

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in VERTU Motors plc, please send this document, together with the accompanying form of proxy, as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.



(Registered in England and Wales with registered number 5984855)

Registered office:

Rotterdam House
116 Quayside
Newcastle upon Tyne
NE1 3DY

27 June 2008

Dear Shareholder

ANNUAL GENERAL MEETING

I enclose a formal notice of the Annual General Meeting of VERTU Motors plc (**Company**), which is to be held at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF at 12.00 noon on 21 July 2008.

I hope to see as many of you as possible at the Annual General Meeting, which is the main opportunity each year for the Board to engage with shareholders, answer your questions and to listen to your views.

New articles of association

In addition to our normal business, we are seeking your authority to adopt new articles of association. The new articles will take effect from the close of the Annual General Meeting and will amend our articles to reflect recent changes in company law.

We are also asking shareholders to adopt a further version of the articles to reflect changes in company law which should be coming into force on 1 October 2008. These further new articles will take effect from the date those changes come into force.

Further details of the proposed new articles are set out in the explanatory notes and appendix to the enclosed notice.

Re-election of directors

I am pleased to confirm that, following a review by the other directors, we are satisfied that each of the directors seeking re-election at the meeting continues to make a valuable contribution to our discussions and continues to have the best interests of the Company at heart.

Form of proxy

If you are unable to attend the meeting, a form of proxy is enclosed for you to complete (according to the instructions printed on it) and send to the Company's Registrars, to be received by 12.00 noon on 19 July 2008. Completion and submission of the form of proxy will not prevent you from attending and voting at the meeting if you subsequently find that you are able to do so. CREST Members can cast their votes using CREST electronic proxy voting (further details of which are set out in note 3 on page 5 of this circular).

Recommendation

Your directors believe that the resolutions in the enclosed notice of Annual General Meeting are in the best interests of the Company and shareholders as a whole. Accordingly, they unanimously recommend that you vote in favour of each resolution, as they intend to do in respect of their own beneficial holdings in the Company.

Yours faithfully

Paul Williams
Non-executive Chairman

VERTU Motors plc

(Registered in England and Wales with registered number 5984855)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF at 12.00 noon on 21 July 2008 for the following purposes:

Ordinary Business

1. To receive the accounts for the financial period ended on 29 February 2008, together with the Reports of the Directors and of the Auditors thereon.
2. To re-appoint PricewaterhouseCoopers LLP as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditors of the Company.
4. To re-elect as a director Mr R T Forrester, who retires in accordance with the Company's articles of association and who is eligible for re-election.
5. To re-elect as a director Mr W M Teasdale, who retires in accordance with the Company's articles of association and who is eligible for re-election.
6. To approve the Directors' Remuneration Report for the financial year ended 29 February 2008.

To transact any other ordinary business of the Company.

Special Business

As special business, to consider and, if thought fit, pass the following resolutions, which will be proposed as to resolution 7 as an Ordinary Resolution and as to resolutions 8 to 11 as Special Resolutions:

7. THAT, subject to and in accordance with Article 15.1 of the Articles of Association of the Company, the Directors be generally and unconditionally authorised and empowered in accordance with section 80 of the Companies Act 1985 (**Act**) (in substitution for any unexercised existing authority to allot relevant securities) to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Act) up to an aggregate nominal amount of £2,800,000 to such persons and on such terms and conditions as they may determine, provided that such authority shall expire on 20 October 2009, or such earlier time as this authority shall next be revoked or varied by the Company in general meeting, but so that the Company may, before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.
8. THAT, subject to the passing of resolution 7 set out in the notice of this meeting, the Directors be empowered pursuant to section 95 of the Companies Act 1985 (**Act**) (in substitution for any unexercised existing authority) to allot equity securities (as defined in section 94 of the Act) pursuant to the general authority conferred by resolution 7 set out in the notice of this meeting and to sell relevant shares (as defined in section 94 of the Act) held by the Company as treasury shares (as defined in section 162A of the Act), as if section 89(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to allotments of equity securities and the sale of treasury shares:
 - a. in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory; and
 - b. otherwise than pursuant to sub-paragraph (a) above, up to an aggregate nominal amount of £484,800;

and such power shall expire on 20 October 2009, or such earlier time as this authority shall next be revoked

or varied by the Company in general meeting, but so that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or treasury shares to be sold after such expiry, and the Directors may allot equity securities or sell treasury shares in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

