

30th August 2007

Vertu Motors plc

AGM Statement

At today's First Annual General Meeting of Vertu Motors plc, Chief Executive, Robert Forrester, will make the following statement:

"I am pleased to report in this first trading statement by Vertu Motors plc that your Company has made good progress towards its strategic goals in the period.

The Company was formed in late 2006 to take advantage of opportunities in acquiring and consolidating businesses within the UK motor retail sector. In 2007, the Company has successfully concluded four acquisitions, with trade commencing on completion of the acquisition of Bristol Street Motors on 27 March 2007. The Company now operates 46 dealerships and, on a turnover basis, is the tenth largest motor retailer in the UK.

A strong management team has now been assembled and the Board believes these key appointments will enable future growth and performance improvement to be delivered. Similarly, significant management changes have taken place at dealership level where acquired dealerships were considered to be underperforming. The Board believes that these changes have been largely completed and we expect to see the resulting performance improvements.

Cost savings have been achieved in line with our plans through the closure of the former head offices of Bristol Street Motors and the Blakes Group. Head office functions are now located in Newcastle upon Tyne. In addition, progress continues to be made in using the greater scale of the Group to obtain better purchasing terms.

Good progress has been made in improving the internet presence of our core brands, "Bristol Street Motors" and "Motor Nation". A new internet offering will be launched in September and a contact centre is being created in Sunderland to handle all the contacts generated. The Board envisages that this new, centralised, internet strategy will help the Group to achieve its objective of increasing the level of new and used car sales going forward.

Property disposals

Currently we have surplus properties with estimated proceeds and book value of around £12 million. A number of these properties are conditionally contracted for sale. The Board envisages that a number of these disposals will be completed in the first half of 2008. These anticipated funds will be used initially to reduce Group debts but they will also add to our capacity to make acquisitions in the future.

Commercial vehicles

The overall commercial vehicle market has seen growth in van registrations but significant declines in the year to date in registrations of heavy trucks. The Group operates three Iveco dealerships and nationally Iveco has under performed against other franchises. Heavy truck registrations for Iveco nationally declined 20.8% in the

April to July period and light commercials declined 8.4%. This has been reflected in our dealership performance although order levels have improved in recent weeks.

Car market

National new car registrations in the January to July period have risen 2.4%. Growth has reduced since March with national registrations in the Company's period of trading from April to the end of July rising 1.5% for private customers and 2.3% for business customers. On a like-for-like basis for Bristol Street Motors' dealerships for the period from April to July, new car volumes sold to private customers rose 7.8% year on year. This excellent performance has been aided by new model launches in a number of our franchises together with strong consumer offers and has been achieved without any pre-registration of new vehicles.

The United Kingdom used car market in 2007 has remained flat in terms of volumes. In contrast, Bristol Street Motors' dealerships acquired on 27 March 2007 increased used car volumes on a like-for-like basis by 8.0% in the period April to July. Since March 2007 used car values have reduced at a steeper rate than in the previous twenty-four months, which has put margins under pressure.

Outlook

Given the Company's first trading period to February 2008 excludes the most significant trading month of March, the importance to the period's result of the performance of the Group in the second largest trading month of September is evident. However, with the integration of the acquired businesses progressing well, the Board remains confident about the Group's prospects for the current financial year."

Ends -

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Notes to editors

Vertu Motors is the 10th largest motor retailer in the United Kingdom with 46 dealerships forming a national network across England, operating under the Bristol Street Motors brand. Manufacturing partners include Citroen, Ford, Iveco, Honda, Peugeot, Renault and Vauxhall.

Vertu Motors was established in November 2006 with the aim of consolidating the UK motor retail sector. The company listed on AIM in December 2006 and raised £25m. The Executive Directors are experienced within the sector, having previously held senior positions within Reg Vardy and CD Bramall.

In March 2007, the Group acquired the 13th largest motor retailer in the United Kingdom, Bristol Street Motors. In the summer of 2007, Vertu acquired Blake Holdings, Grantham Motor Company Limited and a Ford dealership in Morpeth, Northumberland.

It is intended that the Company will continue to acquire motor retail operations in the form of franchised dealerships and used car only operations. The Company's acquisition strategy is supplemented by a focussed organic growth strategy to drive operational efficiencies through the national network.

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