

24th June 2009
Inchcape plc

Pre-close Trading Statement

Inchcape, a leading independent automotive distributor and retailer, makes the following statement on trading prior to entering its close period. Inchcape will announce its Interim Results on 29th July 2009.

Current trading for the five months ended 31 May 2009

Customer demand for new vehicles is still weak but our aftersales business, which represents approximately half of our gross profit, remains strong.

Total sales for the five months compared to the prior year were down 16.3% in sterling terms and 22.6% in constant currency. Group like for like sales in constant currency were down 23.8%.

Our aggressive cost reduction programmes, that started in 2008 and continued in the first five months of 2009, are delivering significant benefits to mitigate the impact of the ongoing downturn in the car market. In the second quarter, our pre tax profits are currently expected to be significantly ahead of the £20 million reported for the first quarter, but well below the same period last year.

The highlights in our key markets for the first five months of 2009 are as follows:

- In Australia, we achieved a record share of 4.3% in a market that is down by 19.2% and we are benefiting from a strengthened used car margin.
- In Asia, our Singapore business continues to deliver strong profitability in a market that is weakening, as expected, due to high Certificate of Entitlement prices; in Hong Kong demand for new cars continues to be weak.
- In Europe, the Belgian market is down 18%; the Greek market, which is down by 32.1%, should benefit from the government incentives on VAT reduction in Q3.
- In the Emerging Markets, demand and profitability are challenging in Eastern Europe but we continue to deliver solid profitability in Russia despite the new car market being down by 47.1%.
- In the UK, we continue to outperform the industry with like for like sales down 21% in a market that is down by 27.9% and we are still benefiting from a stronger used car market.

Financial Position

The net debt of the Group was c.£100 million at the end of May, down from £404 million at the end of March 2009, reflecting the £234 million proceeds from our Rights Issue and improved cash flow driven by a solid profit performance and rapid working capital reduction in April and May. In May we achieved our year-end target for landed stock cover. As a result of this further progress in reducing working capital, we currently expect our year-end net debt to be below our previous expectations.

The Group has paid down at par US\$114 million of its US private placement loan notes to reduce its interest costs and retains £979 million of committed funding facilities at very competitive rates.

André Lacroix, Group Chief Executive of Inchcape plc, commented:

“The Group Balance Sheet has been strengthened considerably due to the successful completion of our Rights Issue and the positive impact of our operational initiatives on cash flow.

Given the challenging trading conditions in our markets, we remain focused on executing our five operational priorities of growing market share and aftersales, while reducing costs, working capital and capital expenditure to improve our competitive position and maximise our cash flow.

Our actions in the first five months provide a platform for us to deliver a solid performance for the full year against the background of what is expected to be a lengthy global industry downturn.”

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Notes to editors

1 About Inchcape:

Inchcape is the 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 automotive retail group 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.

www.Inchcape.com

2. This announcement is based on information sourced from unaudited management accounts. The group's interim results will include certain exceptional items.

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.