9. THAT the Company be and is generally and unconditionally authorised pursuant to Article 11.1.2 of the articles of association of the Company and pursuant to section 166 of the Companies Act 1985 (**Act**) to make one or more market purchases (within the meaning of section 163(3) of the Act) of ordinary shares of £0.10 each in the capital of the Company (**Ordinary Shares**) on such terms and in the manner as the Directors of the Company may from time to time determine provided that:
 - 9.1 the maximum aggregate number of Ordinary Shares authorised to be purchased is 9,194,397 (representing 10% of the Company's current issued ordinary share capital);
 - 9.2 the minimum price which may be paid for such Ordinary Shares shall be £0.10 per share;
 - 9.3 the maximum price which may be paid for an Ordinary Share shall not be more than 5% above the average market value of an Ordinary Share for the five business days immediately preceding the date on which the contract for the purchase is made;
 - 9.4 unless previously renewed, varied or revoked, the authority conferred shall expire on 20 October 2009 or, if earlier, at the conclusion of the Company's next annual general meeting provided that:
 - 9.4.1 the Company may make a contract or contracts to purchase Ordinary Shares under this authority prior to its expiry which will or may be executed wholly or partly after the expiry of this authority; and
 - 9.4.2 the Company may make a purchase of Ordinary Shares in pursuance of any such contract or contracts.
10. THAT, the Articles of Association produced to the meeting, and initialled by the chairman of the meeting and marked "New Articles A" for the purposes of identification, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association with effect from the conclusion of the meeting.
11. THAT, with effect from 00.01 a.m. on 1 October 2008 (or such other date on which section 175 of the Companies Act 2006 comes into force), the Articles of Association produced to the meeting, and initialled by the chairman of the meeting and marked "New Articles B" for the purposes of identification, be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the Articles of Association in force immediately prior to such date.

Dated: 27 June 2008

Registered Office:

Rotterdam House
116 Quayside
Newcastle upon Tyne
NE1 3DY

By Order of the Board

Andrew Davison
Company Secretary

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend, speak and vote instead of the member. If a member appoints more than one proxy, each proxy must be appointed to exercise the rights attached to a different share or shares held by that member. A form of proxy for use by members at the meeting is enclosed. If you do not have a form of proxy and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Capita Registrars on 0871 6640300 (calls cost 10p per minute plus network charges). If you do have a form of proxy and require additional forms you may also photocopy the form. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. In order to be valid, any form of proxy (and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority) must reach the Company's registrars; Capita Registrars, Proxies Department, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU not less than 48 hours before the time of the meeting or of any adjournment of the meeting.
3. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the meeting convened by this notice and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (**CREST Proxy Instruction**) must be properly authenticated in accordance with CREST's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RAI0) by the latest time for receipt of proxy appointments specified in note 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that CREST does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

4. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's share register at 6.00 p.m. on 19 July 2008 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. Copies of the service contracts or letters of appointment and deeds of indemnity of each of the Directors and copies of New Articles A and New Articles B (together with a copy of the current articles showing the changes proposed by New Articles A and New Articles B) will be available for inspection at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting and at the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
6. Biographical details of each Director who is being proposed for or re-election by shareholders, including their membership of Board committees, are set out in the Annual Report and Accounts posted to Shareholders with this circular.
7. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at

the meeting so that (i) if a corporate member has appointed the chairman of the meeting as its corporate representative to vote on a poll in accordance with the directions of all of the other corporate representatives for that member at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate members are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives (www.icsa.org.uk) for further details of this procedure. The guidance includes a sample form of appointment letter if the chairman is being appointed as described in (i) above.

Explanatory Notes:

Ordinary Business

Section 439 of the Companies Act 2006 requires quoted companies, at each general meeting at which statutory accounts are to be laid, to propose an ordinary resolution approving the Directors' Remuneration Report for the year. Resolution 6 will be proposed as an ordinary resolution for this purpose; a copy of the report is included in the Annual Report and Accounts posted to shareholders at the same time as this circular.

Special Business

The Companies Act 1985 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. Resolution 7 will be proposed as an Ordinary Resolution for the renewal of the Directors' general authority to issue relevant securities up to an aggregate nominal amount of £2,800,000, representing approximately the authorised but unissued and unreserved share capital of the Company, assuming the issue of up to 5,043,213 Ordinary Shares in the capital of the Company over which options have been granted or that have been contracted to be allotted in accordance with the Company's existing authority but which have not yet been allotted. The Directors have no present intention of exercising this authority and the authority will expire on 20 October 2009 or such earlier time as the authority is next revoked or varied by the Company in a general meeting.

The Companies Act 1985 also provides that any allotment of new shares for cash must be made pro rata to individual shareholders' holdings, unless such provisions are disapplied under section 95 of the Companies Act 1985. Resolution 8 will be proposed as a Special Resolution for the renewal of the Directors' authority to allot equity securities for cash, without first offering them to shareholders pro rata to their holdings. This authority facilitates issues made by way of rights to shareholders which are not strictly in accordance with section 89 of the Companies Act 1985, and authorises other allotments of up to a maximum aggregate nominal amount of £484,900 of shares, representing approximately 5 per cent of the issued share capital of the Company, assuming the allotment of the maximum number of option or contracted shares referred in explanatory note 2 above. This authority also allows the Directors, within the same aggregate limit, to sell for cash, shares that may be held by the Company in treasury (the Company does not currently hold any such shares). The Directors have no present intention of exercising this authority.

