



2009 Annual Results

10 March 2010

Uniquely positioned
worldwide...



André Lacroix

Group Chief Executive

Uniquely positioned
worldwide...

Strengthened industry leading position during the downturn

- Swift and responsive management of unprecedented downturn
- Improved competitive position with focus on:
 - Cost / cash initiatives
 - Customer service / market share performance
- Resilient financial performance:
 - Record operating cash flow generation
 - Strength of balance sheet re-established

Uniquely positioned to take advantage of global car market recovery and industry consolidation opportunities

Swift response to manage an unprecedented global downturn

Oct 2008

- Group-wide streamlining of management focus on Top 5 Priorities
- Major cost restructuring programme commenced
- Weekly performance management system to reduce inventory

Nov 2008

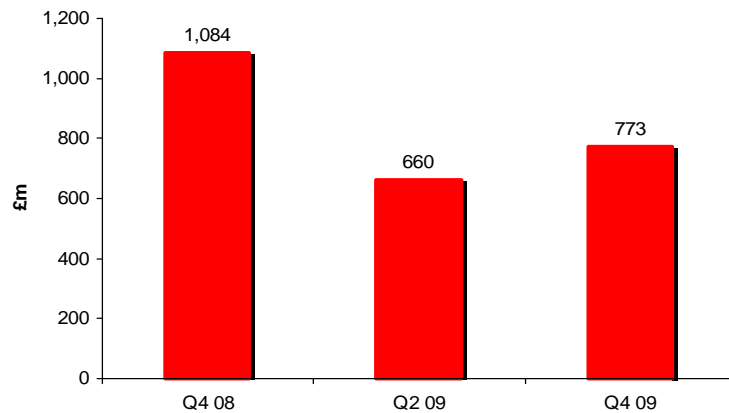
- Changed management bonus metrics from economic profit to operating cash flow
- Final 2008 dividend cancelled to protect 2009 cash flow

Apr 2009

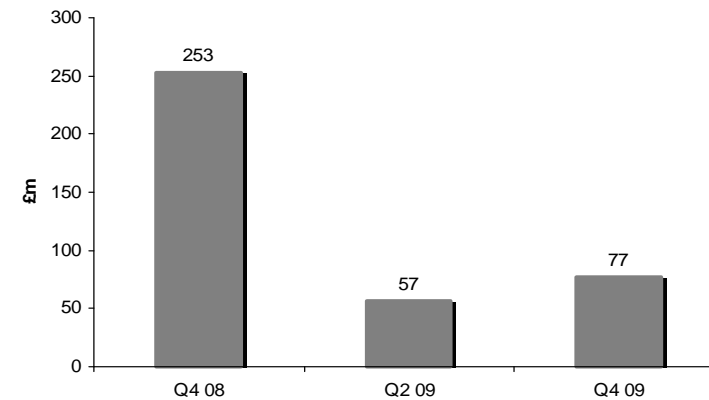
- Successful Rights Issue to re-establish balance sheet strength with support of our shareholders raised £234.3m

