

21 October 2010

**Inchcape plc
Interim Management Statement**

“Third quarter ahead of expectations”

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 2010 to 20 October 2010.

Commenting on the statement today, André Lacroix, Group CEO of Inchcape plc, said:

“The Group has performed better than expected in the third quarter and Inchcape will deliver a robust earnings recovery in 2010, slightly ahead of expectations.”

Current trading for the nine months ended 30 September 2010

Total revenues for the nine months to September 2010 were up 7.6% year-on-year in actual currency (up 4.2% in constant currency). Like for like revenues were up 8.6% year-on-year in actual currency (up 5.2% in constant currency).

Following a strong first half performance, in the third quarter we benefited from a continuation of the strong industry recovery in Hong Kong, Australia and South America and improving market conditions in Russia. As expected, we saw a slowdown in new car registrations in the UK following expiration of the scrappage incentive and demand for new cars fell in Greece. Used car revenues and margins remained robust and our aftersales business, which represents c.50% of Group gross profit, continued to perform well.

The Group continues to benefit from a solid gross margin performance, tight cost control, strong cash conversion and, as the business has been debt-free since the end of 2009, lower financing costs.

Regional performance

In Asia, we continued to enjoy strong momentum in Hong Kong in a market that is up 52% year to date and despite challenging trading conditions in Singapore, we generated robust margins in the third quarter.

We delivered a strong performance in Australia where the market grew faster than expected and our Distribution and Retail businesses continue to enjoy good momentum.

Our Russia and Emerging Markets segment performed better than expected in the third quarter as we benefitted from a strong recovery of demand for premium vehicles in Russia, the start of an industry recovery in the Baltics and strong demand for luxury vehicles in South America.

The Group’s UK business performed slightly better than expected in the third quarter as we benefited from market share gains from luxury brands in a market where the underlying demand excluding the impact of scrappage was up by 14%. Our used car business delivered a solid third quarter with good revenue growth and robust margins while our aftersales business remains strong.

In the Group's European businesses we have delivered a solid third quarter performance as we gained market share and reduced costs in Greece and benefited from healthy industry growth in Belgium and Finland.

Cost restructuring

Given the challenging outlook in 2011 for new car demand in four of our markets, namely the UK, Greece, Belgium and Singapore, we plan to reduce our cost base by £25m and to take an exceptional restructuring charge of £18m in the fourth quarter. We are proactively reducing our headcount by 500 and plan to dispose of 10 sites while keeping tight cost controls in place throughout the Group.

Financial position

Our working capital and inventory management are in line with our expectations. Our financial position remains strong and we anticipate year end net cash of c.£100m.

Outlook

There continues to be an uneven global recovery of the demand for new cars. The Group will benefit from our broad geographic spread, diversified revenue streams, tight cost controls and strong cashflow and is thus targeting a 2010 trading performance (pre-exceptionals) slightly ahead of our previous expectations.

As announced at the time of the Interim results in July, the Board intends to recommend a final dividend for 2010.

André Lacroix, further commented:

"In the first nine months of 2010, the Group has enjoyed the benefits of operational leverage with strong vehicle revenues driven by industry growth and market share gains in most of our markets and good momentum in aftersales, which represents around half of Group gross profit.

"Inchcape's strong performance is driven by our Group-wide operational discipline on our Top Five Priorities of growing market share and aftersales while improving margins, controlling working capital and being selective about our capital expenditure.

We expect the continuation of an uneven global recovery and remain cautious regarding the short term industry outlook in some of our markets. Given our strong track record and the cost restructuring initiatives announced today, we expect the Group to trade effectively and improve its competitive position in these challenging trading conditions.

Our operational focus on our Top Five Priorities will continue to strengthen the Group's global leadership in the premium automotive sector and we are uniquely positioned to take advantage of growth opportunities in the industry. Customer service, driven by our superior operating processes, is a key differentiator enabling us to grow market share around the world. At the same time we have significant exposure to the faster growing economies with more than 60% of our trading profit delivered from our Asia Pacific and Emerging Markets businesses."

Ends

Group Communications, Inchcape plc
+44 (0) 20 7546 0022

Investor Relations, Inchcape plc
+44 (0) 20 7546 8209

Financial Dynamics (Jonathon Brill/Billy Clegg)
+44 (0) 20 7831 3113

Notes to editors

About Inchcape:

1. Inchcape is a leading, independent international automotive distributor and retailer operating in 26 Emerging and Developed 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 Audi, BMW / Mini, Jaguar, Land Rover, Mercedes-Benz, Porsche, Subaru, Toyota / Lexus, Volkswagen and Volvo.

Inchcape, which has been listed on the London Stock Exchange since 1958, is headquartered in London and employs around 14,300 people.

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 2010 and 2011 as at 21st October 2010 will be available for download at 9am from <http://www.inchcape.com/investors/results-presentations/>

4. Conference call for Analysts and Investors

For details please contact Laura Vaughan at Financial Dynamics
on +44 (0)20 7269 7273