



2010 Interim Results

29 July 2010

Uniquely positioned
worldwide...



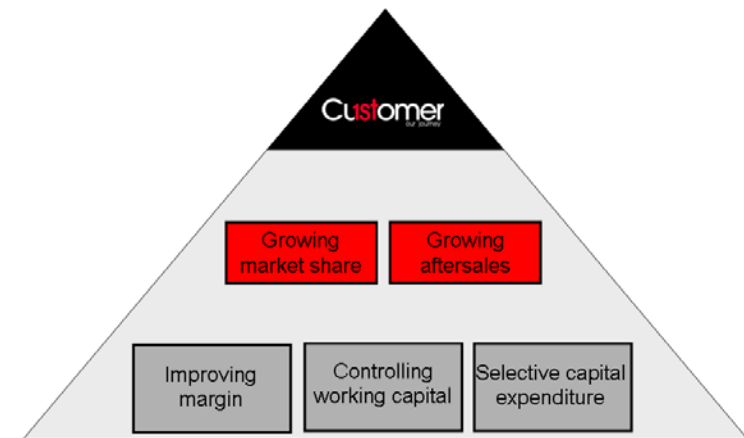
André Lacroix

Group Chief Executive

Uniquely positioned
worldwide...

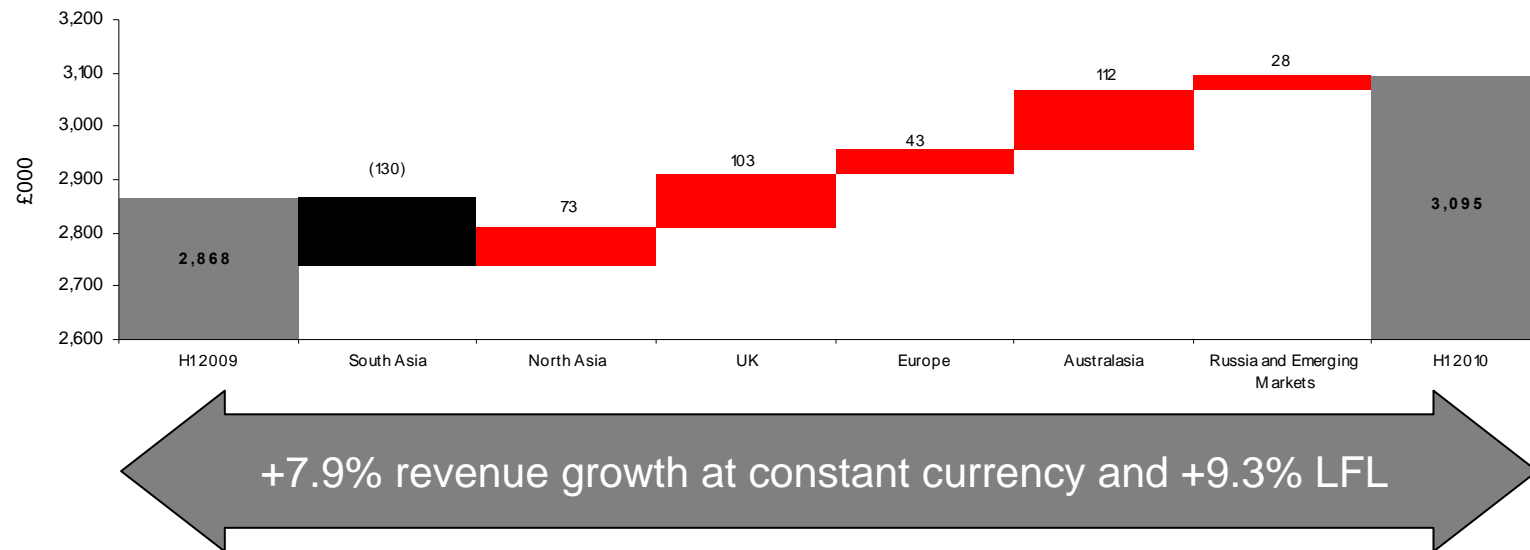
Operational focus on our Top Five Priorities continues to deliver robust results

- Solid revenue growth:
 - +11.1% year on year at actual rates
 - +7.9% year on year at constant currency
- Strong profit performance:
 - £115.2m PBT*
 - +76% year on year at actual rates
 - +68% at constant currency
- Strong operational leverage:
 - 80 BPS** year on year ROS increase to 4.0%
- Good cash conversion:
 - £86m of free cash flow generated in H1
 - £85m of net cash



Improved financial position and confidence in the
Group's earnings recovery

Solid revenue growth given the strength of Inchcape's international portfolio and diversified revenue streams



3 consecutive quarters of LFL Revenue growth

Q4 2009 vs. 2008 + 3.8%*

Q1 2010 vs. 2009 +13.5%

Q2 2010 vs. 2009 + 5.2%

Strong operational leverage driven by our day to day focus on gross margin, cost and cash

	H1 2010	H1 2009	Δ
Revenue	3,095.2	2,867.6	7.9%
Gross profit	455.9	425.1	7.2%
<i>Gross margin</i>	<i>14.7%</i>	<i>14.8%</i>	<i>(0.1)ppt</i>
Costs	(332.2)	(333.2)	0.3%
Operating profit*	123.7	91.9	34.6%
<i>ROS</i>	<i>4.0%</i>	<i>3.2%</i>	<i>80BPS</i>
Interest & JVs	(8.5)	(23.2)	(63.8)%
PBT*	115.2	68.7	67.7%
Net cash / (debt)**	84.9	(28.1)	+£113.0m

