29 February 2012

Vertu Motors plc (“Vertu” or “the Group”)

Pre-close Trading Update

Vertu Motors plc, the fast growing automotive retailer, announces the following update ahead of its preliminary results for the year ended 29 February 2012.

Overview

- The Board expects that the trading performance for the year ended 29 February 2012 will be in line with current market expectations.
- Revenue for the year to 29 February 2012 will exceed £1billion.
- In the five months to 31 January 2012 the Group has outperformed the UK market in sales volumes while maintaining gross profit per unit in each channel compared to the prior year:
  - Like-for-like private new retail volumes outperformed the UK market by 4.3%;
  - Like-for-like used vehicle volumes grew by 1.4% against a flat UK market;
  - Fleet and commercial vehicle volumes grew by 10.1%.
- In the five months to 31 January 2012 the Group has achieved like-for-like profit growth in its crucial aftersales operations.
- The Group’s like-for-like new car ordertake for the March private retail market is ahead of last year by 10.3%.

Trading Update

The Group grew its market share of the UK new car market in the five months to 31 January 2012. The challenging economic backdrop of uncertainty led to consumer weakness and UK private registrations of new cars fell 8.5%. In contrast, Group private new sales volumes fell only 4.2% on a like-for-like basis. During this period the Group maintained its gross profit per unit on private new car sales by continuing to earn high levels of manufacturer bonuses.

Fleet and commercial vehicle sales volumes rose 10.1% on a like-for-like basis during the five months to 31 January 2012, outperforming the UK fleet new car market, which rose by 5.8%, and the UK new commercial market, which grew by 9.0% in the same period. The gross profit per unit achieved on these vehicle sales was above the historic norm of £350 per unit.

The volume of used cars sold by the Group in the five months to 31 January 2012 grew by 14.7% overall and 1.4% on a like-for-like basis. The UK market was flat in the period. During this period the Group maintained its gross profit per unit at above £1,000, which is a key industry benchmark, and generated a return on investment in used cars of 129%.

In the crucial area of aftersales the Group has continued to grow its gross profits in spite of the declining 0 to 3 year old vehicle parc, reduced accident rates and lower levels of manufacturer warranty repairs as new vehicles become more reliable. The Group continues to implement clearly defined initiatives to improve customer retention and workshop efficiencies. These are going hand in hand with increased investment in training programmes to improve levels of customer service which will in turn aid customer retention. Gross margins in service declined in line with the strategy to attract more price sensitive customers with older vehicles into our dealerships. Gross margins in the Group's bodyshops and parts supply operations strengthened resulting in a higher overall aftersales margin of 44.3% for the five months to 31 January 2012 compared to 43.0% in the corresponding period.

The Board expects that the trading performance for the year ended 29 February 2012 will be in line with current market expectations.

Future Prospects

The Group's like-for-like new car ordertake for the March private retail market is ahead of last year by 10.3%. March is the most important month for the profitability of UK automotive retail as a consequence of the plate change and its impact on both new vehicle demand and the seasonality of servicing. While there is clearly significant work to do during the month to deliver a strong March performance, this ordertake position gives the Board confidence. In addition, progress continues to be made in delivering an enhanced performance from dealerships acquired in the last two years. Despite the continued economic challenges and volatility in the UK, the Board is confident of delivering growth in the year ending 28 February 2013.

The Company will announce its preliminary results on 16 May 2012.

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Notes to Editors

Vertu Motors is a fast growing automotive retailer with a network of 83 sales and aftersales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu Honda and Macklin Motors brand names. Manufacturer partners are Alfa Romeo, Chevrolet, Chrysler Jeep, Citroen, Fiat, Ford, Honda, Hyundai, Iveco, Mazda, Mitsubishi, Nissan, Peugeot, Renault, SEAT and Vauxhall. The Group also operates the Bristol Street Versa Mobility wheelchair accessible vehicle business.

Vertu Motors was established in November 2006 and listed on AIM on December 2006, with the strategy to consolidate the UK motor retail sector. It is intended that the Group will continue to acquire motor retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network.

The Group currently operates 80 franchised sales outlets and 3 non-franchised sales operations from 66 locations across the UK.

Vertu Motors group websites - www.vertumotors.com / www.vertucareers.com

Vertu Motors brand websites - www.bristolstreet.co.uk / www.vertuhonda.com / www.motornation.co.uk / www.macklinmotors.co.uk