THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or about what action you should take, you should immediately seek your own personal advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000, who specialises in advising on the acquisition of shares and other securities.

If you sell or transfer, or have sold or transferred, all of your shares in the Company, this document and the enclosed Form of Proxy should be passed as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent or person through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you sell or transfer, or have sold or transferred, only part of your shares in the Company, you should retain these documents.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman, which is set out on pages 5 to 10 of this document and which recommends you to vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Application will be made for the New Ordinary Shares to be admitted to trading on AIM. It is expected that the Admission will become effective and that dealings in the New Ordinary Shares will commence on 18 June 2009.

VERTU
Motors plc

(Incorporated and registered in England and Wales under the Companies Acts 1985 to 2006 with registered number 05984855)

PRELIMINARY RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009, PROPOSED PLACING OF 104,319,377 NEW ORDINARY SHARES and NOTICE OF GENERAL MEETING

This document is being sent to you solely for the purpose of convening the general meeting of the Company to be held on 15 June 2009 and to provide information to you as a member of the Company to help you to decide how to cast your vote in respect of the resolution to be proposed at that general meeting. No reliance may be placed on this document for any other purpose. It is not an admission document and does not constitute, and the Company is not making, an offer to the public within the meaning of Section 85 and 102B of FSMA. This document is, therefore, not an approved prospectus for the purposes of Section 85 FSMA, and has not been prepared in accordance with the Prospectus Rules and, as such, neither its contents nor its issue have been approved by the Financial Services Authority or by any other authority which could be a competent authority for the purposes of the Prospectus Rules.

Notice of a general meeting of the Company to be held at 11.30 a.m. on 15 June 2009 at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF is set out at the end of this document. A Form of Proxy is also enclosed for use at the General Meeting which, to be valid, must be completed and returned in accordance with the instructions printed thereon as soon as possible but, in any event, so as to be received by the Company's Registrars, Capita Registrars (Proxies), PO Box 25, Beckenham, Kent, BR3 4BR not less than 48 hours before the time of the meeting or of any adjournment of the meeting. Completion and return of a Form of Proxy will not preclude shareholders from attending and voting in person at the General Meeting, should they subsequently wish to do so.

Brewin Dolphin Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Vertu Motors plc and no one else in connection with the Placing and will not be responsible to anyone other than Vertu Motors plc for providing the protections afforded to clients of Brewin Dolphin Limited or for providing advice in relation to the Placing or the content of this document.

Panmure Gordon (UK) Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Vertu Motors plc and no one else in connection with the Placing and will not be responsible to anyone other than Vertu Motors plc for providing the protections afforded to clients of Panmure Gordon (UK) Limited or for providing advice in relation to the Placing or the content of this document.

AIM is a market designed primarily for emerging or smaller companies, to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the United Kingdom Listing Authority. Neither the London Stock Exchange nor the UK Listing Authority has approved or examined the contents of this document.

The New Ordinary Shares have not been, and will not be, registered under the United States Securities Act of 1993 (as amended) or under the applicable securities laws of Canada, Japan, Australia or South Africa. The distribution of this document in jurisdictions other than the UK may be restricted by law and, therefore, persons to whom this document comes should inform themselves about and observe those restrictions. Any failure to comply with any of those restrictions may constitute a breach of securities laws of any such jurisdictions.

TABLE OF CONTENTS

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

This Circular and Form of Proxy posted to Shareholders	28 May 2009
Latest time and date for receipt of Form of Proxy in respect of the General Meeting	11.30 a.m. on 13 June 2009
General Meeting	11.30 a.m. on 15 June 2009
Expected first day of dealings in New Ordinary Shares on AIM	18 June 2009
Expected date for CREST accounts to be credited for the New Ordinary Shares in uncertificated form	18 June 2009
Expected date for the definitive share certificates in respect of the New Ordinary Shares to be dispatched (where applicable)	22 June 2009

If any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of a Regulatory Information Service announcement. All events listed in the above timetable following the GM are conditional on the passing of the Resolution at the GM.

PLACING STATISTICS

Placing Price for each Placing Share	30 pence
Number of Ordinary Shares in issue prior to the Placing	91,982,478
Number of Placing Shares to be issued pursuant to the Placing	104,319,377
Number of Ordinary Shares in issue following the Placing	196,301,855
Approximate net proceeds of the Placing available to the Company	£30,000,000
Percentage of enlarged issued share capital of the Company represented by the Placing Shares	53 per cent.