Working capital reduction of £176m

Inventory



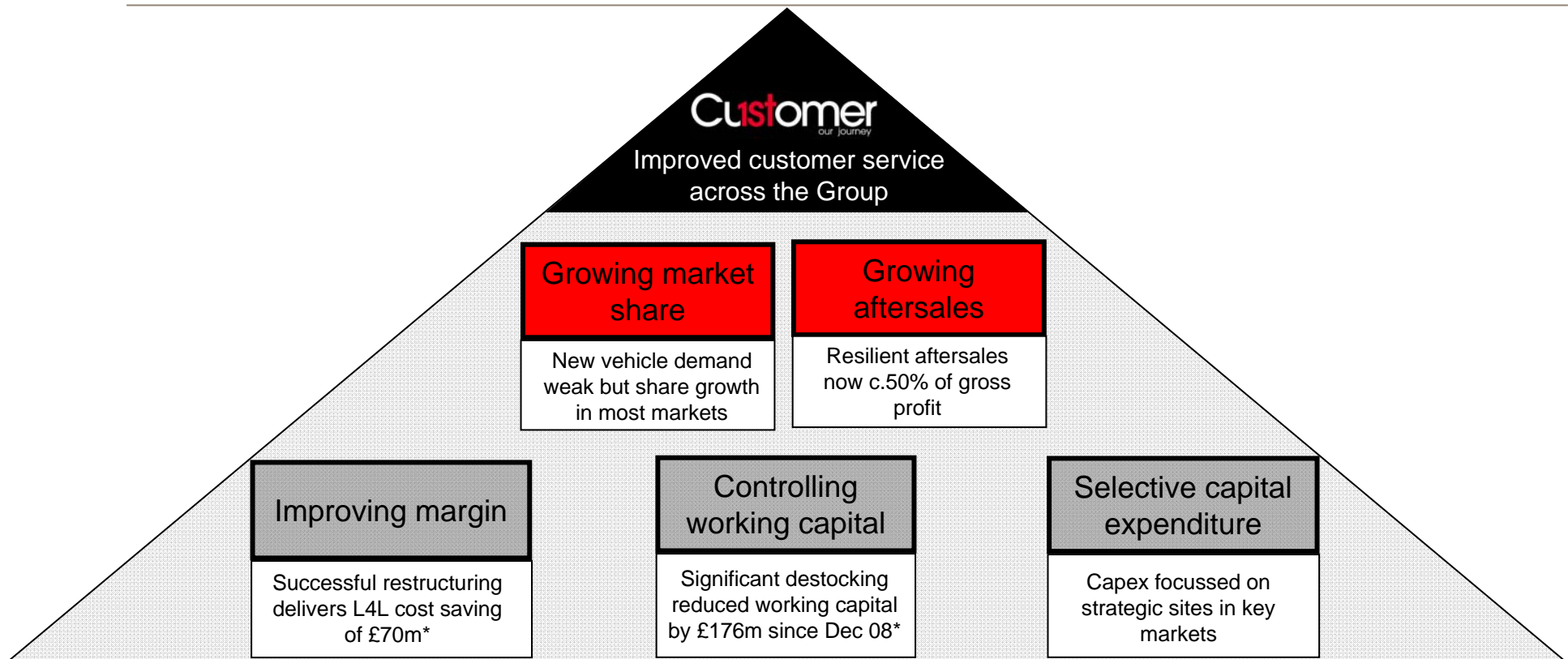
Working capital



Stock cover target of 1.5 months achieved 7 months ahead of plan

* Management definition of Working Capital: inventory, receivables, payables and supplier related credit ** At actual rates

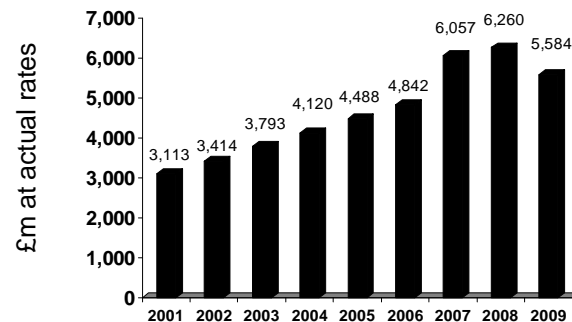
Balanced focus on cost / cash flow and customer service / market share



Successful management of the downturn has improved Inchcape's competitive position

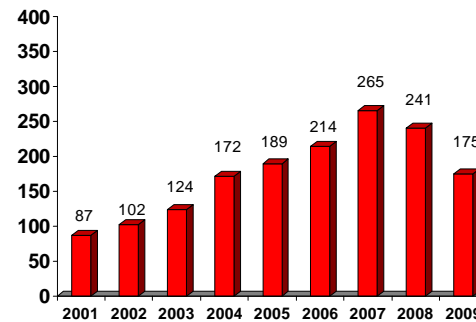
Record operating cash flow generation

Sales



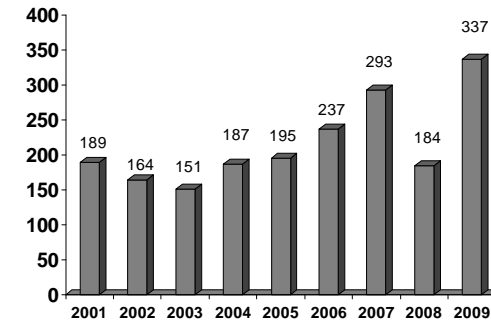
CAGR 7.6%

Operating profit*



CAGR 9.1%

Cash flow from operations



CAGR 7.5%

Profit and cash performance demonstrate the defensive strengths of Inchcape's business model

* Pre exceptional items

Notes: 2001-2003 statutory but non IFRS basis



Financial Results

John McConnell

Group Finance Director

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Summary P&L

	2009	2008	Change
	£m	£m	%
Sales	5,583.7	6,259.8	(10.8)
Operating profit *	175.2	240.5	(27.2)
Net financing costs	20.8	52.0	(60.0)
Profit before tax*	155.1	190.7	(18.7)
Tax rate (%)	28.0	25.9	2.1ppt
Basic adjusted EPS (p)**	2.7	5.0	(2.3)p