Resolution 9 will be proposed as a Special Resolution for the renewal of the Company's authority to purchase its own shares in the market for up to 9,194,397 Ordinary Shares, representing approximately 10 per cent of the current issued share capital of the Company. The price payable shall not be more than 5 per cent above the average market value of an Ordinary Share for the five business days before the purchase is made and in any event not less than £0.10 per share, being the nominal value of the shares. It is the Directors' intention only to exercise the authority to purchase the Company's shares where it would increase the earnings per share of those Ordinary Shares that are not re-purchased. The Company intends either to cancel such shares or to hold them in treasury. This power will only be used if the Directors consider that to do so would be in the best interests of shareholders generally. The total numbers of warrants and options to subscribe for equity shares that are outstanding as at 19 June 2008 is 4,723,683, which represents approximately 5.13% of the current issued share capital of the Company. Up to 319,530 Ordinary Shares also have been contracted to be allotted but have not yet been allotted. If the full authority to buyback shares is used the number of warrants, option and contracted but unissued shares would represent approximately 6.09% of the current issued share capital of the Company.

Resolution 10 will be proposed as a Special Resolution to adopt new articles of association of the Company to take effect from the close of the Annual General Meeting (**New Articles A**). New Articles A will amend the current articles to reflect recent changes in company law brought about by the Companies Act 2006. Resolution 11 will also be proposed as a Special Resolution and adopts a further version of the articles (**New Articles B**) which will reflect changes in company law which are expected to come into force on 1 October 2008. New Articles B will take effect from the date the relevant change in company law comes into force.

The principal changes introduced in New Articles A and New Articles B are summarised in the Appendix. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in the Appendix. Copies of New Articles A and New Articles B showing all the changes to the current articles are available for inspection, as noted in note 5 of this notice.

The Company intends (in conjunction with its legal advisers) to conduct a further review of the Company's articles of association and incorporate any further amendments which are necessary or desirable as further provisions of the Companies Act 2006 are implemented.

Appendix

Summary of the principal changes to the Company's articles of association

New Articles A

1. Convening general meetings

The provisions in the Company's current articles of association (**Current Articles**) dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the Companies Act 2006. In particular, a general meeting to consider a special resolution can be convened on 14 days' notice, whereas previously 21 days' notice was required.

2. Votes of members

Under the Companies Act 2006, proxies are entitled to vote on a show of hands, whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed (but if they purport to exercise their rights in different ways, then the power is treated as not being exercised; however, please refer to note 7, which sets out the arrangements which will be put in place to facilitate voting by corporate representatives at the meeting). New Articles A reflect all of these new provisions.

3. Age of directors on appointment

The Current Articles contain a provision requiring a director's age to be disclosed if he has attained the age of 70 years or more in the notice convening a meeting at which the director is proposed to be elected or re-elected. Such provision could now fall foul of the Employment Equality (Age) Regulations 2006 and so has been removed from New Articles A.

4. Provision for employees on cessation of business

The Companies Act 2006 provides that the powers of the directors to make provision for a person employed or formerly employed by the company in connection with the cessation or transfer to any person of the whole or part of the undertaking of the company, may be exercised by the directors or by the company in general meeting. However, if the power is to be exercised by the directors, the articles of association must include a provision to this effect. New Articles A provide that the directors may exercise this power.

5. Electronic and website communications

Provisions of the Companies Act 2006 which came into force in January 2007 enable companies to communicate with members by electronic and/or website communications. New Articles A continue to allow communications to members in electronic form and, in addition, they also permit the Company to take advantage of the new provisions relating to website communications. Before the Company can communicate with a member by means of website communication, the relevant member must be asked individually by the Company to agree that the Company may send or supply documents or information to him by means of a website, and the Company must either have received a positive response or have received no response within the period of 28 days beginning with the date on which the request was sent. The Company will notify the member (either in writing, or by other permitted means) when a relevant document or information is placed on the website and a member can always request a hard copy version of the document or information.

6. Directors' indemnities and loans to fund expenditure

The Companies Act 2006 has, in some areas, widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, a company that is a trustee of an occupational pension scheme can now indemnify a director against liability incurred in connection with the company's activities as trustee of the scheme. In addition, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. New Articles A incorporate the changes introduced by the Companies Act 2006.

7. General

Generally the opportunity has been taken to bring clearer language into New Articles A and in some areas to conform the language of New Articles A.

New Articles B

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the Company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. New Articles B give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision, the directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The directors will be able to impose limits or conditions when giving authorisation, if they think this is appropriate.