

Preliminary Results Presentation – 28 February 2005

Sir John Egan, Chairman

Slide 1 – Introduction

Good morning ladies and gentlemen and welcome to our preliminary results presentation for the year ended 31 December 2004.

With me today are Peter Johnson, Group Chief Executive, and Alan Ferguson, Group Finance Director.

This morning Alan will outline some of the key financials relating to our results in 2004. Peter will then take you through the Group's performance and will provide an update on our strategy. Afterwards we will be happy to take questions.

Slide 2 – Results summary

Headline profit before tax was up 26.7% in 2004 at 172.0m. Our Headline earnings per share rose to 161.4p, an increase of 21.9%. Profit before tax of 155.3m is less than last year by 13.0m. This is mainly due to the net impact of the VAT recovery of 31.5m, the Inchcape Automotive goodwill impairment and net FRS 3 exceptional losses.

Operationally the Group has again performed at a very high level and has produced an excellent operating performance from our key markets.

Slide 3 – Share buy back

As a result of our continued profit growth and our strong cash generation, our balance sheet has been further strengthened in the year. In addition we benefited from one off contributions from the VAT recovery in 2004 and 2005 of 43.5m, and the sale of our non-core investments in MCL Group Limited and Automotive Group Limited for 19.3m. These one offs mean that we have surplus capital and the Board has agreed, in line with our stated policy, to return excess funds to shareholders. I am therefore very pleased to announce that we intend to return approximately 65.0m to our shareholders through an on market share buy back programme. We already have the powers to undertake the buy back and they will be refreshed at our Annual General Meeting (AGM) in May this year.

Despite this return of surplus capital we will still have substantial financial capacity, which will enable us to deliver on our strategy in 2005 and beyond.

Slide 4 – Dividend

The Board has also proposed a final dividend of 35.0p per share, up 34.6% on last year. The total dividend for the year would therefore be 50.0p per share, an increase of 31.6%. The dividend is covered 3.2 times by Headline earnings per share.

Our dividend has more than doubled since 2000, and this clearly demonstrates the Board's progressive dividend policy. Despite this impressive growth we still enjoy relatively high levels of dividend cover, which gives us the flexibility to maintain this progressive policy in the future.

Slide 5 – Board changes

We also announced today that I intend to step down from the Inchcape Board by the AGM in May 2006 and it is planned that Peter Johnson will succeed me as Non-executive Chairman.

The Board believes that this is the right decision for all our stakeholders and, indeed as part

of our planning process, we consulted with our major shareholders and manufacturer partners and they were all supportive. The search for Peter's successor has now commenced.

Peter Johnson has been an exceptional Chief Executive throughout the six years he has spent in the role. During his tenure he has served both our shareholders and original equipment manufacturer (OEM) partners outstandingly well, first leading Inchcape through a period of significant change and then impressive international growth. As Non-executive Chairman, a key element of his new role will be to continue to focus on OEM relationships at the highest level and aid their transition to his successor.

We are delighted that Peter will continue to play an important part in Inchcape's future and, therefore, continued success. The search for his successor has now commenced and will include external candidates. We will be appointing a world class candidate for a world class company, and we will announce the appointment at the appropriate time.

What I can assure you, knowing the management team at Inchcape as I do, is that this transition will be smooth and there will be no loss of focus over the coming months. The team have built an enviable record of operational performance and value creation, which they wish to build on, and they are working on a number of strategic initiatives, which should come to fruition this year.

I will now hand over to Alan who will provide you with a more detailed analysis of the financial results.