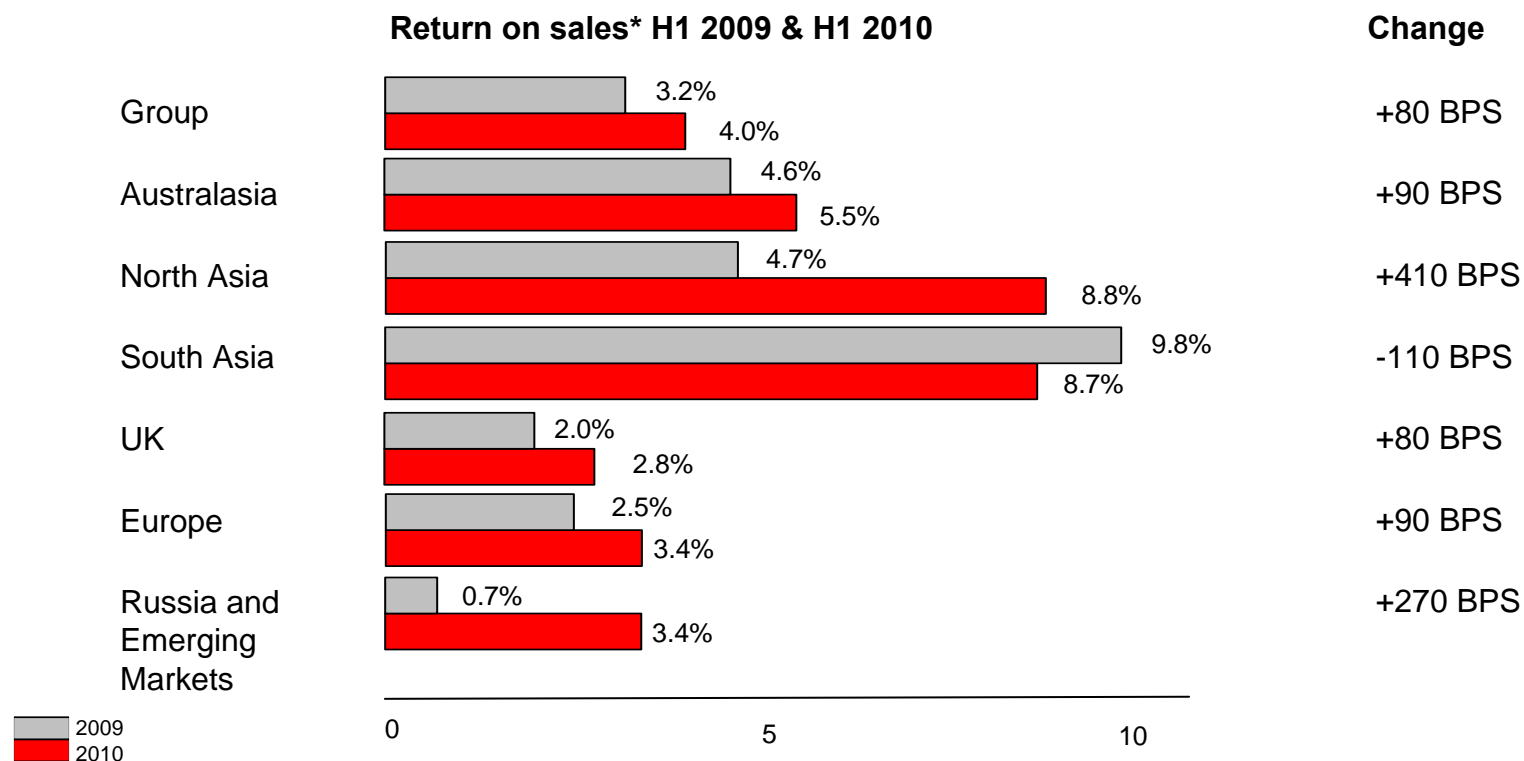
Note: At constant currency

* Pre exceptional items

** At actual rate

+80 BPS year-on-year increase in ROS

Most regions contributed to the strong operational leverage performance

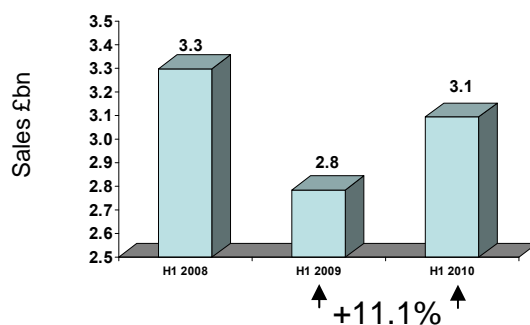


Scale positions in the local markets is
a key advantage for Inchcape during the recovery

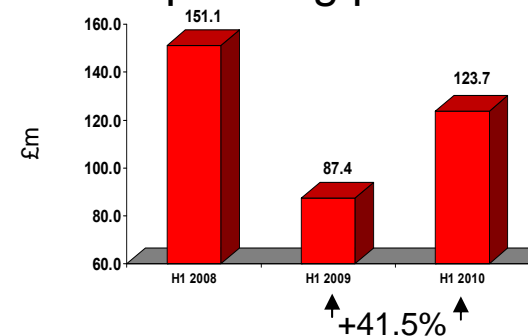
* Pre exceptional items at constant currency and excludes the property profits in Australia and the land provision in Romania

Robust first half recovery

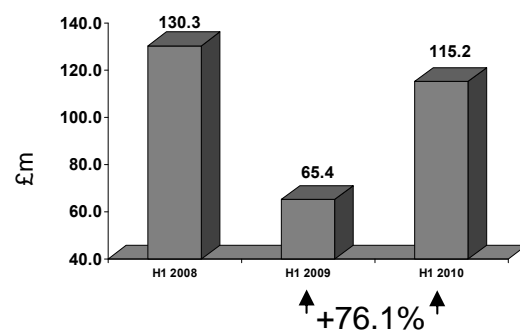
Revenue



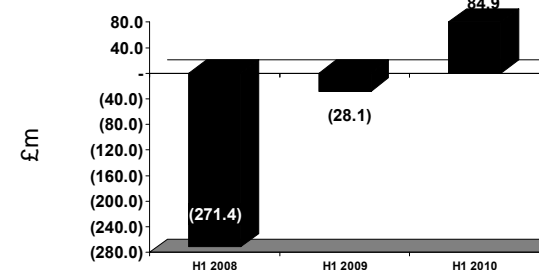
Operating profit*



Profit before tax*



Net cash/(debt)



