

5 March 2009

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

Pre-close Trading Update

Vertu Motors plc, the UK’s 10th largest motor retail group, is pleased to provide an update on trading in advance of issuing preliminary results for the year ended 28 February 2009. These will be announced on Thursday 28 May 2009 and a meeting for analysts will be held at 9:30am on the same day at the offices of Financial Dynamics, 26 Southampton Buildings, London, WC2A 1PB.

As widely reported market conditions in the UK have remained challenging throughout the second half of the financial year with private new car registrations falling 27.4% in the period from September to January. Against this backdrop, the Group has significantly outperformed the market with new car retail volumes in the same period down 16.0% on a like-for-like basis. This encouraging gain in market share reflects not only the strength of our consumer offering, but also the traction gained from improvements to the Group’s systems and training.

Used car sales volumes during the September to January period were up 12.0% on a like-for-like basis. However, the fall in used car prices has been a significant factor in the period and this has impacted on margins. Fleet and rental companies are delaying vehicle disposals and this, together with lower new car volumes, has helped to reduce excess used car stocks. Encouragingly, since the turn of the year prices have stabilised and demand has increased leading to an improvement in margins.

The market for new commercial vehicles has been particularly weak with registrations of vans in the UK down 33.8% in the September to January period. The Group is exposed to these trends through its Ford and Iveco businesses where volumes have been below expectations. As a consequence, the stock of new vehicles has increased leading to higher stocking charges from the manufacturers. This position is likely to unwind over the next six months as manufacturers’ actions bring production into line with sales levels and corporate customers resume their buying activity.

Aftersales performance has continued to be resilient and will represent a higher percentage of overall Group profits in the coming periods. Indeed, the Group’s parts operations have seen a particularly encouraging rise in profits year-on-year. Vertu has a number of initiatives in place to ensure that profit from the aftersales area is optimised.

The Group continues to take an active approach to cost control and has completed an initiative that will deliver on-going cost savings of £1.8m per annum. In addition, management has continued to focus on working capital, which has resulted in a much lower than expected net debt figure at the year end.

The Board is pleased to announce that on 1 March 2009 a new Bristol Street Motor Nation opened in Darlington. Utilising leased premises, this dealership represents a significant opportunity for the Group and follows the opening of a similar operation in Doncaster twelve months ago.

The Board believes that the pre-exceptional trading result for the year ended 28 February 2009 will be in line with market expectations. Whilst the market remains challenging, Vertu’s strategy is validated by the market share gains and the Board is excited by some of the opportunities which are arising from the current market conditions.

Robert Forrester, CEO of Vertu Motors plc said:

“Vertu has continued to strengthen its management and systems and has consistently gained market share. I am delighted that, despite the challenging market conditions, pre-exceptional trading results for the year are in line with expectations.

We expect the market to remain challenging, but this is providing some interesting value opportunities.”

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