

24 October 2013

**Inchcape plc  
Interim Management Statement**

**“Robust growth across all 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 July 2013 to 23 October 2013. Unless otherwise stated, figures quoted in this statement are for the quarter ended 30 September 2013.

**Trading Update**

The Group delivered a robust trading performance benefiting from its broad international portfolio of 26 markets and from its long standing partnerships with the leading premium and luxury brands in the automotive market.

Revenue in the third quarter was £1.625bn up 7.0% at actual currency (up by 7.8% at constant currency) compared to the same period last year. Like for like revenue was up 3.5% at actual currency (up by 4.2% at constant currency).

Total revenue for the first nine months to 30 September 2013 was £4.937bn up 6.7% at actual currency (up by 6.1% at constant currency) compared to the same period last year. Like for like revenue increased 2.5% at actual currency (up by 1.9% at constant currency).

Overall, demand for New cars was ahead of last year and in line with our expectations as we continue to benefit from growth in the premium and luxury segments.

Our Used car business and Aftersales business, which together represent 60% of the Group gross profit, performed well as the warranty car parc is starting to increase following three years of consecutive growth in the New car market.

Our disciplined approach to cost management, control of working capital and cash conversion remains firmly in place.

**André Lacroix, Group CEO of Inchcape plc said:**

“The Group is on track to deliver a robust trading performance in 2013, which is a testament to the strengths of the Inchcape business model and our differentiated Customer 1st Strategy.

Our business has a track record of delivering sustainable earnings growth with a high return on capital employed. We remain very disciplined on cost and our balance sheet is strong as we maintain our focus on cash conversion.

We operate in the right markets, with the right brands and in the right categories given our international footprint, our focus on premium and luxury brands and our diversified profit streams. Inchcape is very well positioned to take advantage of the growth prospects in the global automotive industry to deliver sustainable returns to our shareholders.”

**Regional Commentary**

We delivered a strong revenue performance in the UK with like for like growth of 13.4% as we benefited from the growth of the New car market and the strength of our brand portfolio in the premium and luxury segments against a sector backdrop of margin pressure on vehicles. Our Aftersales activities continued to perform well.

Our European business delivered a solid performance in a challenging competitive environment reflecting the successful launch of new products, the strength of our Aftersales operations and a lower cost base.

In North Asia we delivered a robust like for like growth of 7.1% at constant currency as we improved our market share and benefited from solid growth of the warranty car parc in Hong Kong.

In South Asia we gained market share and our Aftersales operations continued to perform well. The New car market in Singapore was, as expected, lower than last year. However, de-registrations have now increased for 13 consecutive months which paves the way for the industry to recover as of next year.

We continued to deliver a robust performance in our Emerging Markets and Russia segment with like for like growth of 6.7% at constant currency. We have benefited from sustained growth momentum in New vehicle sales and Aftersales in South America, Africa, China and Eastern Europe while trading conditions remained challenging in Russia with increased competitive pressure on New car margins.

Demand for New vehicles remains solid in Australia and trading was in line with our expectations as we benefited from the launch of the new Subaru Forester and the recent acquisition of Trivett, a leading luxury and premium Australian automotive group.

### **Financial Position**

Our financial position remains strong and our working capital and inventory management are in line with expectations.

We expect to end the year with a net cash position of circa £180m before taking account of the share buyback.

We commenced the £100m share buyback programme on 29 August 2013 and to date we have purchased 3.85m shares at an average price of 614p for total consideration of £23.8m.

Our guidance for the full year tax rate remains unchanged at 25%.

### **2013 Outlook**

We continue to expect the Group to deliver a robust performance in 2013. Notwithstanding the competitive pressure on New vehicle margins in some of our markets, we will continue to leverage our diverse earnings streams with the Service, Parts and Used car categories representing 60% of our gross profit.

The Group remains firmly committed to the commercial and cash initiatives of its top five priorities of growing market share, growing aftersales, improving margins, controlling working capital and being selective about capital expenditure investment.

Inchcape is well positioned to benefit from the exciting growth prospects and attractive consolidation opportunities in the global automotive market given our competitive advantage in customer service and our strong relationships with the world's leading brands in the premium and luxury segments.

Ends.

Group Communications, Inchcape plc	+44 (0) 20 7546 0022
Investor Relations, Inchcape plc	+44 (0) 20 7546 8359
FTI Consulting (Jonathon Brill/Edward Westropp)	+44 (0) 20 7831 3113

### **Notes to Editors**

1. 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](http://www.inchcape.com)
2. 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.
3. Our Market Estimates for 2013 and 2014 as at 24 October 2013 will be available for download at 9am from [http://www.inchcape.com/investors/investor\\_library](http://www.inchcape.com/investors/investor_library)
4. Conference call for Analysts and Investors - For details please contact Laura Vaughan at FTI Consulting on +44 (0)20 7269 7273.
5. The next update on trading is expected to be the Group's full year results announcement for the year ending 31 December 2013 on 11 March 2014.