY



EMERGING MARKETS

RESILIENT PERFORMANCE

NEW TOYOTA DIRE DAWA FACILITY IN ETHIOPIA

>50% Car Parc growth
in the past 5 years

Opened January 2015



New car trends down YoY in South America, growth in other value drivers

Eastern Europe: Solid H1 performance

RUSSIA

TRADING AS EXPECTED

MARCH 2015 EXPECTATIONS

OUTCOME

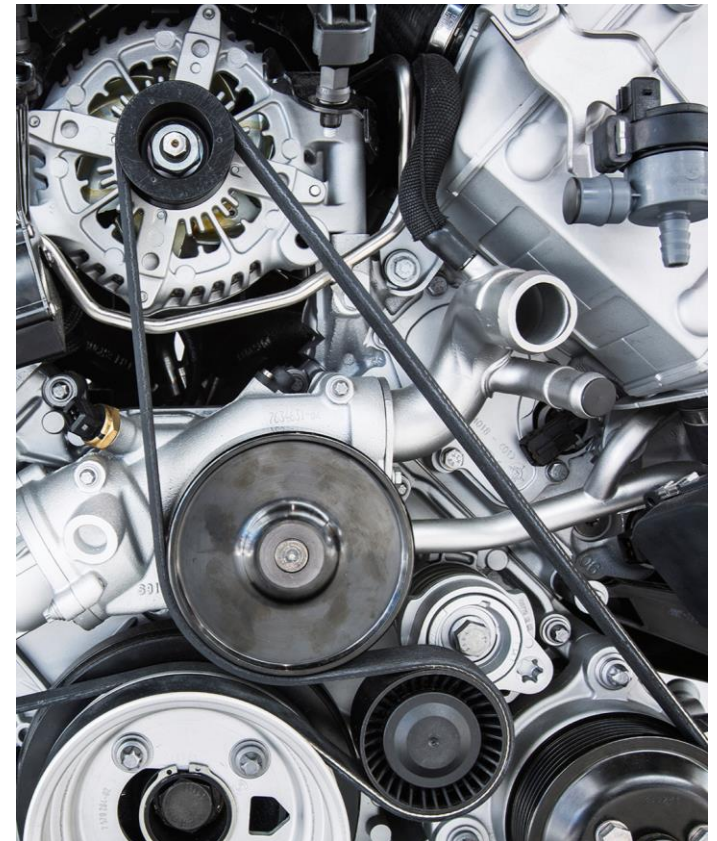
DEMAND

- Rouble devaluation increasing local prices and impacting demand
- Aftersales resilience
- Premium / Luxury brand resilience
- Higher Used car demand



MARGIN OPPORTUNITY

Russia less attractive as a push market, improving supply-demand balance and vehicle margins



EUROPE IN CONTROL IN GREECE

Limited balance sheet exposure

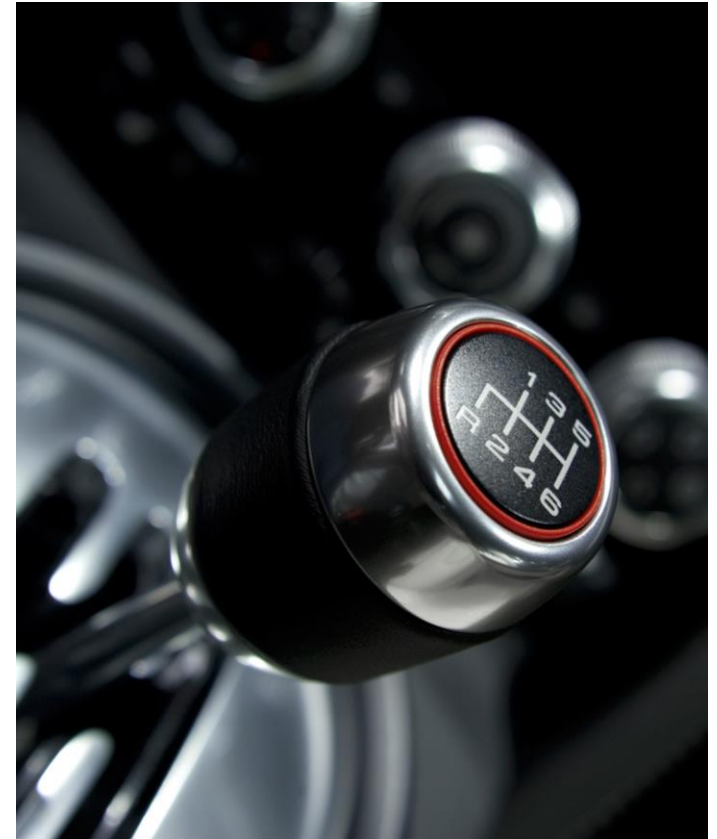
Defensive Aftersales

Relative strength, local competition lack our scale

Total Europe region: 6% of 2014 trading profit

LONG TERM

Replacement cycle growth in Greece,
driven by the aged Car Parc (av. age 14yrs)





