

Industry leader

Interim results presentation
2 August 2007



Industry leader... delivering on our strategy

André Lacroix
Group Chief Executive



Group financial highlights – record trading performance

- Sales* up 31% to £3.2bn
 - Like-for-like sales* up 3.1%
- Operating profit** up 26.1% to £138.6m
 - Like-for-like profit increase of 5.9%
- EPS*** up 2.2% to 18.9p
- Interim dividend up 5.0% to 5.25p

Acceleration of sales and profit growth

* At constant currency

** Pre exceptional items, at constant currency

*** Normalised

H1 2007 Operational and strategic highlights

- Record profit for the Group, and in Australia, Greece, Belgium, UK and Emerging Markets
- Emerging Markets sales doubled and profits tripled
- Existing businesses strengthened: share gain in 16 markets and like for like profit up 5.9%
- Successful portfolio rebalancing: 44% profit growth outside of Asia

Inchcape is motoring ahead

Industry leader... delivering on our strategy

Barbara Richmond
Group Finance Director



Sales

	H1 2007 £m	H1 2006 £m	Change %	Change % constant currency	Like-for-like change % constant currency
Distribution	1,263.3	1,312.5	(3.7)	0.2	0.3
Retail	1,873.2	1,128.1	66.0	67.1	6.4
Total	3,136.5	2,440.6	28.5	31.1	3.1

Trading profit & ROS

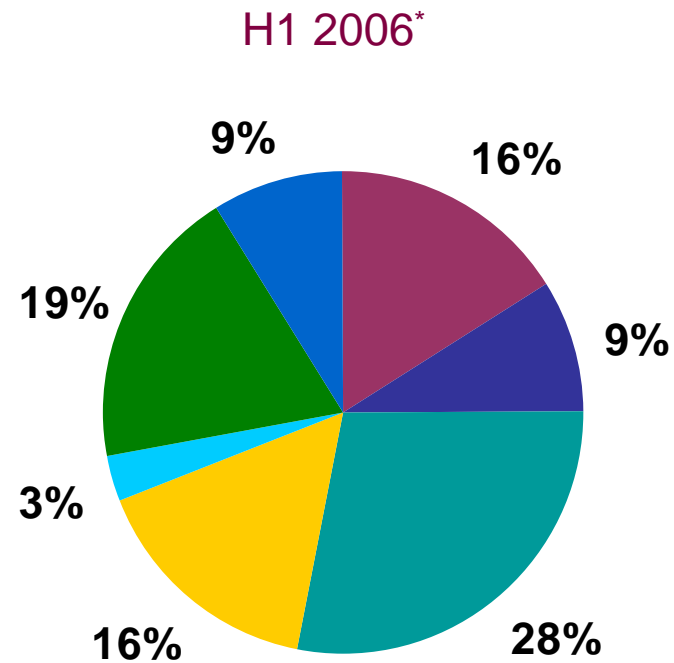
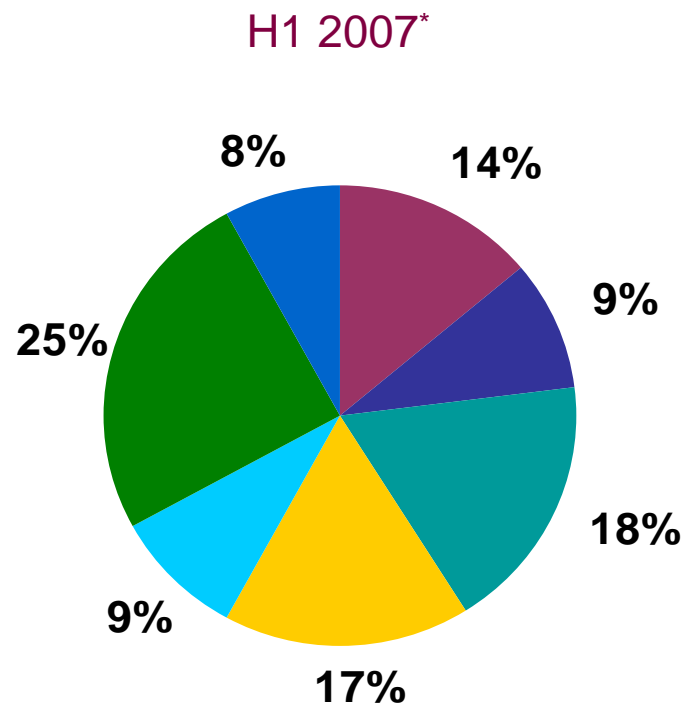
Trading Profit	H1 2007 £m	H1 2006 £m	Change %	Change % constant currency	Like-for-like change % constant currency
Distribution	98.9	95.3	3.8	9.2	5.6
Retail	45.2	25.1	80.1	81.5	7.0
Total	144.1	120.4	19.7	24.2	5.9