Financial position further strengthened

* Pre exceptional items

All at actual rates

Confidence in the Group's earnings recovery

- Stronger than expected PBT performance of £115.2m, 76% ahead of 2009 and 12% below the peak achieved in H1 2008
- Improved financial position with £84.9m of net cash and confidence in the Group's cash generation moving forward
- The Board intends to recommend a final dividend for the current financial year
- Dividend policy and level of payment will be determined in the light of full year 2010 results and 2011 prospects

Return to dividend payment in 2011



Financial Results

John McConnell

Group Finance Director

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Summary P&L

	H1 2010 £m	H1 2009 £m	Change %
Sales	3,095.2	2,785.7	11.1%
Operating profit*	123.7	87.4	41.5%
Net financing costs	(8.5)	(22.4)	(62.1)%
Profit before tax*	115.2	65.4	76.1%
Tax rate (%)	28.9	30.7	(1.8)ppt
Basic adjusted EPS (p)**	17.2	12.7	35.4%

* Before exceptional items ** Adjusted for the share consolidation

Note: All numbers at actual exchange rates

Impact of currency on operating profit*

H1 2010	2009 @ actual exchange rates	2010 @ 2009 actual rates	2010 @ actual exchange rates	Impact
Australasia	16.6	30.5	37.4	6.9
Europe	13.4	19.5	18.8	(0.7)
North Asia	6.7	19.0	18.5	(0.5)
South Asia	31.1	16.6	17.3	0.7
Russia and EM	3.4	9.7	8.6	(1.1)
Total overseas	71.2	95.3	100.6	5.3
UK	19.6	31.2	31.2	-
Central costs	(3.4)	(8.2)	(8.1)	0.1
Operating profit	87.4	118.3	123.7	5.4

* Pre exceptional items

Segmental performance

	H1 2010 £m	H1 2009 £m	Change %
Sales			
Distribution	1,355.7	1,248.4	8.6%
Retail	1,739.5	1,537.3	13.2%
	3,095.2	2,785.7	11.1%
Operating profit*			
Distribution	91.2	64.2	42.1%
Retail	40.6	26.6	52.6%
Central costs	(8.1)	(3.4)	138.2%
	123.7	87.4	41.5%
Operating margin*			
Distribution	6.7%	5.1%	1.6ppt
Retail	2.3%	1.7%	0.6ppt
	4.0%	3.1%	0.9ppt

* Before exceptional items

Note: All numbers at actual exchange rates

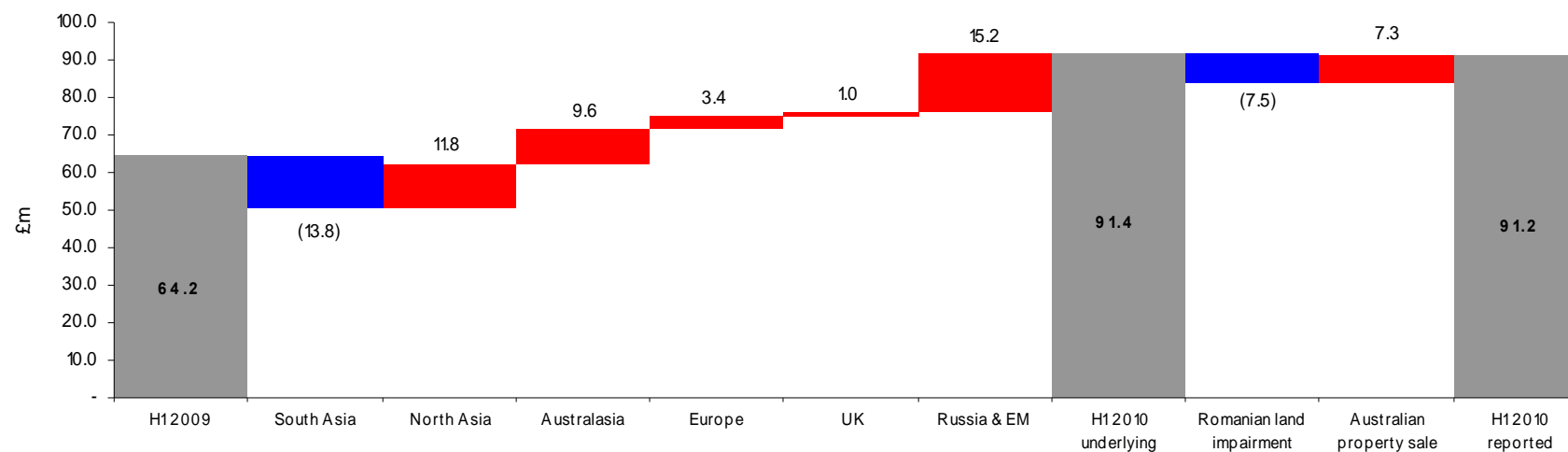
Distribution: trading profit, margin and cash flow

	Trading profit*		Trading margin*		Operating cash flows	
	H1 2010 £m	H1 2009 £m	H1 2010 %	H1 2009 %	H1 2010 £m	H1 2009 £m
Australasia	29.7	12.8	8.2%	5.9%	34.5	24.0
Europe	17.9	14.5	4.0%	3.5%	(2.8)	63.7
North Asia	18.5	6.7	8.8%	4.7%	6.7	36.9
South Asia	17.3	31.1	8.7%	9.8%	1.9	49.6
UK	2.7	1.7	13.6%	12.1%	8.1	3.7
Russia and Emerging Markets	5.1	(2.6)	4.3%	(1.8)%	14.6	24.9
	91.2	64.2	6.7%	5.1%	63.0	202.8