LOOKING AHEAD

2015 OUTLOOK

Good visibility across our markets and value drivers

Better product availability in H2

Aftersales – Service and Parts, to benefit from growth of the high retention 1-5 year Car Parc across the majority of our markets

Operational discipline & digital innovation to capture the opportunities in our industry and build on our strong fundamentals

ROBUST
UNDERLYING
CONSTANT
CURRENCY
PERFORMANCE
EXPECTED
IN 2015

CONCLUSION

Strong fundamentals

A fresh perspective:
Customer centricity
& B2B focus

Revenue & margin
growth in H1

Stronger CCR H2
performance expected



APPENDIX

DEFINITIONS

LIKE-FOR-LIKE

The following are excluded from like-for-like sales:

1. Businesses that are acquired, from the date of acquisition until the 13th month of ownership
2. Businesses that are sold or closed
3. Retail centres that are relocated from the date of opening until the 13th month of trading in the new location

EMERGING MARKETS

Emerging markets are those countries in which the Group operates that have yet to reach a mature stage of development and accordingly are in, or are expected to return to, the growth phase of the development cycle.

This currently covers the following countries:

The Balkans

China

The Baltics

Africa

Poland

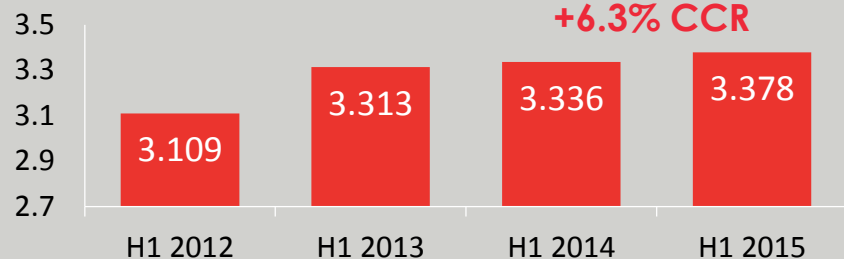
South America

Russia

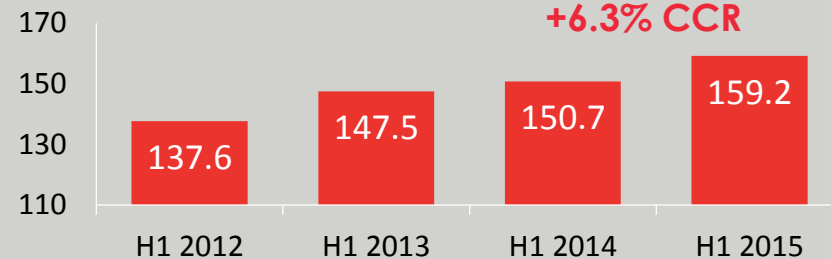


SHORT AND LONG TERM MOMENTUM

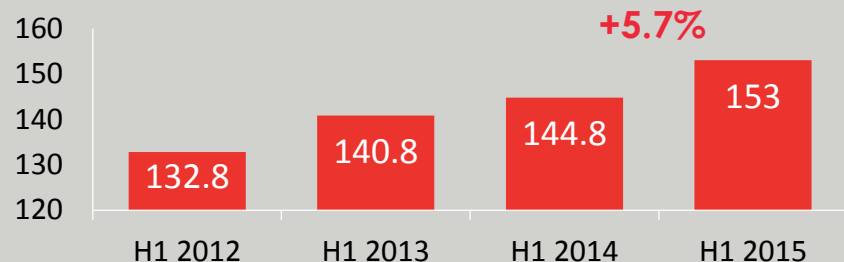
REVENUE £BN



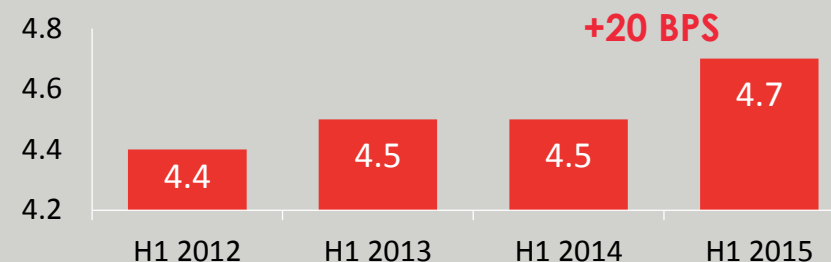
OPERATING PROFIT £m



PROFIT BEFORE TAX £m



OPERATING MARGIN %



CAPEX INVESTMENT

Capacity expansion	£30m
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- UK
- Australia
- Singapore

