

16 May 2014

Inchcape plc
Interim Management Statement

“Broad-based Growth across Markets and Categories”

This statement is an Interim Management Statement in accordance with the UK Listing Authority's Disclosure and Transparency Rules. It covers the period from 1 January 2014 to 15 May 2014. Unless otherwise stated, figures quoted in this statement are for the four months ended 30 April 2014.

Trading for the first four months ending 30 April 2014

The Group delivered broad-based revenue growth in the first four months of 2014, benefiting from:

- The quality of its international portfolio of operations in 26 markets,
- Longstanding partnerships with leading premium and luxury brands, and
- Diversified earning streams in five distinct categories.

Group revenue was £2.212bn, up by 2.5% at actual currency (up 11.4% at constant currency). Like for like revenue was up by 0.8% at actual currency (up 9.5% at constant currency).

Demand for New Cars was robust overall and ahead of last year as we continue to benefit from sustained growth in the premium and luxury segments.

Our Used Car and Aftersales activities, which represent c60% of the Group's gross profit, performed well and ahead of last year, fuelled by the growth of the 1-5 year Car Parc following four years of consecutive growth in the New Car market.

Our disciplined approach to cost control and cash conversion remains firmly in place.

André Lacroix, Group CEO of Inchcape plc said:

“Inchcape has delivered a robust trading performance in the first four months of the year. Benefiting from broad-based growth across our markets and categories, we continue to expect to deliver a robust constant currency performance in 2014.

The Group has a track record of delivering premium growth with premium returns. This is a testament to the quality of our business model, our differentiated Customer 1st strategy and strong organisational discipline underpinned by our industry leading processes, which enable our operations to transform revenue growth into sustained earnings growth and strong cash generation.

Our partnerships with the world's leading OEMs and the strength of our balance sheet position us both to seize attractive consolidation opportunities and make disciplined capital investment in high margin and high growth markets.”

Regional Commentary

We delivered a strong revenue performance in the UK with like for like growth of 14.5%, as we benefited from sustained growth in the New Car market and the strength of our brand portfolio in the premium and luxury segments, against a sector backdrop of continued pressure on vehicle margin.

Our European businesses recorded a robust like for like growth of 15.2%, reflecting the recovery of the Greek market and the progress on market share in both our Greek and Belgian operations supported by successful new products launches.

In North Asia, we delivered robust revenue growth as we gained market share in the Hong Kong market and as the sustained development of the 1-5 year Car Parc generated growth in the high margin Service and Parts categories.

In South Asia, our Aftersales operations performed well and we delivered a strong performance in the Vehicle segment as we gained market share and benefited from the start of the recovery of the New Car market in Singapore. Our South Asia business delivered a like for like growth of 22.8%.

Our trading performance was in line with our expectations in Australasia. We have delivered a robust market share for Subaru and the integration of Trivett, Australia's leading premium and luxury automotive group, is delivering the expected synergies.

We continued to deliver a robust performance in our Emerging Markets and Russia segment, with like for like growth of 8.4%. We have benefited from sustained growth in Vehicle Sales and Aftersales in Chile, Peru, Ethiopia, China and Eastern Europe, while trading conditions remained challenging in Russia with competitive pressure on vehicle margin.

Financial Position

Our financial position remains strong and our year end net cash guidance remains unchanged.

We commenced the £100m share buy-back programme in the second half of 2013 and to date we have purchased 14.9m shares at an average price of 616p for a total consideration of £92.6m.

2014 Outlook

We continue to expect the Group to deliver a robust constant currency performance in 2014. Notwithstanding the competitive pressure on vehicle margins in some of our markets, we are well positioned to take advantage of the attractive growth prospects in the premium and luxury segments across our markets.

Industry growth trends are favourable to Inchcape as we will continue to benefit from structural growth across our categories in Emerging Markets, Hong Kong and Australasia, cyclical recovery in our UK and European operations and the important return to growth of the Singaporean market.

The Group remains firmly committed to its Top 5 Priorities of growing market share, growing Aftersales, improving margin, controlling working capital and being selective about capital expenditure investments.

Ends.

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Notes to Editors

1. The Group's Q1 revenue to 31 March 2014 of £1.669bn was +4.9% on the same period last year at actual currency (+13.6% at constant currency) and like for like revenue up by 2.4% at actual currency (10.9% up on last year at constant currency).
2. References in the regional commentary are at constant currency.
3. About Inchcape: Inchcape is a leading global premium automotive group, operating in 26 markets with a portfolio of the world's leading car brands in the fast-growing luxury and premium segments. Inchcape has diversified multi-channel revenue streams including sale of new and used vehicles, parts, service, finance and insurance. The Company has been listed on the London Stock Exchange since 1958, is headquartered in London and employs around 14,400 people. www.inchcape.com
4. 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.
5. Our Market Estimates for 2014 as at 16 May 2014 will be available for download at 9am from http://www.inchcape.com/investors/investor_library
6. Conference call for Analysts and Investors - For details please contact Laura Vaughan at FTI Consulting on +44 (0)20 7269 7273.
7. The next update on trading is expected to be the Group's interim results announcement for the half-year ending 30 June 2014 on 31 July 2014.