* Before exceptional items

All numbers at actual exchange rates

Distribution : underlying segmental profit



All numbers at actual exchange rates

Retail: trading profit, margin and cash flow

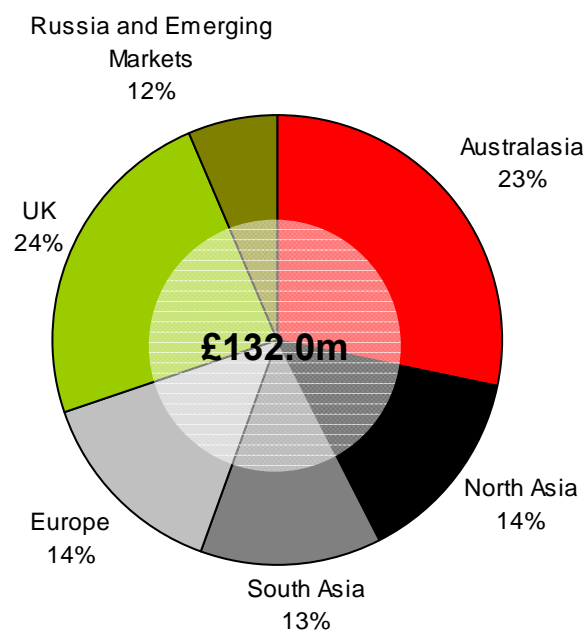
	Trading profit*		Trading margin*		Operating cash flows	
	H1 2010 £m	H1 2009 £m	H1 2010 %	H1 2009 %	H1 2010 £m	H1 2009 £m
Australasia	7.7	3.8	4.0%	2.7%	6.9	14.2
Europe	0.9	(1.1)	0.9%	(1.0)%	0.2	6.2
UK	28.5	17.9	2.6%	1.8%	50.0	47.6
Russia and Emerging Markets	3.5	6.0	1.0%	2.0%	23.6	21.4
	40.6	26.6	2.3%	1.7%	80.7	89.4

* Before exceptional items

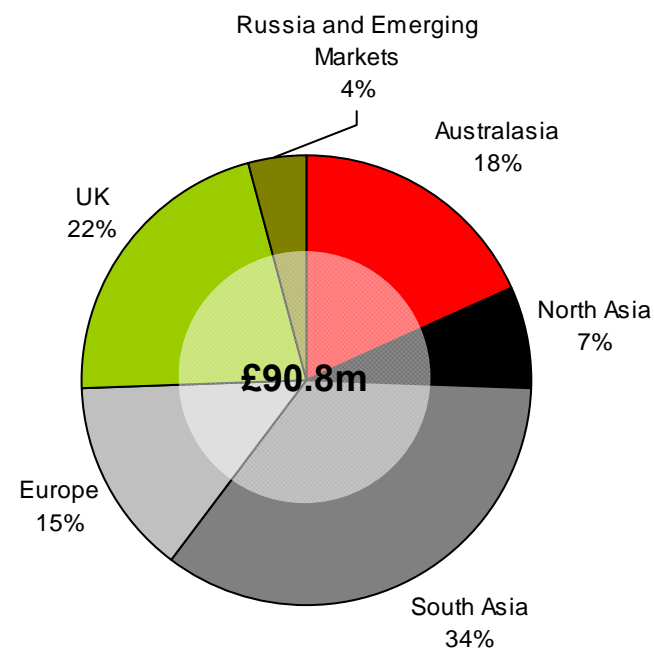
All numbers at actual exchange rates

Regional analysis: Underlying trading profit

H1 2010



H1 2009



* Note: trading profit excludes central costs and exceptional items and Australia property profit/Romania impairment

Cash flow

Operating cash flow	H1 10 £m	H1 09 £m	Free cash flow	H1 10 £m	H1 09 £m	Net cash	H1 10 £m	H1 09 £m
Operating profit**	123.7	87.4	Operating cash flow	121.3	288.9	Free cash flow	86.4	188.4
Depreciation / amortisation	23.3	17.1	Net interest	(4.8)	(26.5)	Share issue	-	234.3
Working capital	(21.9)	207.3	Taxation	(30.4)	(28.3)	Pension	(16.8)	(17.2)
Other	(3.8)	(22.9)	Minority interest	(2.0)	(3.4)	Disposals	-	2.0
			Net capex	2.3	(42.3)	Other	16.9	(6.1)
						Net cash flow	86.5	401.4
						Opening net cash (debt)	0.8	(407.8)
						Translation on net cash (debt)*	(2.4)	(21.7)
Operating cash flow	121.3	288.9	Free cash flow	86.4	188.4	Closing net cash (debt)	84.9	(28.1)

* Includes fair value re-measurements

** Pre exceptional items

All numbers at actual exchange rates

Net financing costs

	H1 2010 £m	H1 2009 £m
Bank and loan interest	(0.5)	3.4
Stock holding interest	7.0	5.0
Interest on private placement notes	1.6	6.3
Pension interest net	(0.2)	(2.6)
Other including capitalised interest adj.	(1.9)	6.4
Interest excluding mark to market	6.0	18.5
FV on private placement	43.2	(73.7)
FV on cross currency interest rate swaps	(40.7)	81.6
Mark to market expense	2.5	7.9
FV gain on swap restructuring	-	(4.0)
Total net finance costs	8.5	22.4

All numbers at actual exchange rates

Guidance – Full Year 2010

- Tax rate 29%

- Interest cost £12-£15m
(excl. mark to market)