Greenfield expansion	£5m
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- Ethiopia
- Australia

IT upgrades	£28m
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Maintenance capex	£22m
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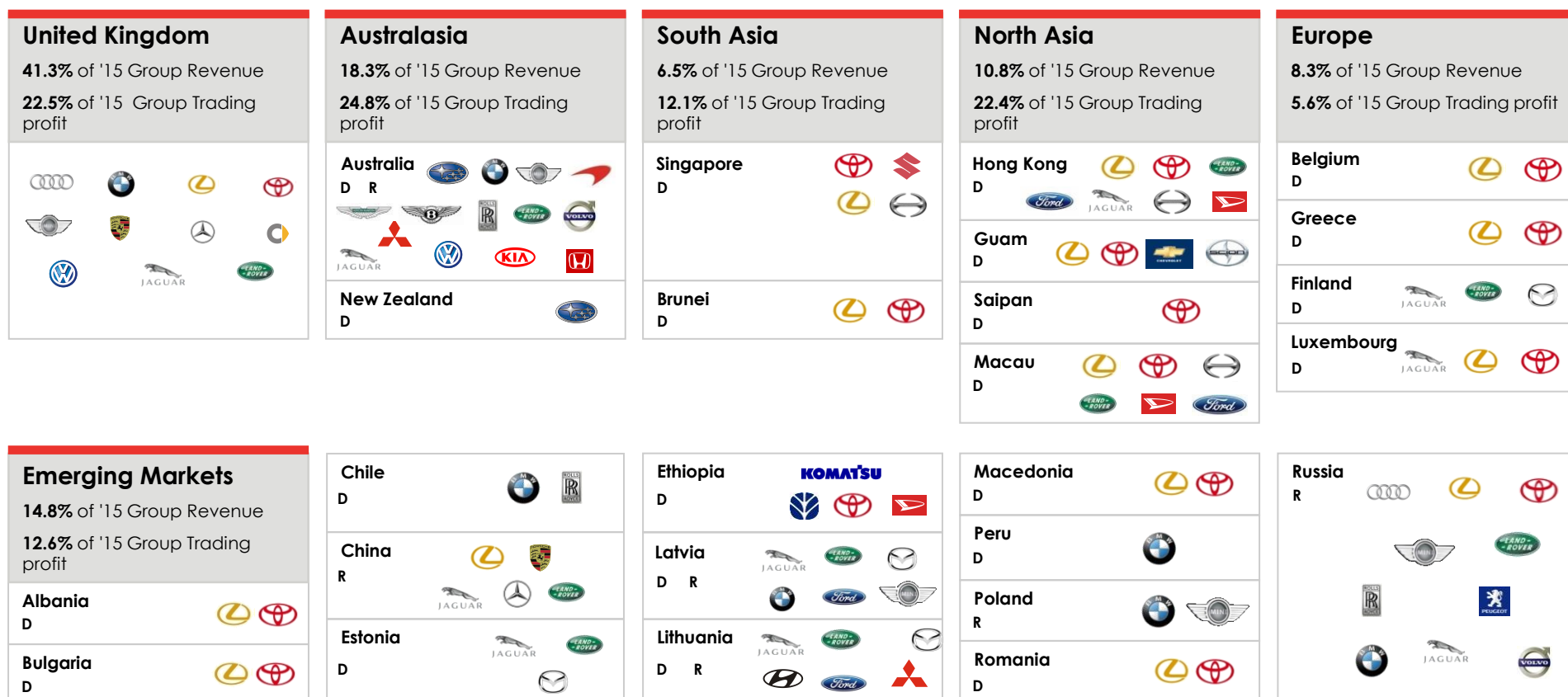
Total	£85m
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IMPACT OF CURRENCY ON OPERATING PROFIT

H1 2015 (£M)	2014 @ ACTUAL EXCHANGE RATES	2015 @ 2014 ACTUAL RATES	2015 @ ACTUAL EXCHANGE RATES	IMPACT
Australasia	43.5	45.2	42.3	(2.9)
Europe	11.4	10.6	9.5	(1.1)
North Asia	29.1	35.0	38.3	3.3
South Asia	36.8	20.1	20.6	0.5
Emerging Markets	21.7	21.4	21.7	0.3
Total overseas	142.5	132.3	132.4	0.1
UK	37.4	38.5	38.5	-
Central costs	(11.9)	(11.7)	(11.7)	-
Operating profit	168.0	159.1	159.2	0.1

BROAD GEOGRAPHIC SPREAD – TRULY INTERNATIONAL



Key: R = Retail D = Distribution

Note: Percentage figures represent revenue from third parties and trading profit (defined as operating profit excluding the impact of exceptional items and central costs)



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