1 September 2010

Vertu Motors plc ("Vertu" or the "Group")

Trading Update and Progress on Growth

Vertu Motors plc, the 8th largest UK motor retailer, announces the following update ahead of its Half Year for the six month period ended 31 August 2010.

Overview

- Vertu has delivered an encouraging performance in the half year period with pre-exceptional profit materially ahead of the same period last year
- The Group has continued to make good progress in its acquisitive growth strategy and the acquired businesses are performing in line with their business plans
- The Group is in a strong position to undertake further consolidation activity with its net cash position and strong freehold-backed balance sheet.
- Performance for the full financial year is anticipated to be in line with market expectations

Trading Update

The Group's private new car sales volumes rose in the five months to July 2010 by 6.7% on a like for like basis and by 35.2% overall as the number of sales outlets has increased over the last year. Private registrations in the UK in the corresponding period rose 11.8%. In recent months private new car sales have decreased year on year as the scrappage programme ended. The Board is confident that the Group will significantly outperform the retail market going forward since scrappage sales were disproportionately concentrated in franchises in which the Group does not have strong representation.

New retail car margins per unit remained strong reflecting the Group's performance in achieving high levels of manufacturer targets without recourse to significant pre-registration of vehicles. The latter has been an increasing feature of the market in recent months. Overall new retail car profitability is in line with last year on a like for like basis.

Fleet and commercial new vehicle sales volumes fell on a like for like basis by 7.1% in the five months to July 2010 due to the Group undertaking lower volumes of low margin car fleet business. As a consequence overall margins have improved year-on-year. The Group's historically loss-making Iveco business continues to make good progress in achieving profitability in the short term.

With the ending of the scrappage programme and an increase in the supply of used cars to the market, volumes of used cars sold by the Group have increased by 5.2% on a like for like basis in the 5 months ended July 2010. Overall, the Group increased used car volumes in the period by 24.6% reflecting acquisitions and increasing market share. Used car margins have softened in more recent months with industry valuation guides indicating monthly falls of approximately 4% since May on cars less than 4 years old. Prior year comparatives of values and margins were at a high point reflecting constraints in the supply of used cars and as a consequence overall used car profitability is, as expected, behind last year's levels during the period.

The Group's strategic developments in aftersales, such as the development of contact centres, service plan sales and robust processes to deliver customer satisfaction have contributed to a strong aftersales performance which has also been underpinned by stringent cost control. Service and bodyshop revenues rose on a like for like basis by 2.4% and 2.1% respectively and profitability also increased in these areas due to both revenue growth and strong cost control. The Group has seen a very strong performance from parts sales with revenue, margins and profitability all increasing.

Growth Strategy

The Board is pleased to report that the acquisitions undertaken last year have contributed positively to the Group's first half performance. The Board is pleased with the progress made by the businesses acquired in the last 14 months. Increased profit contribution from these businesses, together with the underlying robustness of the Group's core operations, will provide a platform for the generation of shareholder value going forward.

The Group continues to make good progress on its acquisitive growth strategy. In this financial year to date eight further sales outlets have been acquired, all of which are now in our business improvement pipeline, with Group marketing, IT and management systems being put in place to drive business performance. A number of franchising opportunities are being undertaken with Alfa Romeo opening in Worcester next week alongside Fiat, and Mitsubishi expected to open shortly alongside Ford and Mazda in Glasgow. Both these franchises are new to the Group and represent opportunities to add incremental revenues, especially given the Group's fleet and internet capabilities.

The Board continues to evaluate a number of growth opportunities and a number of acquisitions are expected to be concluded in the coming months with no goodwill payable. The Group is in a strong position to undertake further consolidation activity with its net cash position and strong freehold backed balance sheet.

Outlook

Pre-exceptional profit is expected to be materially ahead of last year in the six months period to 31 August 2010. No exceptional items are anticipated in the first half. The Board expects the performance in the full financial year to be in line with market expectations.

Following this encouraging start to the financial year, the Group is in a strong financial position and has made significant strategic progress. However the macro-economic outlook continues to appear fragile and the Board therefore remains cautious on the second-half trading outlook.

The Group will announce its Half Year results on 20th October 2010.

- Ends -

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Notes to editors

Vertu Motors plc is the 8th largest motor retailer in the United Kingdom with 67 sales outlets forming a national network, operating predominantly under the Bristol Street Motors, Bristol Street Motor Nation, Vertu Honda and Macklin Motors brand names. Manufacturer partners are Citroen, Ford, Iveco, Honda, Hyundai, Mazda, Peugeot, Renault, Vauxhall, Chevrolet, Fiat and SEAT.

Vertu Motors was established in November 2006 with the aim of consolidating the UK motor retail sector. The Group listed on AIM in December 2006.

The Group currently operates 63 franchised sales outlets, 4 non-franchised sales operations and 2 stand alone service operations from 58 locations. 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.

www.vertumotors.com

www.bristolstreet.co.uk

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www.vertucareers.com

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