- Capital expenditure £50-55m

- Net cash Broadly similar position to
half year of £85m



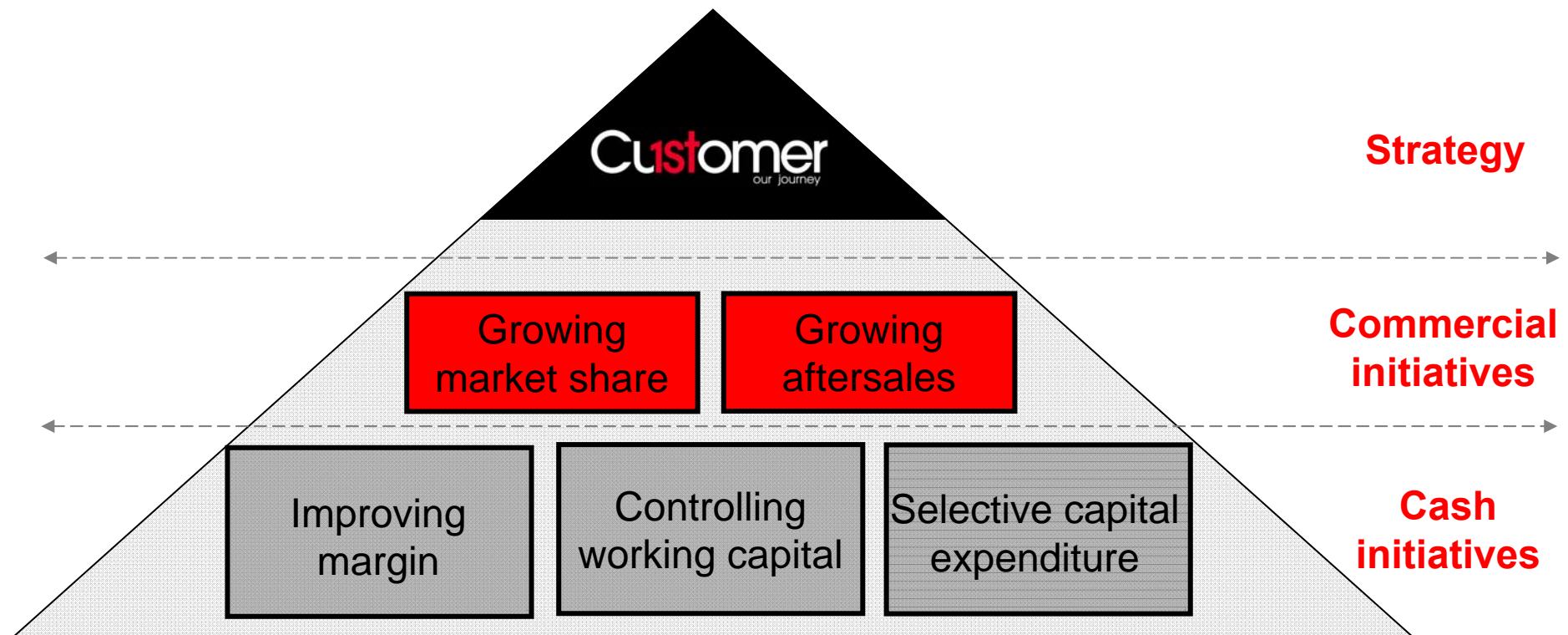
Business update and outlook

André Lacroix

Group Chief Executive

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Focus on our Top Five Priorities will remain in place to further improve Inchcape's competitive position



2010 Outlook

- We expect the continuation of an uneven global recovery:
 - European Governments' austerity measures could affect consumer confidence and slow down the global recovery that is being driven by sustainable growth momentum in Asia and the Emerging Markets
- New cars in H2, we expect...
 - Continued growth in Hong Kong, Australia, New Zealand, South America, Africa, smaller Asian markets and Finland
 - Start of an industry recovery in Russia and the Baltics
 - Flat demand in Belgium
 - Lower demand in Greece, Singapore, UK and the Balkans
- Our Used car business should benefit from robust margins and resilient demand
- Our Aftersales business (c.50% of Group gross margin) will benefit from good growth momentum

Overall, we expect the Group to deliver a strong performance in 2010

Toyota recall update

Key Facts

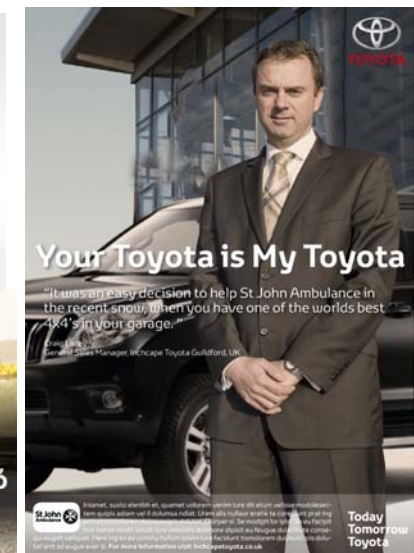
- Inchcape car parc: 1.1m
- Vehicles affected: 122k
- Customer enquiries: 6%
- Repaired vehicles: 80%

H2 Focus

Sales and marketing focus on new product launches (Auris Hybrid) and brand communication programme to rebuild trust with conquest buyers