ROS (%)	H1 2007	H1 2006	Change ppt	Like-for-like change ppt
Distribution	7.8	7.3	0.5	0.4
Retail	2.4	2.2	0.2	-
Total	4.6	4.9	(0.3)	0.15

Impact of currency on pre-tax profit

£m	H1 2007 actual exchange rates	H1 2007 constant currency	Currency impact
Hong Kong	13.2	14.7	1.5
Singapore	25.6	27.0	1.4
Australia	20.5	20.9	0.4
Europe	24.3	24.8	0.5
Emerging markets	12.4	12.8	0.4
Rest of World	12.3	13.6	1.3
Trading profits			<hr/> 5.5
Interest/JV & Assoc PAT			<hr/> 0.2
Pre-tax profit			<hr/> 5.7 <hr/>

Regional analysis – trading profit



* Before central costs

** Excluding UK and Emerging Markets

■ Australia
■ Singapore
■ Emerging Markets
■ ROW

■ Hong Kong
■ Europe**
■ UK

Australia*

		Distribution £m	Distribution change %	Retail £m	Retail change %
• Record profits					
• Distribution profits up over 20%					
• Distribution sales lower due to model run outs	Sales	211.1	(3.8)	122.6	5.9
	Like-for-like sales	211.1	(3.8)	114.4	(1.2)
• Distribution margins up due to special editions	Trading profit	17.3	20.3	3.7	(16.5)
	Like-for-like profit	17.3	20.3	4.0	(9.1)
• Retail profits lower in competitive market	ROS %	8.2	1.6ppt	3.0	(0.8)ppt
• New Impreza model launch September 2007					

Hong Kong (VIR)

	£m	Change %
<ul style="list-style-type: none"> • Strong sales recovery • New models and store relocation boost sales • Government incentive increased hybrid sales • Market share improvement to 37% (2006: 36%) 		
Sales	123.0	16.0
Like-for-like sales	97.6	12.8
Trading profit*	11.8	16.8
Like-for-like profit*	9.0	12.0
ROS %*	9.2	-

Singapore (VIR)

• Expected weakness	£m	Change %
• New car market decline of 7.1%		
• Sales down 20.9%	Sales	283.2 (20.9)
<ul style="list-style-type: none"> • No taxi sales in 2007 • Growth of parallel imports (PI) continues 	Like-for-like sales	283.2 (20.9)
	Trading profit	27.0 (20.2)
• Market share decline of 6pp	Like-for-like profit	27.0 (20.2)
• Initiatives in place to maintain margin	ROS %	9.5 0.1ppt

Europe

		Distribution £m	Distribution change %	Retail £m	Retail change %
• Excellent performances across the region					
• Record results in Greece and Belgium	Sales	468.2	9.0	207.8	(8.9)
• Distribution market share increased in Greece, Belgium and Finland	Like-for-like sales	468.2	9.0	202.0	4.3
	Trading profit	23.9	16.8	0.8	NA*
	Like-for-like profit	23.9	16.8	1.1	NA*
• Successful Retail turnaround	ROS %	5.1	0.3ppt	0.4	NA*

UK

		Distribution £m	Distribution change %	Retail £m	Retail change %
<ul style="list-style-type: none"> Retail like-for-like sales up 5.1% 					
<ul style="list-style-type: none"> UK market up 2.0% in first half 	Sales	43.0	(19.8)	1,397.8	91.6
<ul style="list-style-type: none"> LFL ROS still strong at 2.7% 	Like-for-like sales	15.3	(25.7)	716.9	5.1
<ul style="list-style-type: none"> Combined UK Retail business ROS of 2.4% <ul style="list-style-type: none"> Effect of acquisitions Pressure on used car volumes and margins 	Trading profit	1.8	(30.8)	34.0	65.1
	Like-for-like profit	2.1	(23.9)	19.1	(1.2)
	ROS %	4.2	(0.6)ppt	2.4	(0.4)ppt

