

12th January 2010

Vertu Motors plc ('Vertu' or the 'Company' or the 'Group')

Proposed Acquisition & Notice of General Meeting

Vertu Motors plc is pleased to announce the conditional acquisition by its wholly owned subsidiary, Bristol Street First Investments Limited, of the entire issued share capital of Boydslaw 103 Limited (~~Boydslaw~~) for a maximum consideration of £2,657,100 (~~Acquisition~~ or ~~Transaction~~).

The total consideration to be paid by Bristol Street First Investments Limited pursuant to the terms of the Acquisition will be payable in part in cash with the remaining part being settled through the issue of loan notes that are then exchanged for 10p ordinary shares in the Company at a price of 38.6p per share.

75% of the estimated total consideration will be payable to the Boydslaw shareholders on completion (**Initial Consideration**). This will comprise the total cash consideration of £1,508,295 plus £484,530 of share consideration.

A further amount of up to £664,275 of share consideration (**Further Consideration**) is to be paid if the net assets of Boydslaw at completion of the Transaction are equal to or greater than an agreed minimum amount (£1,200,000). If the net assets are less than the agreed minimum amount, a deduction equal to the amount of the shortfall will be made from the Further Consideration.

Boydslaw is the owner of Dunfermline Autocentre Limited, which operates a Ford dealership in Dunfermline, Scotland; and will be the Group's first dealership in Scotland. The cash consideration for the Acquisition will be funded from existing cash resources.

Ford is a key strategic partner for the Group and represents the franchise with the largest market share in the UK. Dunfermline Autocentre's customer base reaches into many areas of Scotland and will enhance the Group's internet offering by providing access to the Scottish market. It will also provide a strategic base to allow expansion through the acquisition of further dealerships in Scotland.

The draft unaudited consolidated earnings before interest, tax, depreciation and amortisation (**EBITDA**) of Boydslaw and its subsidiary undertaking for the year ended 31 December 2009 were £686,000 and for the year ended 31 December 2008 were £520,000. The draft unaudited consolidated turnover for the year to 31 December 2009 was approximately £32,500,000 (2008: £26,000,000). The draft unaudited net assets at 31 December 2009 were approximately £1,400,000 and net debt at this date was estimated at £320,000.

Robert Forrester, Chief Executive Officer of the Company, is a shareholder in Boydslaw and owns 19.6% of its issued share capital. Therefore the Acquisition represents a Related Party Transaction, and is also a Substantial Transaction, under the AIM Rules. The Acquisition also requires shareholder approval under the substantial property transaction provisions of the Companies Act 2006 (section 190). Completion of the Acquisition is, therefore, conditional upon shareholder approval at a General Meeting to be held on 29 January 2010 at 11.00 am. The Company has today sent notice to shareholders of that General Meeting to propose an ordinary resolution to approve the Acquisition pursuant to section 190 of the Companies Act 2006.

The directors, except Robert Forrester who, because of his interest in the Acquisition and in accordance with the AIM Rules, is excluded from recommending the Transaction, consider, having consulted with Brewin Dolphin Limited, the Company's Nominated Adviser, that the terms of the transaction are fair and reasonable insofar as shareholders are concerned.

Paul Williams, Chairman of Vertu Motors commented:

We are excited about the opportunities to scale the Group that this acquisition represents. Dunfermline Autocentre is a profitable, well run dealership, and this acquisition represents a key strategic move for the Group in establishing a presence in Scotland. It also strengthens our Ford offering, which, following this acquisition, would take us to operating 17 Ford dealerships.

Enquiries:

Vertu Motors plc Robert Forrester, CEO Karen Anderson, Finance Director	0191 206 4617
Brewin Dolphin Investment Banking Andrew Kitchingman Sean Wyndham-Quin	0845 213 4730
Panmure Gordon (UK) Limited Andrew Burnett Stuart Gledhill	020 7459 3600
Financial Dynamics Caroline Stewart	020 7831 3113

Notes to editors

Vertu Motors is the 9th largest motor retailer in the United Kingdom with 58 dealerships forming a national network across England, operating under the Bristol Street Motors and Bristol Street Motor Nation brand names. Manufacturer partners are Citroen, Ford, Iveco, Honda, Hyundai, Mazda, Peugeot, Renault, Vauxhall, Chevrolet, Fiat and SEAT.

Vertu Motors was established in November 2006 with the aim of consolidating the UK motor retail sector. The Group listed on AIM in December 2006. In March 2007, the Group acquired the 13th largest motor retailer in the United Kingdom, Bristol Street Motors.

The Group currently operates 54 franchised sales outlets, 4 non-franchised sales operations and 2 stand alone service operations from 50 locations. 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 the national network.

www.vertumotors.com

www.bristolstreet.co.uk

www.vertuhonda.com

www.motornation.co.uk

Details of the Acquisition

Background

The Company's wholly owned subsidiary, Bristol Street First Investments Limited, has on 11 January 2010, entered into a share purchase agreement (**Agreement**) with the shareholders of Boydslaw 103 Limited (**Boydslaw**) pursuant to which it has conditionally agreed to purchase the entire issued share capital of Boydslaw (**Transaction**).

Boydslaw owns the entire issued share capital of Dunfermline Autocentre Limited which owns and operates a Ford dealership in Dunfermline, Fife. Ford is a key strategic partner for the Company and represents the franchise with the largest market share in the UK. The dealership offers a range of services comprising a car showroom, workshop, bodyshop, rapidfit, petrol filling station and used vehicle display area. The Directors believe that the dealership has been well run and profitable in recent years and the existing director will join the Company and will continue as director of Boydslaw and its subsidiary following completion of the Transaction to ensure that the success of the dealership continues.

Consideration for the Transaction

The total consideration to be paid by Bristol Street First Investments Limited pursuant to the terms of the Agreement is up to £2,657,100, which will be payable in part in cash with the remaining part being settled through the issue of loan notes that are then exchanged for 10p ordinary shares in the Company at a price of 38.6p per share as follows:

	Total Consideration	Comprising	
		Cash Consideration	Share Consideration
	£	£	£
Robert Forrester	521,000	-	521,000
Other Boydslaw Shareholders	2,136,100	1,508,295	627,805
Total	2,657,100	1,508,295	1,148,805

The total consideration, set out above, to be paid by Bristol Street First Investments Limited was arrived at by using a multiple of 5.92 of the expected normalised levels of consolidated EBITDA of Boydslaw and its subsidiary undertaking and then deducting the consolidated net debt position. This is in line with the current investment criteria utilised by the Company based on normalised Enterprise Value/EBITDA multiples.

As part of the Transaction, Robert Forrester will receive 1,012,306 10p ordinary shares in the Company (issued at a price of 38.6p per share) as part of the Initial Consideration. If the full amount of the Further Consideration is payable, he will receive a further 337,435 10p ordinary shares in the Company at the same price per share. In these circumstances Robert Forrester will receive total non-cash consideration valued at £521,000.

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