

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

Pre-close Trading Update

5 March 2008

Vertu Motors plc, the UK's 10th largest motor retail group, is pleased to provide the following trading update.

Following the completion of the financial period ended 29th February 2008, the Board can confirm that the trading performance of the Group is in line with market expectations.

The Group continues to expand and, on 1 March 2008, it opened a new Bristol Street Motor Nation used car outlet in Doncaster. We continue to look at expansion opportunities across all of our core businesses of car and commercial franchise operations and used car outlets.

The new car market has remained resilient in the second half of 2007 and into 2008, despite the perceived weakening in the underlying consumer environment. National new car registrations to private buyers in the September to January period rose 0.8% compared to the prior year. On a like-for-like basis for Bristol Street Motors' dealerships, new car volumes sold to private customers rose 10.3%. This growth reflected strong consumer offers and incentives to dealers by manufacturers, coupled with improvements in business processes in the sales arena.

The used car market remains stable with residual value trends in line with previous years, except for the nearly new market, which continues to be impacted by the strength of the new car offers. On a like-for-like basis for Bristol Street Motors' dealerships for the period September to January, used car volumes increased by 29.4% year on year. The launch of a new internet proposition on 1 October 2007 has been a contributor to delivering this sales growth. It is the strategy of the Group to increase sales of used vehicles at each franchised outlet so as to build an increased vehicle parc with which to increase the higher margin aftersales business. Used vehicle margins have continued to be at lower levels than historically achieved by the business as the Group increases the volumes of vehicles sold.

Like-for-like used car volumes in the Bristol Street Motor Nation used car outlets rose 2.0% in the September to January period. The strategy in the Bristol Street Motor Nation business has been to reduce stock levels whilst seeking to maintain sales so as to improve stock turn and financial returns.

The overall commercial vehicle market has seen growth in registrations in the period since 1 September 2007 in both the light and heavy vehicle sectors. Order levels have improved, particularly in the heavy vehicle sector. Long lead times, due to supply constraints, are a current feature of the market.

Outlook

The first month of the new financial year is March and this reflects the largest single month for vehicle sales and dealership profitability in the year. New car order levels coming into this crucial month remain on plan. Sales in the remainder of the month are, however, important for the Group.

Whilst the Group is aware of the challenging market conditions in the UK, it looks forward to continuing to gain market share and to delivering against its stated strategy in the year ahead.

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