

24 July 2012

Vertu Motors plc (“the Group”)

AGM Statement

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 2012 the Group has traded ahead of the prior year with like-for-like profit growth in each of the key areas of new retail and used car sales, fleet and commercial sales and vehicle servicing. In addition to the growth in like-for-like profits, we have continued to see an increased contribution to profitability from the dealerships we acquired in the previous financial year. Our total revenue during the period grew by 11.6%, within which our like-for-like vehicle revenues grew by 5.1%.

New retail car sales volumes grew on a like-for-like basis in the four months ended 30 June 2012 by 0.3% against an increase in UK private registrations of 10.1%. The market is witnessing increased levels of self-registration by UK dealers which is inflating registration data compared to sales levels. The Group continues to follow a policy of not engaging in significant self-registration activity. Like-for-like new retail car profitability rose 4.7% in the period.

The Group has seen considerable growth in fleet and commercial volumes with a like-for-like increase of 12.2% in the four month period compared to a market decline in registrations of 0.8%. The market fall partly reflects what the Board believes to be an increasing trend for self-registered vehicles to be classified as private rather than fleet registrations within the market.

Used vehicle sales volumes rose on a like-for-like basis 6.7% in the four month period compared to the prior year. Supply constraints continue to characterise the used car market as customers trade down into smaller and cheaper cars, which are in short supply. The Group has responded to this trend by investing in additional used car buyers and improving the systems and processes which provide real time information utilised to control used car inventories.

Gross margins were stable compared to the same period last year, with stronger new and used car margins offset by slightly lower aftersales margins. New retail car like-for-like margins increased to 7.9% (2011: 7.3%) reflecting both the Group's ability to deliver on its manufacturer volume targets at a high level and improvements in the sales process in dealerships. Used car like-for-like margins increased to 10.9% (2011: 10.2%) as a result of improvements in dealership performance and the impact of a more stable used car market in terms of both demand and pricing.

Like-for-like aftersales margins were slightly lower at 42.8% (2011: 43.9%). This is a result of the Group's strategy to increase service retention for used car customers, particularly in the over four year old vehicle category where retention is now 30% (2011: 26%). This strategy results in lower margins, with increased overall profits due to the increase in service volumes.

Portfolio Development

On 1 May 2012 the Group introduced Ford commercial vehicle sales and aftersales to the Bristol Street Commercials site in Swindon. This will complement the site's existing commercial vehicle activities and completes the process of introducing Ford activities to each of our commercial vehicle locations.

On 28 June 2012 the Group acquired the trade and assets of two Ford dealerships in Durham and Hartlepool from Holiways Limited. The Group has acquired two freehold properties in this transaction,

and the cash consideration paid was £3.5m. This acquisition grew the number of Ford dealerships operated by the Group to 22 and expanded the Group's representation in the North East, to a total of nine sales outlets.

On 29 June 2012 the Group acquired the trade and assets of a Suzuki dealership in Mansfield from Co-op Group Motors Limited. The dealership is situated in a freehold property adjacent to the Group's existing Honda dealership, and is the first Suzuki dealership in the Group's portfolio. The cash consideration paid was £1.8m, and a further franchise will be added to this dealership in the coming weeks.

Investment in growth remains at the top of the Board's agenda, and the Group has a strong pipeline of further acquisition opportunities. These potential transactions are likely to lead to a further expansion of the Group's number of sales outlets in the coming months. The Group now operates 81 outlets comprising 78 franchised and 3 non-franchised sales outlets.

Outlook

The consumer environment remains challenging and volatile as macro-economic concerns continue. Market conditions in the wider European car market remain under intense pressure and this poses both opportunities and threats to the stability of the sector in the United Kingdom. The Board remains confident with the robustness of the core business and with the improving trading prospects of the acquisitions made in recent periods. The Group continues to trade in line with market expectations.

Dividend

Following approval of the proposed final dividend for the year ended 29 February 2012 of 0.4p per share (2011: 0.3p) at today's Annual General Meeting, this dividend will be paid to shareholders on the register at 15 June 2012 on 27 July 2012.

Appointment of Joint Corporate Broker

With effect from 24 July 2012, the Group has appointed Espirito Santo Investment Bank as its joint corporate broker, alongside Panmure Gordon which continues to act as NOMAD and financial adviser to the Group.

For further information please contact:

Vertu Motors plc

Robert Forrester, CEO
Michael Sherwin, FD

Tel: 0191 491 2111
Tel: 0191 491 2114

Panmure Gordon (UK) Limited

Andrew Burnett
Callum Stewart

Tel: 020 7459 3600

Espirito Santo Investment Bank

Peter Tracey
Andrew Fairclough

Tel: 020 9456 9191

FTI Consulting

Josephine Corbett

Tel: 020 7831 3113

Notes to Editors

Vertu Motors is a fast growing automotive retailer with a network of 81 sales and aftersales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu Honda and Macklin

Motors brand names. Manufacturer partners are Alfa Romeo, Citroen, Fiat, Ford, Honda, Hyundai, Iveco, Mazda, Mitsubishi, Nissan, Peugeot, Renault, SEAT, Suzuki and Vauxhall.

Vertu Motors was established in November 2006 and listed on AIM on December 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 78 franchised sales outlets, 3 non-franchised sales operations from 69 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.motornation.co.uk / www.macklinmotors.co.uk