* Before exceptional items ** Adjusted to reflect the bonus element of the Rights Issue

Note: All numbers at actual exchange rates

Segmental performance

	2009 £m	2008 £m	Change %
Sales			
Distribution	2,427.0	2,654.7	(8.6)
Retail	3,156.7	3,605.1	(12.4)
	5,583.7	6,259.8	(10.8)
Operating profit*			
Distribution	137.6	192.9	(28.7)
Retail	56.4	57.2	(1.4)
Central costs	(18.8)	(9.6)	95.8
	175.2	240.5	(27.2)
Operating margin*			
Distribution	5.7%	7.3%	(1.6)ppt
Retail	1.8%	1.6%	0.2ppt
	3.1%	3.8%	(0.7)ppt

* Before exceptional items

Note: All numbers at actual exchange rates

Distribution: trading profit and margin

	Trading profit*		Trading margin*	
	2009 £m	2008 £m	2009 %	2008 %
Australasia	26.7	33.3	5.6	7.3
Europe	30.2	39.9	3.8	4.8
North Asia	19.9	38.7	6.4	10.2
South Asia	55.9	63.0	10.2	11.8
UK	3.9	(5.7)	13.0	(27.5)
Russia and Emerging Markets	1.0	23.7	0.4	5.6
	137.6	192.9	5.7	7.3

* Before exceptional items

All numbers at actual exchange rates

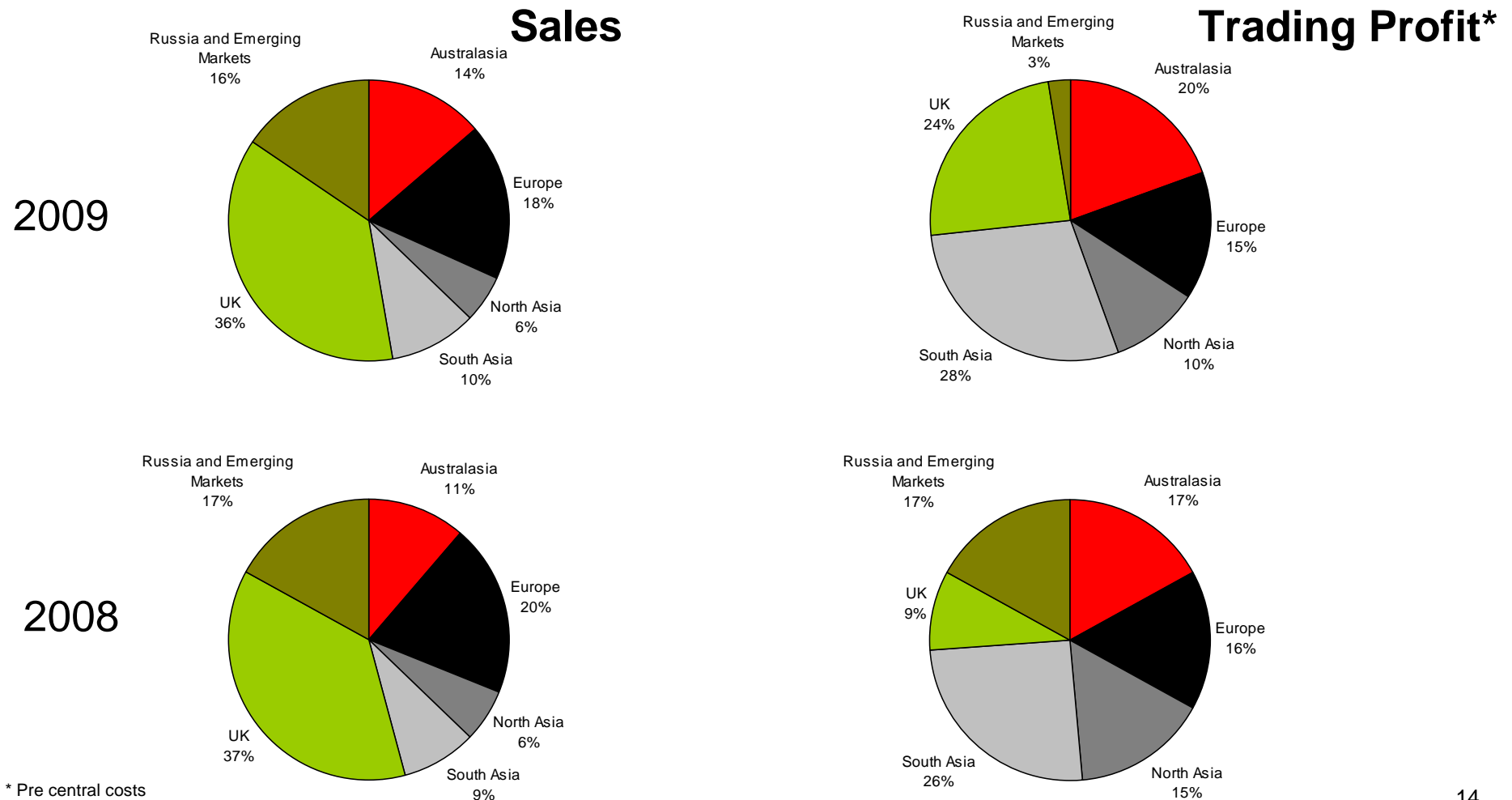
Retail: trading profit and trading margin