Emerging markets

		Distribution £m	Distribution change %	Retail £m	Retail change %
• Sales up 130% and profit up 200%					
• Like-for-like sales up 54% and profit up 84%	Sales	59.6	66.5	155.2	183.4
	Like-for-like sales	59.6	66.5	79.7	45.4
• Balkans Distribution market share increased to 4.0% (2006: 3.2%)	Trading profit	5.7	74.3	7.0	745.6
	Like-for-like profit	5.7	74.3	1.8	120.1
• Russian business performing well; H1 sales £76m	ROS %	9.6	0.4ppt	4.5	3.0ppt
• Toyota showroom opened in China in January 2007					

Net interest, taxation and dividend

	H1 2007	H1 2006
Net interest cost	14.9	0.6
Tax rate (%)	25	21.7
EPS (p)*	18.9	18.5
Dividend per share (p)	5.25	5.0
Free cash flow per share (p)	27.6	33.1
Dividend cover		
Earnings (times)	3.6	3.7
Cash	5.2	6.7

* normalised

Cash flow and net debt

Operating cash flow	£m	Free cash flow	£m	Net cash	£m
Operating profit*	133.2	Operating cash flow	186.2	Free cash flow	127.1
Depreciation/ amortisation	17.7	Net interest	(12.9)	Dividends	(46.6)
Working capital	37.7	Taxation	(22.2)	Pension	(9.5)
Other	(2.4)	Minority interest	(1.6)	Acquisitions	(261.8)
		Capex (net)	(22.4)	Disposals	70.6
				Shares	6.7
				Net cash flow	(113.5)
				Opening net debt	(19.0)
				Translation on net debt**	2.6
Operating cash flow	186.2	Free cash flow	127.1	Closing net debt	(129.9)

Funding

	H1 2007	H1 2006
Capital expenditure (net)	22.4	16.3
Acquisitions (net)	191.2	19.5

- Syndicated revolving credit facility of £500m, expires 2012
- US\$ 550m raised through private placement
- Bilateral of £35m expires 2010

Financial summary

- Continued strength in Europe
- Strong UK performance in challenging market
- Continuing weakness as expected in Singapore
- Recovery in Hong Kong
- Rapid growth in Emerging Markets
- Continued strong cash generation

Industry leader... delivering on our strategy

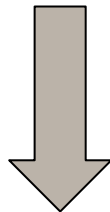
André Lacroix
Group Chief Executive



Strategy in Action – 2007 priorities

Strengthen

- New model launches
- UK Transformation
- Continuous focus on operational excellence



