

Peter Johnson

Group Chief Executive



Australia

Operating profit £16.1m; up 13.4%*

- Market up by 5.4% on last year's record
- Subaru outperformed the market
 - *Achieved highest ever market share of 3.8%*
 - *Strong Liberty and Impreza sales*
- Melbourne Retail continues to perform well
 - *Increased new and used unit sales*
 - *Higher aftersales income*

* Before exceptional items

Australia *continued*

Operating profit £16.1m; 13.4%*

- Sydney Retail restructure complete
 - *Return to profitability*
- AutoNexus has grown profits
 - *Further investment as customer base develops*

* Before exceptional items

Belgium

Operating profit £8.3m; up 3.8%*

- Market down by 0.7%
- Toyota/Lexus market share increased to 5.0%
 - *RAV4, Yaris and Hilux in run out*
- Supply constraints resolved
- Introduction of diesel derivatives
 - *Passenger car market over 70.0% diesel*

* Before exceptional items

Greece

Operating profit £7.8m; down 6.0%*

- Market down 7.2%
- Toyota/Lexus market share at 8.5%
 - *Various Toyota models in run out*
 - *No diesel benefit*
 - *Athens network reorganisation*
- Tough trading conditions in Athens and Salonica
 - *Slow build up of sales for new dealership*
- Costs tightly controlled
- Operating margins up on 2004

* Before exceptional items

Hong Kong

Operating profit £13.0m; up 10.2%*

- Consumer confidence still recovering
- Profits up 10.2% including one off property profit of £0.9m
- Adjusted margins of 10.6% compared to 9.9% in 2004
- Toyota/Lexus achieved market share of 34.4%
 - *Corolla, Alphard and Hiace supply constraints*

* Before exceptional items

Singapore

Operating profit £34.6m; up 21.8%*

- Operating margins up at 9.4% from 8.4% in 2004
- Market up 18.2%
 - *Increased levels of COEs*
 - *Over 19,000 vehicles sold for Toyota/Lexus in H1*
 - *Launch of Lexus GS 300 and higher taxi sales*
- Toyota/Lexus market share 29.9%

* Before exceptional items

Singapore *continued*

Operating profit £34.6m; up 21.8%*

- Enlarged Toyota car parc
- Continued investment in aftersales infrastructure
 - *Two further satellite centres*
 - *Capacity increased by over 5.0%*
- Customer service at record levels

* Before exceptional items

United Kingdom

Operating profit £15.0m; up 7.9%*

- UK Retail achieved encouraging like for like profit growth
 - *In a more difficult market*
- Improved business processes
 - *Used car sales up 6.8%*
 - *Higher finance and aftersales contribution*
- Improvement in operating margins
 - *Positive impact of recent Mercedes-Benz acquisitions*

* Before exceptional items

United Kingdom *continued*

Operating profit £15.0m; up 7.9%*

- Inchcape Automotive
 - *Some disruption caused by workshop refurbishment and production efficiency issues*
 - *Focus on strengthening management and improving processes*
- Inchcape Fleet Solutions performed well
 - *Development of Fleet Management operations*
 - *Benefited from lower overheads*
 - *Profits up 13.0%*

* Before exceptional items

Other

Operating profit £14.3m; down 5.3%*

- Finland
 - *Profitability declined in the period*
- Baltics
 - *Promising start to the year*
- Poland
 - *Market down resulting in slow start for new BMW businesses*

* Before exceptional items

Other continued

Operating profit* £14.3m; down 5.3%

- Balkans
 - Encouraging growth in operating profits, up 43.8% on last year
 - Increased sales volumes to over 3,400 units
 - High growth rate markets, particularly Romania
- Toyota in Guam, Subaru in New Zealand and BMW in Chile all increased sales and profits in the period

* Before exceptional items

Future growth plans

- Focused on:
 - *Expansion with selected manufacturer partners*
 - *In, or adjacent, to markets where we already have a scale business*
 - *Creating vertically integrated import and retail businesses, or scale retail opportunities in contiguous territories*
- Well proven business model and significant expertise
 - *Lower risk and higher margin potential when entering new markets*

Core market growth plans

- Expansion opportunities in UK, Australia and Greece
- Largest independent retailer in the UK for Mercedes-Benz
 - *Represent c.8.0% of their national sales volumes*
 - *Expected to sell c.6,000 new units in 2006*
- Further development with BMW
 - *New facilities in Croydon and Tunbridge Wells, redevelopment of Cobham site*
 - *Common systems allow management to run territory as a single business*
 - *Brooklands benefits starting to be seen*
- Excellent progress made with UK growth strategy
 - *Further growth opportunities are being considered*

Core market growth plans *continued*

- Australia
 - *Proven retail expertise*
 - *Expect to sell c.14,000 units in Sydney and Melbourne in 2005*
 - *Broaden Retail footprint*
 - *Awarded Hyundai franchise for the city area of Sydney*
 - *Multi-franchise business along the East Coast*
- Greece
 - *Will improve current performance*
 - *Planning further expansion*

New market growth plans

- Eastern Europe

- *Vertically integrated Import and Retail business created for Jaguar and Mazda in Latvia, similar to that achieved in Estonia*

- Balkans

- *Continued investment in Retail*
- *Significant expansion planned in Romania*

New market growth plans *continued*

- Russia

- *Scale retail opportunities in Moscow or St Petersburg*

- China

- *Market increasingly attractive*

- *Far greater focus from OEMs on developing quality retail networks*

Future growth strategy

- Future of Group aligned to Retail capabilities
 - *Current world class performance*
 - *International recruitment*
- Confident of delivering future growth strategy

Prospects

- Australia
 - *Market expected to remain strong for remainder of 2005*
 - *Subaru's model line up to be strengthened further*
 - *Outlook remains positive*
- Belgium
 - *Market conditions expected to be little changed in H2*
- Greece
 - *Market will continue to be:*
 - *Lower than 2004*
 - *Extremely competitive*
- Hong Kong
 - *Profitability in line with our expectations*

Prospects *continued*

- Singapore
 - *Trading conditions are strong*
 - *More COEs issued in 2005 than 2004*
- UK
 - *Full year market forecast to fall between 4.0% and 5.0%*
 - *UK Retail's positive start to the year expected to continue*
- Other
 - *Full year anticipated to be better than 2004*
- Confident that 2005 will be another year of good progress for Inchcape



TOYOTA

Inchcape

Interim results presentation • 1 August 2005

SUBARU

ALL-WHEEL DRIVE

Mercedes-Benz