

1 June 2016

Vertu Motors plc (“Vertu” or the “Group”)
Further acquisition of premium and volume franchises
Acquisition of Gordon Lamb Group Limited for £18.7m

Highlights

- Acquisition of five outlets in Derbyshire for £18.7m, including the Group's sixth Land Rover dealership
- Brings Toyota into the Group's franchise portfolio for the first time
- Three additional well-established dealerships in Chesterfield and Derby operating as Nissan and Skoda
- Acquisition is expected to be earnings enhancing in its first full year of ownership
- Secures a key acquisition target, as set out at the time of the capital raise in March 2016

Vertu, the automotive retailer with a network of 132 sales and aftersales outlets across the UK, announces that it has acquired the entire issued share capital of Gordon Lamb Group Limited and its subsidiaries, including Gordon Lamb Limited, (together “Gordon Lamb”) for a total cash consideration of £18.7m which has been settled from the Group's existing cash resources. Gordon Lamb operates the Toyota, Land Rover, Skoda and Nissan outlets in Chesterfield and the Skoda outlet in Derby and has traded for over 60 years.

The acquisition brings Toyota to the Group, further progressing the Group's strategic goal of growing its range of franchises. The transaction includes goodwill of £8.3m and brings freehold properties valued at £7.5m into the Group. The acquisition is an important development for the Group and is in line with the strategy set out at the time of the capital raise in March 2016.

The acquisition increases the number of outlets operated by the Group in Derbyshire from 10 to 14 and hence further provides synergies around marketing and management. The acquisition of Nissan in Chesterfield, for example, creates a market area for Nissan including Derby, Ilkeston and Sheffield and brings the total number of Nissan outlets the Group operates to 11.

For the year ended 31 December 2015, Gordon Lamb achieved consolidated revenues of £85.8m^{***}, adjusted* EBITDA of £2.9m, adjusted* PBT of £2.7m and had net assets of £10.2m^{**} as at 31 December 2015. The Board expects this acquisition to be earnings enhancing in its first full year of ownership.

Robert Forrester, CEO of Vertu Motors said:

“Gordon Lamb is a much respected and well established business operating in Derbyshire, a core territory of ours. It is a business we have long admired and I am delighted to welcome them to the Vertu Group. I see a very clear cultural, strategic and business fit.

“We are delighted and excited to commence representing Toyota under the Vertu Toyota brand adding yet another first class franchise to our business.”

* adjusted for non-recurring and non-corporate items

** adjusted to remove investment properties that have been transferred out of the group prior to purchase

*** adjusted to restate revenue on the same basis as that adopted in the Group's financial reporting

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Notes to Editors

Vertu Motors, the UK automotive retailer with a proven growth strategy, is the fifth largest automotive retailer in the UK with a network of 132 sales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu, Farnell 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 129 franchised sales outlets and 3 non-franchised sales operations from 109 locations across the UK.

Vertu Motors Group websites – www.vertumotors.com / www.vertucareers.com

Vertu brand websites – www.bristolstreet.co.uk / www.vertuhonda.com / www.macklinmotors.co.uk / www.farnellandover.com / www.farnelljaguar.com / www.vertuvolkswagen.com / www.southherefordgarages.co.uk / www.vertumercedes-benz.com

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