H1 like-for-like sales growth +3.1%
H1 like-for-like profit growth +5.9%

Expand

- Russia start up
- Build scale in Eastern Europe
- China start up



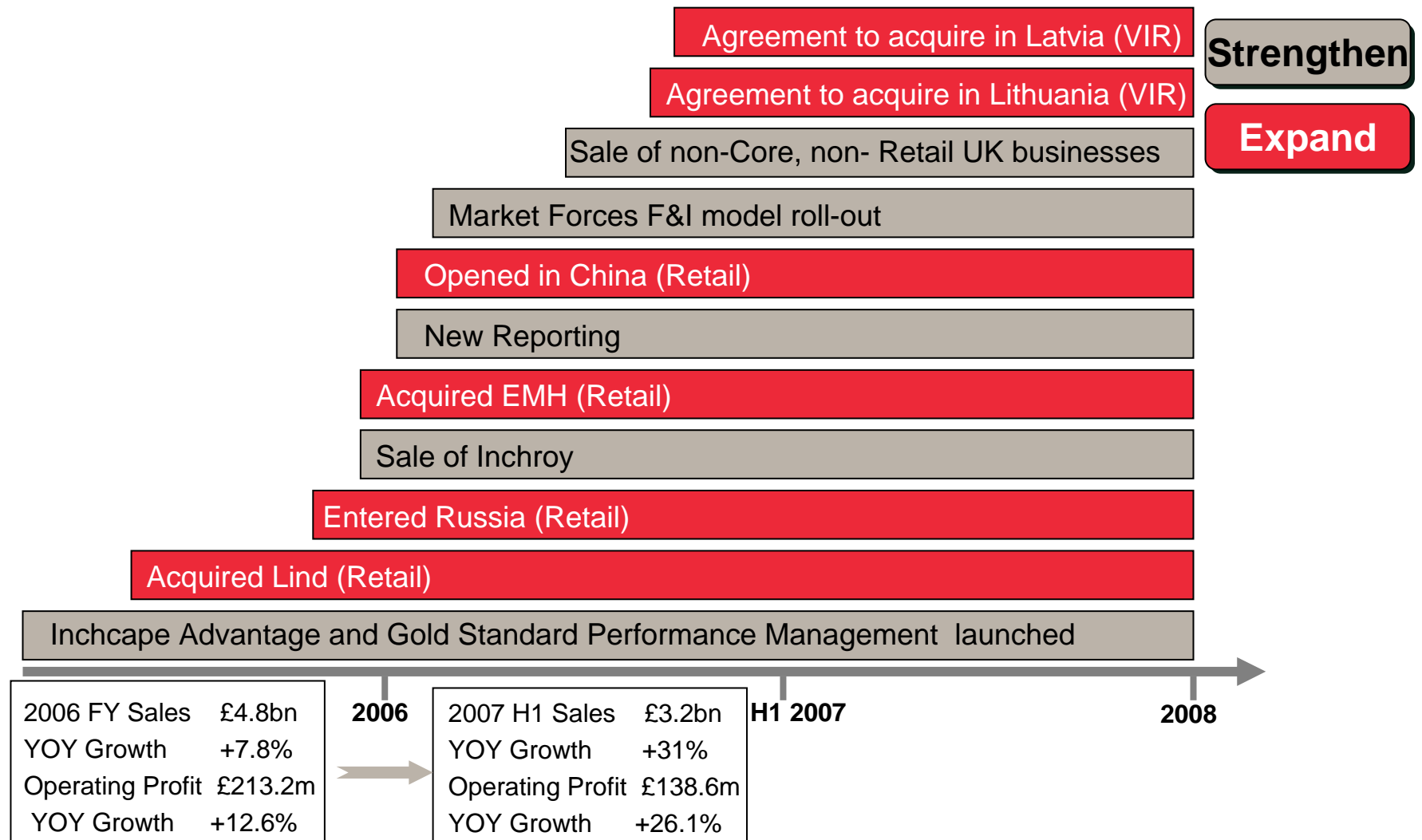
H1 £125m investment committed in emerging markets

Clear strategic focus across our markets



8 core markets represent 84% of Group profits

Delivering on our strategy



UK Retail H1 2007 performance

- Record sales up 92% and record operating profit up 65%
- LFL turnover up 5.1%, accelerated from +3.3% in Q1 to +6.4% in Q2
 - New 4.4%
 - Used 4.8%
 - Service 1.6%
 - Parts 8.6%
- Industry leading LFL ROS of 2.7% (- 0.1pt YOY)
 - Used car margin erosion offset by improved efficiency & cost control
- Former Lind business now integrated with improved ROS
- EMH integration on track

Strengthen

UK transformation strategy

- The premium segment continues to outperform the market
- Lind acquisition delivering YOY ROS improvement

	Lind H2 2006	Lind H1 2007
• Used to new ratio	0.76	0.71
• F&I penetration	37.4%	37.8%
• Parts Sales/Service hours	£83.90	£87.60
• Service productivity	91.6%	92.9%

- EMH integration progressing well
 - Streamlined management structure and head office closed
- UK business rationalisation progressing

UK H2 outlook

- Continue to out perform the market with strong like for like sales growth
 - Key model launches: Audi A5, Mercedes C Class, BMW X5, BMW 3 Cabriolet, MINI Clubman, Lexus LS600h
 - Further progress on our Inchcape Advantage customer service initiative
 - Focus on value drivers: vehicles, parts and service
 - Cost, mix and working capital management
- Further integration benefits from both the Lind and EMH businesses
- Premium segment expected to grow share

Strong recovery in Hong Kong

H1 Highlights

- Market rebound, up 5.4%
- Inchcape share of 37.4% (+1.3pt YOY)
- Strong Lexus performance, registrations up 69%
- Double digit sales and profit growth with strong ROS of 9.6%

