

24 July 2014

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

AGM Statement

Trading in the first four months of the year ahead of expectations, benefitting from improved performance of prior year acquisitions and strong market conditions.

At today's Annual General Meeting of Vertu Motors plc, Chairman Paul Williams will make the following statement:

Trading Update

- During the four month period to 30 June 2014 (the "Period") the Group has continued to generate strong revenue growth across all areas of the business.
- Acquisitions from prior years are showing significant improvements particularly in greater volumes of sales of used vehicles and stronger service revenues.
- Consequently the Board expects that the trading performance for the year ending 28 February 2015 will be ahead of current market expectations.

During the Period the UK new retail market has continued to see double digit year-on-year growth with new car registrations to private buyers increasing by 11.9%. The key drivers of this growth are an exchange rate environment which favours UK imports and a favourable UK consumer appetite in response to attractive product and finance offers, resulting from the overcapacity faced by European manufacturers and weak demand from Continental European new car markets. The Group's like-for-like new retail volumes have grown by 13.5% during the Period, outperforming the market. The Group's like-for-like new vehicle margins and gross profit per unit declined as a consequence of driving volume to hit manufacturer targets. All such manufacturer targets were achieved in the Period, which included the March plate change month, at a high level and the Group has continued to increase like-for-like new vehicle gross profit during the Period capitalising on the higher volumes.

The Group has seen continued growth in its car fleet operations during the Period, with like-for-like volumes increasing by 12.0%, ahead of UK car fleet registrations which grew by 10.1%. The Group's sales of commercial vehicles grew by 26.9% during the Period, significantly ahead of UK commercial vehicle registrations which grew by 11.7%. This continues the trends of recent periods whereby the Group is exploiting its expertise and depth of capability in both car fleet and commercial vehicles sales.

Used vehicle sales grew on a like-for-like basis by 13.5% during the Period and like-for-like margins and gross profit per unit also increased as strong pricing disciplines were maintained. Experian has reported that the UK used car market grew by 5.9% in the first quarter of 2014. The Group's outperformance against an improving used car market provides real evidence that the Group's business model is delivering improved returns. Firstly, the growth in used car volumes and profits in the underperforming dealerships acquired in prior periods are building the Group's underlying profitability as these businesses are turned around. Secondly, the Group's used car marketing strategy, which is focused in particular on the bristolstreet.co.uk and macklinmotors.co.uk web sites, is improving the Group's market share in used vehicles. In June 2014 the Group's websites generated more website visits than any other automotive franchise retailer in the UK (source: Hitwise UK), and this is helping the Group to increase its market share.

In aftersales the Group increased like-for-like sales, gross profits and net profits during the Period. In the key area of vehicle servicing like-for-like revenues grew by 5.1% and like-for-like margins improved as the Group saw improvements in utilisation and efficiency from higher activity levels in the workshops.

The Group's total revenues in the Period grew by 34.8% with like-for-like revenues up by 16.4%. Total gross profit increased by 28.4% reflecting the impact of higher volumes of vehicles sold and acquisitions with like-for-like gross profit increasing by 9.9%.

Overall gross margins fell both as a result of the change in sales mix, shifting to a higher proportion of lower margin vehicle sales, and due to the lower margins achieved on new vehicles.

Importantly, the Group's operating expenses as a percentage of sales have continued to decline in the Period as the Group's focus on cost control has remained at the fore.

Portfolio Development

As previously announced:

On 7 March 2014 the Group disposed of a disused property in Nottingham for cash proceeds of £0.6m, equating to the net book value of that property.

On 6 May 2014 the Group acquired the entire share capital of Hillendale Group Limited, comprising a Land Rover dealership in Nelson and the Group's first Jaguar dealership in Bolton. The estimated purchase consideration of £8.2m included £2.0m of shares in the Company. This high performing business has been successfully integrated into the Group's existing Land Rover division.

More recently:

On 1 July 2014 the Group acquired a leasehold property in Newcastle in which it will establish a Fiat Brand Centre, representing Fiat, Alfa Romeo and Jeep. This new dealership is expected to commence trading in August 2014.

On 9 July 2014 the Group acquired a leasehold property in Newcastle from which it will operate an Infiniti dealership from September 2014. This dealership is located 10 miles from the Nissan factory in Sunderland where the Infiniti Q30 model range is to be manufactured, and this dealership will be the sole Infiniti sales outlet in the North East of England.

The Board also continues to evaluate a pipeline of acquisition opportunities and remains committed to growing the Group both organically and by acquisition.

Outlook

During the Period, the Group has continued to trade ahead of management's expectations, reflecting the accelerated turnaround of prior year acquisitions, improving aftersales margins and profits and the continued momentum in the UK new vehicle market. As a consequence the Board expects that the trading performance for the year ending 28 February 2015 will be ahead of current market expectations.

The outlook for the new car market remains favourable with continued growth anticipated in the private market, albeit with new car margins under pressure. The used car market has returned to growth, and in aftersales the growth in the UK vehicle parc coupled with the continued improvements in the Group's customer service and retention, provide a robust backdrop for this crucial high margin area of the Group's business.

The Board remains confident that the Group is well placed to maximise the opportunity for profitable growth both from the turnaround in profitability of recent acquisitions and from favourable market conditions.

Dividend

Upon approval of the proposed final dividend of 0.5p per share (2013: 0.45p per share) in respect of the year ended 28 February 2014 at today's AGM, this dividend will be paid on 29 July 2014 to shareholders that were on the register at 27 June 2014.

For further information please contact:

Vertu Motors plc

Robert Forrester, CEO

Tel: 0191 491 2111

Michael Sherwin, FD

Tel: 0191 491 2114

Panmure Gordon (UK) Limited

Hugh Morgan / Callum Stewart

Tel: 020 7886 2500

Liberum Capital Limited

Peter Tracey / Jamie Richards

Tel: 020 3100 2000

Camarco

Billy Clegg / Georgia Mann

Tel: 020 3757 4980

Notes to Editors

Vertu Motors is the sixth largest automotive retailer in the UK with a network of 108 sales and aftersales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu, Farnell Land Rover and Macklin Motors brand names.

Vertu Motors was established in November 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 106 franchised sales outlets and 2 non-franchised sales operations from 88 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.macklinmotors.co.uk / www.farnellandrover.com / www.farnelljaguar.com/
www.vertuvolkswagen.com