	Trading profit*		Trading margin*	
	2009 £m	2008 £m	2009 %	2008 %
Australasia	11.2	8.9	3.9	3.4
Europe	(1.6)	0.7	(0.8)	0.2
UK	42.8	28.8	2.1	1.2
Russia and Emerging Markets	4.0	18.8	0.7	3.0
	56.4	57.2	1.8	1.6

* Before exceptional items

All numbers at actual exchange rates

Regional analysis: sales and trading profit*



Cash flow

Operating cash flow	2009 £m	2008 £m	Free cash flow	2009 £m	2008 £m	Net cash	2009 £m	2008 £m
Operating profit**	175.2	240.5	Operating cash flow	368.6	199.8	Free cash flow	224.6	(16.2)
Depreciation / amortisation	35.6	31.2	Net interest	(32.9)	(54.0)	Share issue	234.3	3.0
Working capital	178.9	(75.2)	Taxation	(58.5)	(57.6)	Dividends	-	(73.1)
Other	(21.1)	3.3	Minority interest	(3.7)	(2.6)	Share buyback	-	(16.0)
			Net capex	(48.9)	(101.8)	Pension	(31.9)	(16.2)
						Acquisitions	(21.1)	(153.0)
						Disposals	3.0	27.3
						Other	7.7	13.3
						Net cash flow	416.6	(230.9)
						Opening net debt	(407.8)	(213.5)
						Translation on net debt*	(8.0)	36.6
Operating cash flow	368.6	199.8	Free cash flow	224.6	(16.2)	Closing net debt	0.8	(407.8)

* Includes fair value re-measurements

** Pre exceptional items

All numbers at actual exchange rates

Net financing costs

	2009 £m	2008 £m
Bank and loan interest	(4.2)	(9.3)
Stock holding interest	(9.2)	(21.5)
Interest on private placement notes	(7.8)	(18.2)
Pension interest net	5.6	6.3
Other including capitalised interest adj.	(6.1)	(12.1)
Interest excluding mark to market	(21.7)	(54.8)
FV on private placement	67.7	(144.8)
FV on cross currency interest rate swaps	(70.8)	147.6
Mark to market expense	(3.1)	2.8
FV gain on swap restructuring	4.0	-
Total net finance costs	(20.8)	(52.0)

All numbers at actual exchange rates

Exceptional items

	Q2 2009 £m
Vacant property	(3.0)
Other asset impairment	(10.3)
Restructuring costs	(5.1)
TOTAL	(18.4)

Impact of currency on operating profit*

Full Year	2008 @ actual exchange rates	2009 @ 2008 actual rates	2009 @ actual exchange rates	Impact
Australasia	42.2	34.5	37.9	3.4
Europe	40.6	25.2	28.6	3.4
North Asia	38.7	16.6	19.9	3.3
South Asia	63.0	48.2	55.9	7.7
Russia and EM	42.5	7.7	5.0	(2.7)
Total overseas	227.0	132.2	147.3	15.1
UK	23.1	46.7	46.7	-
Central costs	(9.6)	(18.8)	(18.8)	-
Operating profit	240.5	160.1	175.2	15.1