H2 Priorities

- Strong sales momentum expected with new model introductions
 - Lexus: LS600h, GS face lift
 - Toyota: New Corolla and re-introduction of Alphard
- Continue the focus on the highly profitable after sales segment

Addressing challenges in Singapore

Strengthen

H1 Highlights

- **Challenging environment:** market contraction and growth of parallel imports
- **Lack of taxi sales:** no Toyota Euro IV product available
- Sales and profit decline but **healthy ROS of 9.5% retained**

H2 Outlook

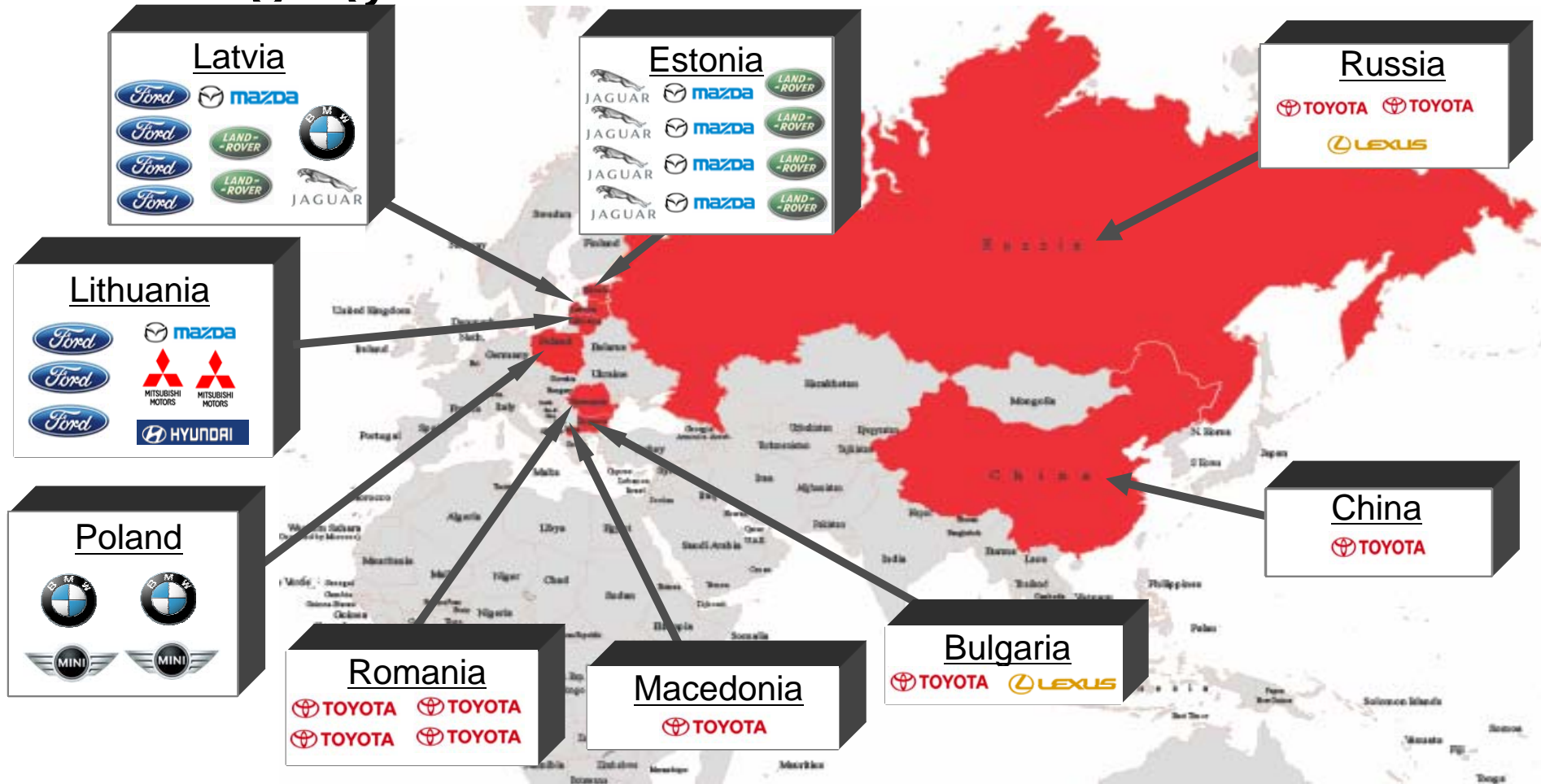
- Protect our market leadership position in a declining market
 - 40th anniversary campaign in September with limited editions
 - Launch of new models: Wish in December; New Corolla in February 2008
 - Improve share in luxury segment with Lexus
 - Regain taxi presence: Euro IV model under development
- Strengthen our aftersales activities