Inchcape Toyota Europe

	H1 2010	YOY
Volume	28,837	+4.3%
Share	5.6%	+10BPS



UK Retail

Strong revenue growth and record ROS

2010 TIV est.	H1 actual: 1.1m, +20% vs. 2009 FY estimate: 2.0m, flat vs. 2009
H1 2010 achievements	<ul style="list-style-type: none"> Continued to grow market share through superior Inchcape Advantage Customer 1st processes and capitalising on strong new product launches. Improved gross margins in New, Used and Fleet sales through strong processes, effective purchasing and new F&I products £28.5m trading profit
H2 2010	<ul style="list-style-type: none"> Capitalise on strong new product launches from H1 and in H2 and expected demand uplift prior to year-end VAT increase Further develop Aftersales with prospecting / conversion / retention programmes with Inchcape Advantage initiatives focused on appointment desk, follow-up calls, electronic vehicle health check and loyalty offerings Tight controls on costs remain in place Maintain significant achievements in working capital through tight stock control and overhead reduction

2010 New product launches



H1	H1	H1	H1	H2	H2	H2	H2
							
BMW 5	E Class estate	Audi A8	Rav4	Jaguar XJ	Audi A1	Auris Hybrid	VW Golf Estate

Europe

Resilient performance despite challenging conditions in Greece and the Toyota recall

	Belgium	Greece
2010 TIV est.	H1 actual: 351k, +16% vs. 2009 FY estimate: 576k, +9% vs. 2009	H1 actual: 105k, -13% vs. 2009 FY estimate: 150k, -36% vs. 2009
H1 2010 achievements	<ul style="list-style-type: none"> • Good growth in both Vehicle sales and Aftersales segments. • Launch of unique '555' value proposition – 5 years free warranty, servicing and roadside assistance • Customer-centric handling of Toyota recall refreshed database and strengthened customer relationships 	<ul style="list-style-type: none"> • Maintained market leadership position through further improvement in sales funnel efficiency, capitalising on new test drive programme and leveraging new products. • Customer-centric handling of Toyota recall refreshed database and strengthened customer relationships
H2 2010	<ul style="list-style-type: none"> • Capitalise on launch of Auris Hybrid benefiting from 15% discount and positioned as alternative to key diesel competitors in C segment. • Leverage strong momentum in 4x4 following launch of new Land Cruiser and RAV 4. • Aftersales growth through Inchcape Advantage vehicle health checks • Plan for 2 new network openings and 5 refurbishments. • Tight inventory management and control aged stock 	<ul style="list-style-type: none"> • Grow market share leading position through consistent communication of Toyota 6 years warranty and fuel-efficient technologies • Launch of Auris Hybrid and focus on smaller vehicles • Continue and enhance aftersales activities which have provided a valuable increase in customer retention for cars within 6 year warranty period (Service, MOT, Eurocare reminder) • Cost reductions expected to mitigate the effect of market decline

2010 New product launches








	H1	H1	H2	H2	H2	
 Minimise & Maximise						
	Rav4	Auris facelift	Aygo LE	Auris Hybrid	Urban Cruiser	

South Asia

Solid ROS of 8.7% despite significant market decline

	Singapore
2010 TIV est.	H1 actual: 30k, -33% vs. 2009 FY estimate: 50k, -38% vs. 2009
H1 2010 achievements	<ul style="list-style-type: none"> • Launch of Camry Hybrid and Vios • Leading hybrid segment growth with Toyota and Lexus Synergy Drive • Strong Aftersales performance and cost reductions
H2 2010	<ul style="list-style-type: none"> • Launch of Toyota Wish, Crown, Altis facelift, Lexus RX270 and the Suzuki Kizashi • Outperform aftersales market through expansion of customer contact and activities to grow enquires traffic and capture rate • Cost controls to remain in place • Maintain inventory levels in line with demand

2010 New product launches

H1	H1	H2	H2	H2	H2	
						
Camry Hybrid	Vios	Wish	Altis	Lexus RX 270	Kizashi	

North Asia

Toyota the fastest growing brand in H1 2010

	Hong Kong
2010 TIV est.	H1 actual: 18k, +58% vs. 2009 FY estimate: 35k, +30% vs. 2009
H1 2010 achievements	<ul style="list-style-type: none"> Increased Toyota market share as we leveraged another strong period of new product launches: Toyota Prado, Previa, Noah, Mazda6 and Jaguar XJ Hybrid category growth with industry leading Synergy Drive technology Established Lexus IS250 as No.1 brand in Luxury Lower Segment Maintained momentum in Aftersales performance
H2 2010	<ul style="list-style-type: none"> Grow share with H2 new model launch programme: Lexus RX, Wish, Ractis, Vellfire, Mazda5 and Corolla Faithless 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) Strong controls on cost and working capital.



Australasia

Strong earnings recovery and record ROS of 4.0% in Retail

	Australia Distribution	Australia Retail
2010 TIV est.	H1 actual: 531k, +17% vs. 2009 FY estimate: 990k, +6% vs. 2009	
H1 2010 achievements	<ul style="list-style-type: none"> • Achieved 4.0% share in H1 vs. 3.9% in 2009 • New Subaru brand campaign: All 4 the Driver • Leveraged new model launches – Forester Diesel and Impreza XV • Strong Parts margin • Maintained tight control of working capital 	<ul style="list-style-type: none"> • Strong performance on New and Used vehicle sales and Aftersales • Maintained tight control of inventory • Record RoS: 4.0%, +130bps vs. LY
H2 2010	<ul style="list-style-type: none"> • Leverage FY new model launches and Limited Editions • Build upon successful launch of All 4 the Driver • Launch of PSRV to improve Aftersales and customer service 	<ul style="list-style-type: none"> • Leverage full year of new model launches – Wide-body WRX, Auto WRX STi and Sedan WRX Sti • Grow aftersales through improved call centre activity • Grow F&I earnings from improved process