* Pre exceptional items



Strategic update and outlook

André Lacroix

Group Chief Executive

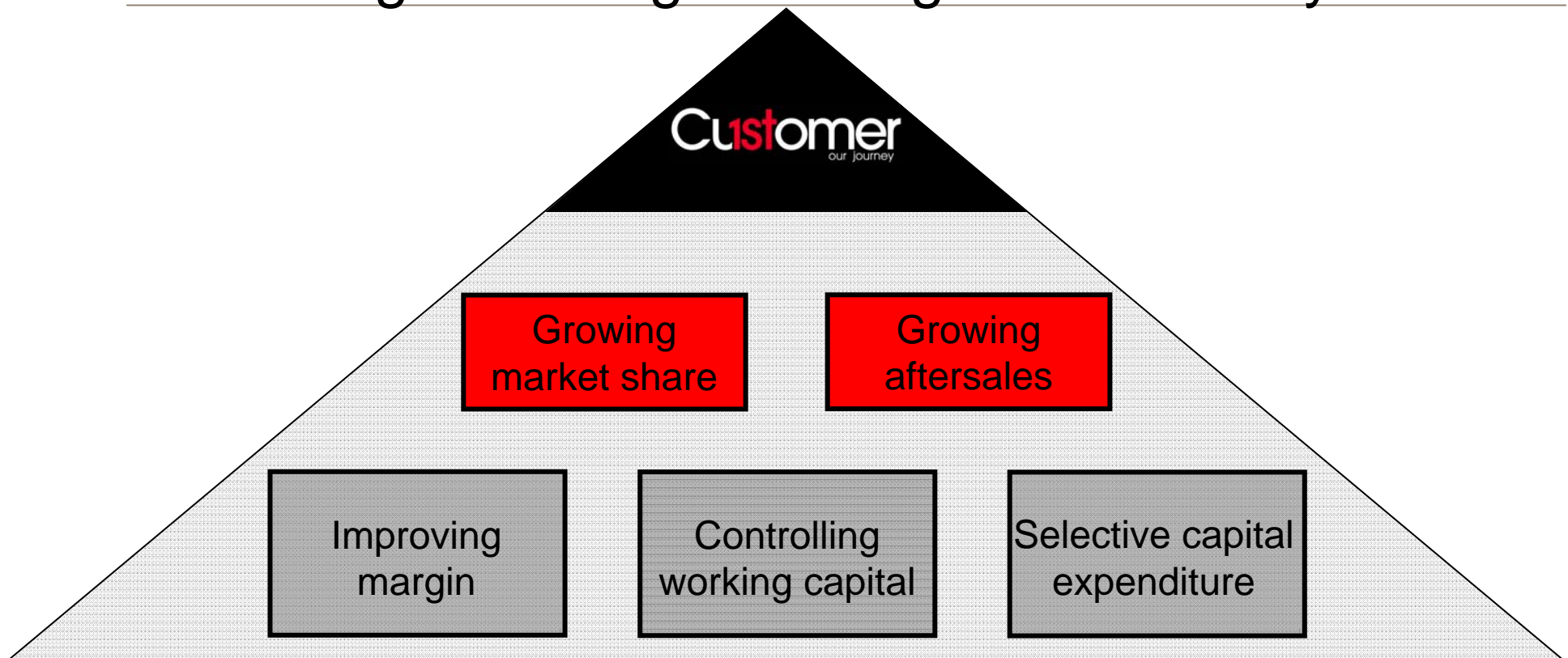
Uniquely positioned
worldwide...

2010 Outlook

- We remain cautious for 2010, continue to not expect start of a global industry recovery until well into H2 2010:
 - Consumer confidence is still weak in most countries
 - Unemployment to continue to rise in many key markets
- From a geographic portfolio perspective, we expect:
 - Stronger markets in Hong Kong and Australia
 - Stable markets in Belgium and Finland
 - Market declines in the UK, Greece, Singapore, Eastern Europe and Russia
- We have the financial strength and flexibility to continue to:
 - Trade effectively
 - Further improve our competitive position

**We are confident in our ability to deliver a
robust performance in 2010**

Focus on our Top 5 Priorities in 2010 will be key to taking advantage of the global recovery



Disciplined performance management and consistent operational focus on our Top 5 will continue to strengthen Inchcape's position

Strong Inchcape Advantage processes in place to drive market share and aftersales

Distribution

Growing market share

- Marketing calendar focused on driving traffic
- Targeted planning with lower advertising costs
- Innovation with new products / limited editions
- Campaigns focused on core models with product and value for money offers

Growing aftersales

- Targeted direct marketing to improve retention
- Parts & Accessories promotions
- Sales skills training for Service Advisors to drive up-sell activities
- Innovative all-inclusive service packages

Retail

- Inchcape Advantage metrics captured daily provides performance management data: traffic, lead capture, test drives, conversion
- Leveraging new model launches / F&I and accessories up-sell
- Disciplined use of NPS and Mystery Shop feedback to continuously improve customer service

- Inchcape Advantage metrics captured daily provides performance management data: service enquiries, bookings, hours sold, workshop productivity
- Express service
- Vehicle Health Check, Oil / Tyre programmes
- Disciplined use of NPS and Mystery Shop feedback to continuously improve customer service