Portfolio rebalancing reduces weighting to 18% v 28% YOY



Building Retail and Distribution in emerging markets

Expand

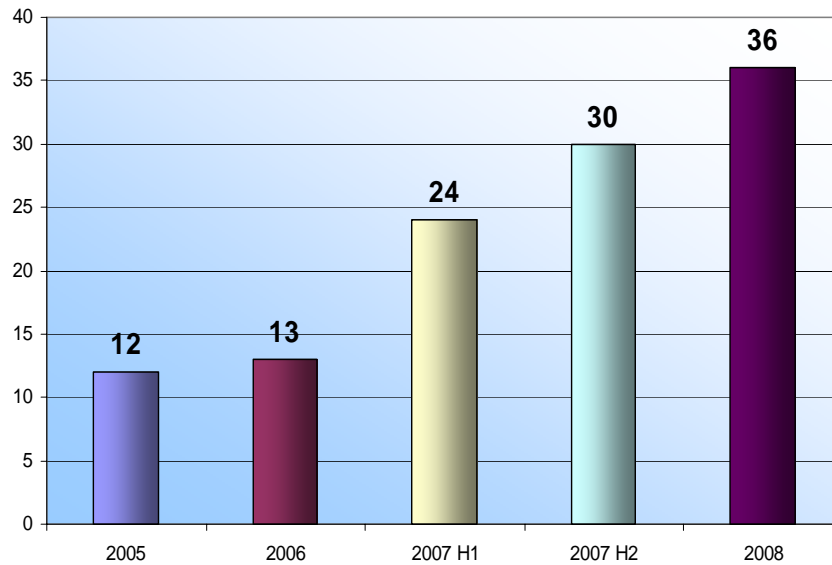


From 13 Retail sites in 2006 to 24 at the end of H1 2007

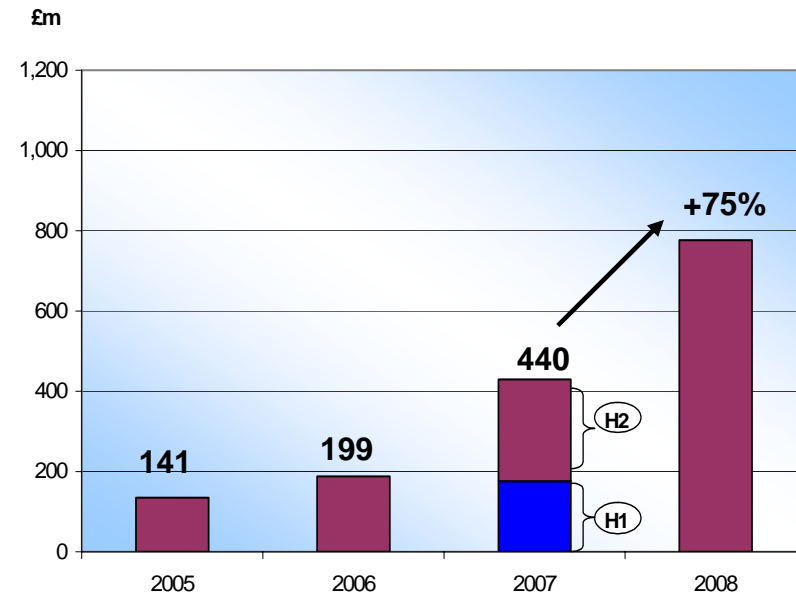
We are building scale in emerging markets

Expand

- Tripling number of retail sites by 2008
- Targeting over 75% increase in revenues by 2008
- High margin region



Retail centres



Emerging markets turnover

Acquisitions in the Baltics give leading market share

Expand



- Lithuania: leading 20% market share
 - 67% stake in UAB Vitvela
 - Leadership position with distribution and retail of Mazda, Ford and Mitsubishi; leading share of Hyundai retail



