

**For immediate release  
Inchcape plc  
14 May 2009**

## **AGM and Interim Management Statement**

### **“Full year expectations unchanged despite challenging market conditions”**

Inchcape, the world's leading car retailer, will hold its AGM today. The following statement will be made regarding its current trading and financial position, as required by the UK Listing Authority's Disclosure and Transparency Rules.

### **Current trading for the first quarter ended 31 March 2009**

Although car markets around the world remain challenging, trading for the first quarter was ahead of our internal expectations and we continued to benefit from the weakness of Sterling in the translation of our overseas profits.

Total sales were down 13% (down 21% in constant currency) compared to the same period last year. Like for like sales were 22% lower than the prior year. The sales declines in our core markets overall are in line with our previous guidance.

Two of our markets are performing better than expected, Singapore and the UK. In Singapore we gained share from parallel importers in a market that was stronger than expected in the first quarter due to lower COE prices. However we continue to expect the Singapore market to be down by over 20% for the full year. Our UK business benefited from an improvement in used car margins.

The markets in Hong Kong, Europe, Russia and the Emerging Markets however remain very weak.

Following the decisive and responsive restructuring action taken in the fourth quarter of 2008 which removed £58m of annualised costs, the Group's underlying cost base is in line with our expectations. The quarter's operating profit before the impact of foreign currency call options was down 48% (down 55% in constant currency). The net operating profit impact in the quarter of the sterling foreign currency call options was a charge of £2.9m. The total cost of these options for the full year remains £8.7m.

Our unaudited reported pre-tax profit for the quarter of £20.0m is down 69% (down 74% in constant currency) on what was a record first quarter last year and is slightly better than expected as a result of stronger performances from the UK and Singapore markets together with the resilience of our after sales business.

## Financial position

Net debt at the end of March 2009 was £404m with March normally a peak net debt month for the Group as inventories are high due to the plate change in the UK car market. The decrease in net debt of £4m from December 2008 to March compares to a £110m increase in the same period last year. Debt levels have been favourably impacted by the 30% reduction in the UK new car market which resulted in lower UK inventories and the Groups initiative to reduce working capital across all its businesses.

We announced a 9 for 1 Rights Issue on 19 March 2009 to strengthen the Group's financial position. We are pleased to report this was approved by our shareholders at the General Meeting on 6 April 2009 and the Company has now received the net proceeds of £234m which have been used to reduce net debt.

Our expectation for year end net debt remains unchanged at approximately £150m (at constant currency).

## Outlook for 2009

Although markets remain very difficult, the Group delivered solid profitability in the first quarter of 2009, as the execution of our five operational priorities (growing market share and aftersales, while reducing costs, working capital and capital expenditure) continued to gain traction. Whilst this is an encouraging start, our expectations for the full year remain unchanged on a constant currency.

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## Notes to editors

1. **About Inchcape** Inchcape is a leading, independent international automotive distributor and retailer operating in 26 markets. Inchcape has diversified multi-channel revenue streams including sale of new and used vehicles, parts, service, finance and insurance. Inchcape's vision is to be the world's most customer-centric retailer and represents some of the world's leading automotive brands, including Toyota, Lexus,

Subaru, BMW, Mazda, Mercedes-Benz, Volkswagen, Audi, Honda, Land Rover and Jaguar. Inchcape, which has been listed on the London Stock Exchange since 1958, is headquartered in London, employs around 15,000 people and has scale operations in the UK, Singapore, Australia, Hong Kong, Greece, Belgium and Russia.

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

2. This announcement is based on information sourced from unaudited management accounts.
3. Statements made in this announcement that look forward in time or that express management's beliefs, expectations or estimates regarding future occurrences are "forward-looking statements" within the meaning of the United States federal securities laws. These forward-looking statements reflect the Group's current expectations concerning future events and actual results may differ materially from current expectations or historical results.
4. As of 1 May 2009, the total number of ordinary shares with voting rights was 4,630,560,606. Based on this, and assuming no further shares issues during the remainder of 2009, the weighted average number of shares for the year ending 31 December 2009 would be c.4bn.