

**21 May 2015**

**Inchcape plc**  
**("Inchcape" or the "Group")**

**Trading Update**

**"Good start to 2015"**

This Trading Update covers the period from 1 January 2015 to 20 May 2015. Unless otherwise stated, figures quoted in this statement are for the four months ended 30 April 2015.

**Trading for the first four months ending 30 April 2015**

The Group has begun the year by delivering positive trading momentum, in line with our expectations, as we have benefited from:

- Broad based growth across our portfolio of markets and diversified value drivers
- Unique local growth drivers in a number of our important markets
- Our longstanding partnerships with the world's leading premium and luxury brands, consistently driving new product innovations

Group revenue was £2.191bn, up by 4.1% at constant currency (0.9% below last year at actual currency). Like for like revenue was up by 4.9% at constant currency (0.3% below last year at actual currency).

Demand for Vehicles was solid and ahead of last year as we continue to benefit from operating in a global growth industry and unique local growth drivers.

Our Aftersales activities, a core component at c.50% of the Group's gross profit, performed well and in line with our expectations, driven by the New Car growth of recent years resulting in a growing 1-5 year Car Parc in the majority of our markets.

The Group retains a disciplined approach to cost control and cash conversion.

**Stefan Bomhard, Group CEO of Inchcape plc said:**

"I have been part of the Group for nearly two months and I am excited about the potential for Inchcape and all our stakeholders. I look forward to continuing Inchcape's success, driving sustainable value creation for our shareholders, progressing the Group's strong relationships with leading brand partners and fostering our customer-focused performance culture.

The Group's high quality distribution and retail businesses are well positioned in the most attractive segments of a global growth industry. Coupled with our operational rigour focused on driving performance and unique local growth drivers, the first four months of 2015 have seen positive trading momentum in line with our expectations."

## **Regional Commentary**

We have delivered a solid start to the year in Australasia, underpinned by the launches of the Subaru Outback and Liberty models. In our Retail operations our premium and luxury brand partners continue to grow ahead of the market.

In the UK, revenue growth has been strong, with our brand portfolio continuing the long-term trend of winning market share. Year on year margins improved in New Vehicles but there was pressure in Used Vehicles. Aftersales activities also performed well.

In Europe our revenue performance was in line with our expectations. A benign New Car market in Belgium was characterised by growth in fleet sales and lower private volumes. We saw a continuation of the recovery in the Greek New Vehicle market.

Our revenue performance in North Asia was strong. The Hong Kong New Vehicle market was up 10.0% in the first four months of 2015, supported by the commercial vehicle scrappage scheme. The sustained development of the 1-5 year Car Parc generated growth in our high margin service and parts value drivers.

In South Asia we have benefited from growth in the Singaporean New Vehicle market, as the Certificate of Entitlement (COE) cycle accelerates with an increased flow of old vehicles being de-registered. However, the current trading environment is competitive, driven by the recent increase in COE prices.

Our performance in Emerging Markets was in-line with our expectations. This included a challenging revenue environment in Russia, albeit with Russian vehicle margins increasing as supply and demand rebalances.

## **2015 Outlook**

Our partnerships with the world's leading OEMs and our balance sheet strength position us to seize attractive opportunities, make disciplined capital investment in high margin and high growth markets and continue with our previously announced £100m share buyback programme.

We continue to expect the Group to deliver a robust underlying constant currency performance in 2015. 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.

Ends.

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### **Notes to editors**

1. The Group's Q1 revenue to 31 March 2015 of £1.651bn was +3.9% on the same period last year at constant currency (1.1% down on last year at actual currency) and like for like revenue was +4.9% at constant currency (0.3% down on last year at actual 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 14,600 people.  
[www.inchcape.com](http://www.inchcape.com)
4. Stefan Bomhard joined as Group Chief Executive on 1 April 2015. Stefan succeeded André Lacroix in this role.
5. 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.
6. Conference call for Analysts and Investors - For details please contact Laura Vaughan at FTI Consulting on +44 (0)203 727 1509.
7. The next update on trading is expected to be the Group's interim results announcement for the half-year ending 30 June 2015 on 30 July 2015.