- Latvia: market leader with over 10% market share
 - 100% Baltic Motors & SIA BM Auto
 - Leadership position with distribution and retail of Ford, Jaguar, Land Rover and Mazda; Retail of BMW

Building scale business in Russia

Expand



- Market up 70% in the first half of 2007
- Establishing two anchor points in St Petersburg and Moscow
- Excellent ROS performance
- Strong growth potential
- Developing further expansion opportunities - greenfield and acquisition

Clear entry strategy on China

Expand



- Market up by 26% in first half

Greater Shanghai Focus as step 1

Shaoxing Toyota: opened Jan 2007

Shaoxing Lexus: opening Q4 2007

Shanghai Lexus: opening Q1 2008

Pursuing greenfield and acquisition opportunities to build scale in the three biggest regional markets: Shanghai, Beijing, Guangzhou

Strong growth in 2007 and beyond

Strengthen

Expand

- Acceleration of sales and profit growth momentum
- Record trading performance in H1 2007
- Emerging Market sales doubled and profits tripled
- UK transformational strategy out performing the market

Broader and stronger geographic spread



Appendices



Like-for-like definition

- Following are excluded from like-for-like sales:
 - Businesses that are acquired, from the date of acquisition until the 13th month of ownership
 - Businesses that are sold or closed
 - Retail centres that are relocated from the date of opening until the 13th month of trading in the new location

Emerging markets definition

- Emerging markets are those markets in which the Group operates and where total new vehicle volume sales by international brands are growing by 10% or above per annum
- This currently covers the following countries:
 - The Balkans
 - The Baltics
 - China
 - Poland
 - Russia

2006 Business segmental H1/H2 split

2006

	Distribution								Retail							
	Australia £m	Europe £m	Hong Kong £m	Singapore £m	United Kingdom £m	Emerging Markets £m	Rest of World £m	Total Distribution £m	Australia £m	Europe £m	United Kingdom £m	Emerging Markets £m	Total Retail £m	Total pre Central £m	Central £m	Total
H1																
Revenue from third parties	219.5	429.5	106.0	358.2	53.6	32.3	110.0	1,309.1	115.8	234.2	729.4	52.1	1,131.5	2,440.6	-	2,440.6
Results																
Operating profit	14.4	20.5	10.1	33.8	2.6	3.3	10.6	95.3	4.4	(1.3)	20.6	1.4	25.1	120.4	(10.4)	110.0
Share of profit after tax of joint ventures and associates	-	0.8	1.3	-	0.4	-	0.1	2.6	-	-	-	-	-	2.6	-	2.6
Profit before finance and tax	14.4	21.3	11.4	33.8	3.0	3.3	10.7	97.9	4.4	(1.3)	20.6	1.4	25.1	123.0	(10.4)	112.6
H2																
Revenue from third parties	180.2	348.9	118.8	301.3	44.2	45.6	115.4	1,154.4	101.1	190.1	884.7	71.2	1,247.1	2,401.5	-	2,401.5
Results																
Operating profit	13.8	20.6	13.9	24.8	1.2	5.1	10.8	90.2	5.9	(1.5)	21.5	2.3	28.2	118.4	(14.5)	103.9
Share of profit after tax of joint ventures and associates	-	1.0	1.5	-	0.5	-	0.3	3.3	-	-	-	-	-	3.3	-	3.3
Profit before finance and tax	13.8	21.6	15.4	24.8	1.7	5.1	11.1	93.5	5.9	(1.5)	21.5	2.3	28.2	121.7	(14.5)	107.2
FULL YEAR																
Revenue from third parties	399.7	778.4	224.8	659.5	97.8	77.9	225.4	2,463.5	216.9	424.3	1,614.1	123.3	2,378.6	4,842.1	-	4,842.1
Results																
Operating profit	28.2	41.1	24.0	58.6	3.8	8.4	21.4	185.5	10.3	(2.8)	42.1	3.7	53.3	238.8	(24.9)	213.9
Share of profit after tax of joint ventures and associates	-	1.8	2.8	-	0.9	-	0.4	5.9	-	-	-	-	-	5.9	-	5.9
Profit before finance and tax	28.2	42.9	26.8	58.6	4.7	8.4	21.8	191.4	10.3	(2.8)	42.1	3.7	53.3	244.7	(24.9)	219.8

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