Inchcape Advantage is our competitive advantage

Toyota product recall update at 10th March

Key Facts

- Inchcape Toyota car parc 1.2m
- Customer enquiries 32k, 3% of car parc
- Vehicles recalled for accelerator repair in Europe 122k
 - Accelerator pedal repairs by Inchcape 24k
- 3rd generation Prius sold by Inchcape 2400
 - Prius services by Inchcape 1280

Key Initiatives

- Proactive communication with Toyota customers
- Recall operation presents several opportunities:
 - Reconnect with Toyota motorists and update database
 - Demonstrate superior customer care
 - Additional service hours for each repair
 - Aftersales upside through Vehicle Health Check
- Tracking in place to monitor impact on Toyota brand perception
- Q2 marketing calendar unchanged, supporting launch of new Auris at Geneva motor show

UK

Outperforming the industry

2009 TIV	2m, -6.4% vs. 2008
2009	<ul style="list-style-type: none"> • Retail market up 14% ; Fleet / Business market down 21% • Positive impact of scrappage scheme • Inchcape outperformed market, gaining share of Premium segment and Total market • Benefited from Used car demand and margin improvement • Aftersales resilient in recession • Strong cost reduction
2010 TIV est.	1.8m, -10% vs. 2009
2010	<ul style="list-style-type: none"> • Continue to grow market share through superior Inchcape Advantage Customer 1st processes and capitalising on strong new product launches from Audi (A1), BMW (5 and 7 Series), Mercedes-Benz (CLS and E Estate) Toyota (Auris/HSD, Rav4), VW (Touareg, Sharan and Touran) and the Jaguar XJ • Further develop prospecting / conversion / retention aftersales programmes with Inchcape Advantage initiatives focused on appointment desk, follow-up calls, electronic vehicle health check and loyalty offerings • Maintain significant achievements in working capital through tight stock control and overhead reduction • Limit capital investment to brand standards requirements



Audi A1

BMW 5

CLS

E Class estate

Auris

Rav4

VW Sharan

Jaguar XJ

Europe

Focused on market share growth

	Belgium	Greece
2009 TIV	531k, -14% vs. 2008	236k, -19% vs. 2008
2009	<ul style="list-style-type: none"> • Margin pressure due to aggressive competitor pricing • Stronger H2 market share through extensive new model launches: Avensis, IQ, Urban Cruiser, Landcruiser, Verso and Prius hybrid • Successful Lexus launch of new hybrid RX450h and the IS Convertible 	<ul style="list-style-type: none"> • Severe economic conditions, despite actions taken by government to support sector • Maintained clear leadership in an unstable market, achieving a total market share of over 10% through swift adaptation to market conditions, effective campaigns, new products and Toyota Optimal Drive Technologies on core models
2010 TIV est.	542k, +2% vs. 2009	180k, -24% vs. 2009
2010	<ul style="list-style-type: none"> • Share growth built on strong momentum from January Motor show and further roll-out of Inchcape Advantage processes into third-party dealer network • Capitalise on launch of upgraded Rav4, Auris and Yaris, special editions and promote Toyota Optimal Drive • Lead the hybrid segment growth with Toyota Prius, the new Auris Hybrid and Lexus Hybrid Drive • Aftersales growth through Inchcape Advantage vehicle health checks • Plan for 2 new network openings and 5 refurbishments. • Tight inventory management and control aged stock. • Customer-centric handling of Toyota recall 	<ul style="list-style-type: none"> • Maintain market leadership position through further improving sales funnel efficiency: Capitalise on new test drive programme and leverage face-lifted Rav4, Auris, Yaris, special editions and Toyota Optimal Drive • Lead the hybrid segment growth with 3rd generation Toyota Prius, new Auris Hybrid and Lexus Hybrid Drive • Drive aftersales growth through new service reminder programme; increase aftersales customer retention through enhanced loyalty programmes • Grow margin through increased accessories sales per car sold plus improved F&I penetration • Customer-centric handling of Toyota recall



Rav4



Auris



Yaris



Land Cruiser



South Asia

Strong leadership in a constrained market

	Singapore
2009 TIV	80k, -28% vs. 2008
2009	<ul style="list-style-type: none"> • Market decline accelerated by a slowing of deregistrations and high COE prices • Gained 3.7 ppt market share to 21.4% due to strong marketing campaigns, weakening parallel importers and successful leverage of new products (Toyota Prius, Wish, HiAce, Lexus IS250C, RX350/450h) • Excellent performance in aftersales through innovative marketing programmes
2010 TIV est.	60k, -25% vs. 2009
2010	<ul style="list-style-type: none"> • Strengthen market leadership position through the launch of Camry Hybrid, Wish 1.8, the new Vios, the new Suzuki Grand Vitara and good value limited editions • Lead hybrid segment growth with Toyota and Lexus Synergy Drive • Drive customer funnel conversion through improved lead management and focus on test drives • Outperform aftersales market through expansion of customer contact team and activities to grow enquires traffic and capture rate • Maintain inventory levels in line with demand • Proactive brand management and high level of customer care following Prius recall