Russia

Well positioned for the market recovery in H2

2010 TIV est.	<p>H1 actual: 791k, +3% vs. 2009</p> <p>H1 foreign brands: 519k, -4% vs. 2009</p> <p>FY estimate: 1.6m, +13% vs. 2009</p> <p>FY foreign brands: 1.1m, +10% vs. 2009</p>
H1 2010 achievements	<ul style="list-style-type: none"> • Driving market share with Inchcape Advantage • Focus on growing Aftersales business by delivering best in class customer service levels, reaching every customer via Reminder Call Program and offering every visitor full range of products / services via Vehicle Health Check • Solid profitability despite foreign New car market down by 4%, following YOY decline of 51% from peak in 2009 • Leveraged strong new product launches from BMW5, Sanero and Megane Coupé
H2 2010	<ul style="list-style-type: none"> • Leverage strong new product launches from BMW (X3, 5 series), VW (Touareg), Volvo (S60), Lexus (GX460), Audi (A1, A7, A8) • Develop Used car business • Focus on Aftersales expansion



Emerging Markets – Eastern Europe

Strong profit increase despite uneven market recovery

	The Baltics	The Balkans	Poland
2010 TIV est.	H1 actual: 12k, -7% vs. 2009 FY estimate: 23k, flat vs. 2009	H1 actual: 65k, -29% vs. 2009 FY estimate: 120k, -33% vs. 2009	H1 actual: 154k, -4% vs. 2009 FY estimate: 304k, -6% vs. 2009 <u>Luxury</u> H1 actual: 9.8k, +11% vs. 2009 FY estimate: 18.2k, +15% vs. 2009
H1 2010 achievements	<ul style="list-style-type: none"> Market drop is stabilising - early fragile signs of recovery, esp in Estonia Disciplined daily sales/service funnel management Breakeven achieved due to improved gross margin and cost reductions 	<ul style="list-style-type: none"> Value for money marketing activities to drive traffic Focus on aftersales upselling, price packaging Retail and Distribution operations profitable due to improved gross margin and cost cutting 	<ul style="list-style-type: none"> Increasing aftersales performance through implementation of Inchcape Advantage processes
H2 2010	<ul style="list-style-type: none"> Clear focus on margin improvement and ongoing tight cost control and ordering procedures Promoting Value for Money supported by our key brand partners 	<ul style="list-style-type: none"> Strengthen market leadership in Bulgaria Maintain positive sales momentum in Romania by fully leveraging the scrappage scheme 	<ul style="list-style-type: none"> Leverage strong new product launches from BMW: X3, 5 series sedan and touring, 3 series Coupé and Convertible. Develop activities around fleet and used cars to further expand turnover and margins

2010 New product launches

H1	H1	H2	H2	H2	H2
					
Rav4	BMW 5	Yaris	Auris	BMW X3	BMW 3

Emerging Markets – Rest of the world

Strong profit increase despite uneven market recovery

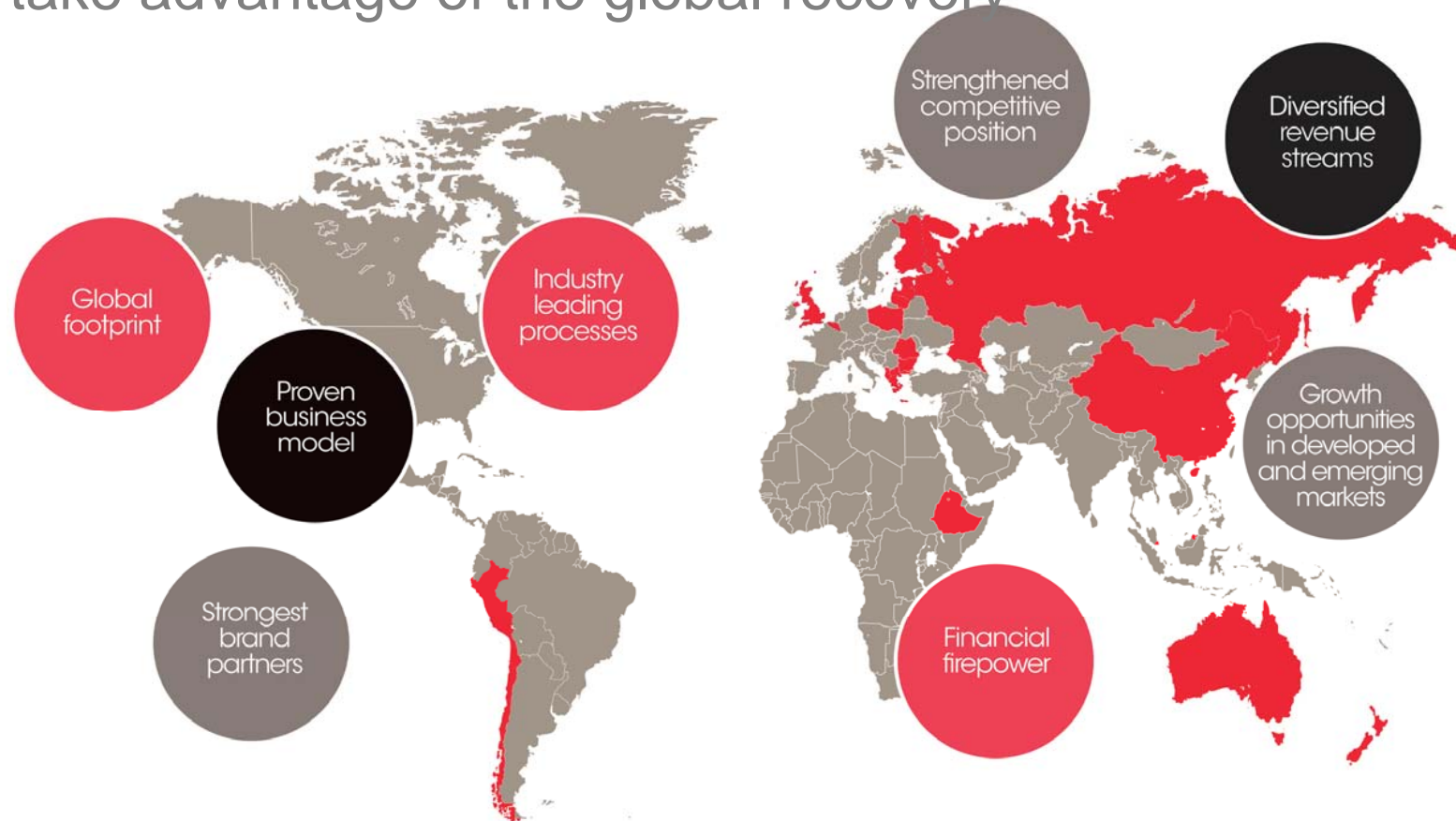
	South America	Africa	China
2010 TIV est.	Chile: H1 actual: 125k, +89% vs. 2009 Peru: H1 actual: 52k, +52% vs. 2009	Data not available	H1 actual: 5.5m, +47% vs. 2009
H1 2010 achievements	<ul style="list-style-type: none"> Rebuilding of margins following a tough 2009. Strong revenue growth in each value driver. 	<ul style="list-style-type: none"> Building on strong Toyota UIO with significant increase in aftersales growth. 39% year on year. 	<ul style="list-style-type: none"> Good progress on growth strategy with increase in trading profit
H2 2010	<ul style="list-style-type: none"> Further growth expected in new vehicle sales. Continue to focus on high margin aftersales growth. 	<ul style="list-style-type: none"> Continued momentum in aftersales growth. Maximize opportunity of newly opened site in Nazareth. 	<ul style="list-style-type: none"> Adapt and implement Inchcape Advantage processes in both sales and aftersales to further accelerate growth Identify expansion opportunities