Camry Hybrid



Wish



Vios



Altis



Lexus RX 270



Grand Vitara

North Asia

Taking advantage of a strong market recovery

	Hong Kong
2009 TIV	27k, -28% vs. 2008
2009	<ul style="list-style-type: none"> • Maintained market leadership position despite aggressive pricing from European competitors as they sought to clear stock, a weak commercial vehicle segment and issues of weak supply in H2 • Successful new product launches: Toyota Alphard 240, Wish 2.0 and Ractis, Lexus RX350/450h, ISC and Mazda 3 and 2 • Strong growth in aftersales with improved recovery rate • Significant reduction in working capital
2010 TIV est.	32k, +20% vs. 2009
2010	<ul style="list-style-type: none"> • Leverage another strong year of new product launches to grow market share and margin: Toyota Prado, Previa, Vellfire and Wish 1.8. Lexus RX270, Mazda5, Mazda6 and Jaguar XJ • Grow the hybrid category with industry leading Synergy Drive technology • Continue growth momentum in aftersales performance through innovative marketing programmes and added-value packages (e.g. free pre-MOT inspection, packaged car care product promotions) • Treat Prius recall as opportunity to further cement Crown Motor's reputation for superior customer service.



Prado

Previas

Vellfire

Wish

Lexus RX

Mazda5

Mazda6

Jaguar XJ

Australasia

Growing share in a strong market

	Australia Distribution	Australia Retail
2009 TIV	937k -7%	
2009	<ul style="list-style-type: none"> • Record Subaru market share of 3.9% • Successful launch of new Liberty/Outback and Exiga • Forester No 1 Compact SUV • Strong Aftersales performance 	<ul style="list-style-type: none"> • Record Operating Profit. RoS 3.9% • Strong aftersales growth driven by express service initiative • Strong used car demand and margins
2010 TIV est.	950k, +2% vs. 2009	
2010	<ul style="list-style-type: none"> • Leverage FY new model launches – Liberty / Outback and Limited Editions • Launch ‘All for the Driver’ campaign • Maintain tight control of overheads and working capital • Grow aftersales 	<ul style="list-style-type: none"> • Grow vehicle volume through Customer 1st processes • Leverage full year of new model launches • Grow aftersales • Maintain tight control of inventory



Subaru Tribeca



Subaru Impreza



Subaru Forester



Subaru Liberty



Subaru Outback

Russia

Outperforming the competition

2009 TIV	1.42m, -52% vs. 2008
2009	<ul style="list-style-type: none"> • Market fully impacted by the downturn but our large scale facilities delivered solid profitability • Market share improvement in St Petersburg and Moscow supported by new model launches from BMW (X1, 5GT), Audi (R8, Q7, A5 sports back, TT RS, A5), Land Rover (Discovery 4) Peugeot (308) and Renault (Laguna and Megane Coupé, Kaleos D and Clio) • Successful integration of Musa Motors into Inchcape Russia. Significant overhead cost reduction
2010 TIV est.	1.3m, -8% vs. 2009
2010	<ul style="list-style-type: none"> • Continue to improve our competitive position in St Petersburg and Moscow through superior operating and customer facing processes • Leverage strong new product launches from BMW (X3, 5 series), VW (Touareg), Volvo (S60), Lexus (GX460), Audi (A1, A7, A8) • Continue to grow aftersales through traffic-driving programmes, improved sales skills and vehicle health checks • Rigorous focus on margin, overhead management and control of working capital



BMW 3

BMW 5

Touareg

Volvo S60

Audi A1

Audi A7

Sanero

Megane Coupé

Emerging Markets

Strengthening our position

	The Baltics	The Balkans	Poland	China
2009 TIV	23k, -66% vs. 2008	167k, -54% vs. 2008	320k, +0% vs. 2008	8.4m, +48% vs. 2008
2009	<ul style="list-style-type: none"> Markets extremely challenging, reflecting credit availability issues and economic instability Structural rightsizing 	<ul style="list-style-type: none"> Markets extremely challenging, reflecting credit availability issues and economic instability Strengthened leadership position in Bulgaria. 	<ul style="list-style-type: none"> 1% GDP growth Leveraged new location to achieve Revenue and GM growth Positive impact from Inchcape Advantage for aftersales Record profitability 	<ul style="list-style-type: none"> Government stimulus measures resulted in significant growth of cars <1.6 litre New Lexus centre in Shanghai Strong team in place and site economics making good progress
2010 TIV est.	17k, -25% vs. 2009	135k, -25% vs. 2009	340k, +6% vs. 2009	9.9m, +15% vs. 2009
2010	<ul style="list-style-type: none"> Disciplined daily sales funnel management Leverage new product launches Implement Inchcape Advantage aftersales processes Tight cost control 	<ul style="list-style-type: none"> Grow share in Bulgaria and Romania with strong focus on Yaris and Auris Focus on aftersales upselling, price packaging 	<ul style="list-style-type: none"> Continue to grow market share, aftersales and margin Leverage strong new product launches from BMW: X3, 5 series sedan and touring, 3 series Coupé and Convertible. 	<ul style="list-style-type: none"> Ramp-up new Shanghai site Focus on market share and aftersales growth with Inchcape Advantage Identify expansion opportunities



Rav4



Auris



Yaris



BMW X3



BMW 5



BMW 3

Uniquely positioned worldwide

- Global industry leader...

- Biggest and strongest independent Distributor and Retailer in global car industry
- Broad geographic spread, one of the UK's most international retailers
- Operate in 26 mature and emerging markets – a leader in 14
- Scale presence in core markets
- Growth and Defensive value drivers

- ...strong EBIT and cash performance in the downturn...

- Market share gains
- Quality of business model/scale
- Importance of defensive value drivers
- Right balance on cost/cash initiatives and customer service/market share performance

- ...creating great value from great brands...

- Partner to the strongest automotive brands
- Differentiated customer service strategy with a proven track record delivering superior customer service at each stage of customer journey
- Proprietary operating processes/metrics
- Operational excellence a key advantage for emerging market expansion

- ...best positioned for the global recovery.

- Organic growth with strong operational gearing opportunities
- Green technology to accelerate vehicle replacement cycle in developed markets
- Increased wealth together with low car penetration to create demand in emerging markets
- Financial firepower to take advantage of consolidation opportunities



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Appendices

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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

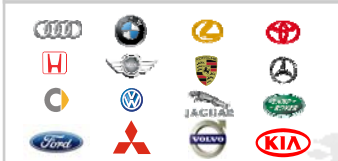





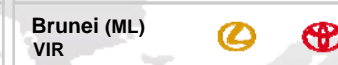


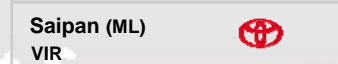






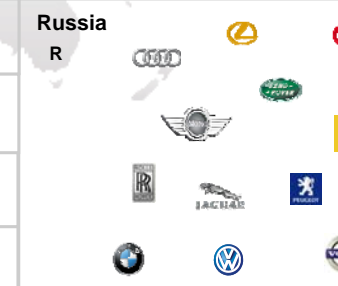


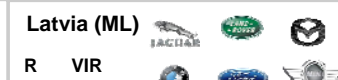






Emerging markets

Emerging markets are those markets in which the Group operates that have started to grow but have yet to reach a mature stage of development and accordingly are in the growth phase of the development cycle

This currently covers the following countries:

- The Balkans
- The Baltics
- Poland
- Russia
- China
- Africa
- South America

Broad geographic spread – truly international

United Kingdom (MLP) R	Australasia	South Asia	North Asia	Europe
37% of '09 Group Revenue 24% of '09 Group Trading profit	14% of '09 Group Revenue 19% of '09 Group Trading profit	10% of '09 Group Revenue 29% of '09 Group Trading profit	6% of '09 Group Revenue 10% of '09 Group Trading profit	18% of '09 Group Revenue 15% of '09 Group Trading profit
	Australia  D R	Singapore (ML)  VIR	Hong Kong (ML)  VIR	Belgium  D R
Key: R = Retail D = Distribution VIR = Vertically integrated retail (ML) = A market leader (MLP) = A market leader, premium brands	New Zealand  D	Brunei (ML)  VIR	Guam (ML)  VIR	Greece (ML)  D R
			Saipan (ML)  VIR	Finland  D R
			Macau (ML)  VIR	Luxembourg  D R
Russia and Emerging Markets 15% of '09 Group Revenue 3% of '09 Group Trading profit	Chile (MLP)  R VIR	Ethiopia (ML)  VIR	Macedonia  VIR	Russia  R
Albania D 	China R 	Latvia (ML)  R VIR	Peru (MLP)  VIR	
Bulgaria (ML) D R 	Estonia  VIR	Lithuania (ML)  R VIR	Poland R 	
			Romania D R 	

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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