2010 New product launches

H1	H1	H2	H2	H2	H2
					
Rav4	BMW 5	Yaris	Auris	BMW X3	BMW 3

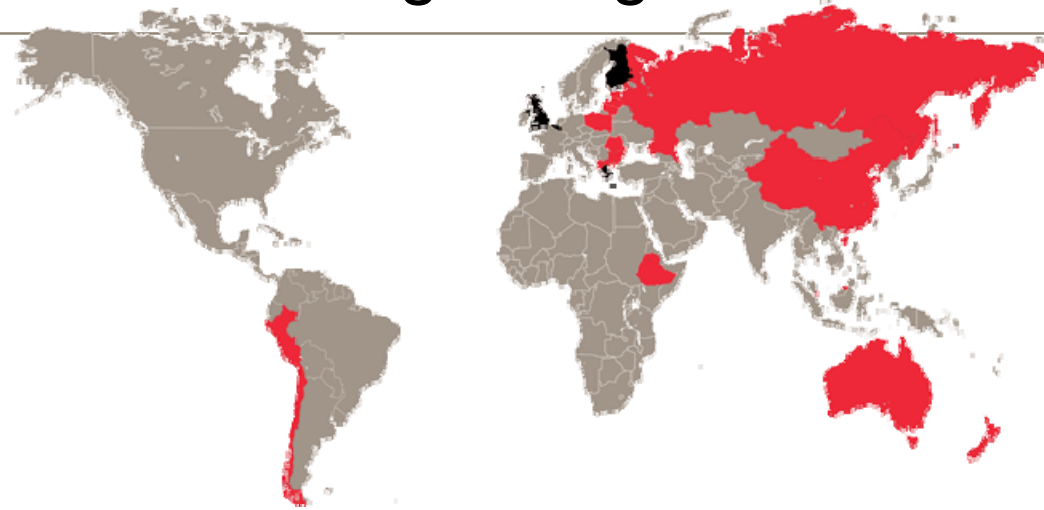
Uniquely positioned worldwide

to take advantage of the global recovery



Inchcape operates retail and distribution businesses on a global scale

Inchcape in 21 fastest-growing economies moving forward



	Inchcape markets	% Inchcape Revenue 2006-09	% Inchcape Trading profit 2006-09	Yearly GDP growth 2009-14 <small>(Source: IMF)</small>	Yearly TIV growth 2009-14 <small>(Source: Global Insight)</small>
Asia-Pacific & Emerging Markets	21	41%	62%	+13.6%	+6.6%
UK & Europe	5	59%	38%	+3.8%	+3.4%

Global footprint uniquely positions Inchcape for future growth



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worldwide...

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


























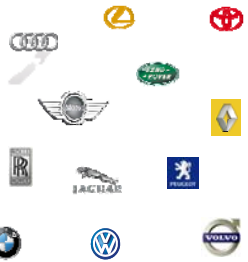
Emerging markets

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 37% of '09 Group Revenue 24% of '09 Group Trading profit 	Australasia 14% of '09 Group Revenue 19% of '09 Group Trading profit Australia D R  New Zealand D 	South Asia 10% of '09 Group Revenue 29% of '09 Group Trading profit Singapore (ML) VIR  Brunei (ML) VIR 	North Asia 6% of '09 Group Revenue 10% of '09 Group Trading profit Hong Kong (ML) VIR  Guam (ML) VIR  Saipan (ML) VIR  Macau (ML) VIR 	Europe 18% of '09 Group Revenue 15% of '09 Group Trading profit Belgium D R  Greece (ML) D R  Finland D R  Luxembourg D R 
Russia and Emerging Markets 15% of '09 Group Revenue 3% of '09 Group Trading profit Albania D  Bulgaria (ML) D R 	Chile (MLP) R VIR  China R  Estonia VIR 	Ethiopia (ML) VIR  Latvia (ML) R VIR  Lithuania (ML) R VIR 	Macedonia VIR  Peru (MLP) VIR  Poland R  Romania D R 	Russia R 

Key:
 R = Retail
 D = Distribution
 VIR = Vertically integrated retail
 (ML) = A market leader
 (MLP) = A market leader, premium brands

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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