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise:

"Admission"	the admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
"AIM"	AIM, a market operated by the London Stock Exchange plc
"AIM Rules"	the AIM Rules for companies published by the London Stock Exchange, as amended
"Board" or "Directors"	the directors of the Company, whose names are set out on page 5 of this document
"Brewin Dolphin"	Brewin Dolphin Limited, a subsidiary of Brewin Dolphin Holdings plc
"Bristol Street Motors"	Bristol Street Group Limited
"Circular"	this document dated 28 May 2009
"Company" or "Vertu"	Vertu Motors plc
"Form of Proxy"	the form of proxy for use by Shareholders at the General Meeting
"FSMA"	Financial Services and Markets Act 2000, as amended
"General Meeting" or "GM"	the general meeting of the Company convened for 11.30 a.m. on 15 June 2009 to approve the Resolution, or any adjournment of it
"Group"	the Company and its subsidiaries
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares" or "Placing Shares"	104,319,377 new ordinary shares of 10 pence each in the capital of the Company to be placed with institutional and certain other investors
"Ordinary Shares"	the ordinary shares of 10 pence each in the capital of the Company
"Panmure Gordon"	Panmure Gordon (UK) Limited
"Placing"	the proposed placing of the Placing Shares by Brewin Dolphin and Panmure Gordon as agents for the Company
"Placing Price"	30 pence per New Ordinary Share
"Prospectus Rules"	the rules made for the purpose of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
"Resolution"	the Resolution as set out in the notice of the General Meeting on pages 31 to 33 at the end of this document
"Shareholders"	the holders from time to time of Ordinary Shares
"UK"	the United Kingdom of Great Britain and Northern Ireland

PART 1

LETTER FROM THE CHAIRMAN OF THE COMPANY

VERTU MOTORS PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05984855)

Paul Williams	*Non-Executive Chairman*	Vertu Motors plc
Robert Forrester	*Chief Executive*	Rotterdam House
Karen Anderson	*Finance Director*	116 Quayside
William Teasdale	*Non-Executive Director*	Newcastle upon Tyne
		NE1 3DY

28 May 2009

To the holders of existing Ordinary Shares and, for information only, to holders of options over Ordinary Shares

Dear Shareholder

PRELIMINARY RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009, PROPOSED PLACING OF 104,319,377 NEW ORDINARY SHARES AND NOTICE OF GENERAL MEETING

Introduction

The Company has today announced proposals to raise approximately £30m (net of expenses) by way of the Placing. The purpose of this document is to explain the background to, and reasons for, the Placing and to request Shareholders' support for the Resolution required to implement the Placing to be proposed at a General Meeting of the Company to be held at 11.30 a.m. on 15 June 2009 at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF.

Details of the Placing

Subject to Shareholders' approval of the Resolution, it is intended that the Company will raise £31.3m (before expenses) by way of a placing of 104,319,377 New Ordinary Shares at a price of 30 pence per share. This represents a discount of 6.8 per cent. to the average mid-market closing price, for the five days prior to the publication of this circular, of 32.2 pence. The New Ordinary Shares have been placed conditionally with investors (including certain existing Shareholders). The Placing is conditional, *inter alia*, on the passing of the Resolution.

The New Ordinary Shares will rank *pari passu* in all respects with the existing Ordinary Shares. Application will be made for admission of the New Ordinary Shares to trading on AIM and it is envisaged that Admission will take effect on 18 June 2009 and dealings in the New Ordinary Shares will commence immediately thereafter. Details of the proposed use of the proceeds are set out later in this document. The total dilutive effect of the fundraising is 53 per cent.

Directors' Participation

The table below sets out the Directors' participation in the Placing:

Director	Beneficial holding prior to the the Placing	%	Number of shares purchased	Value of shares purchased	Beneficial holding immediately after the Placing	% of enlarged share capital
Robert Forrester*	4,070,120	4.42%	333,333	£100,000	4,403,453	2.24%
Karen Anderson*	551,290	0.60%	33,333	£10,000	584,623	0.30%

* These figures include the holding of their connected persons.

Summary of Preliminary Results

Set out below are the highlights of the preliminary results for the year ended 28 February 2009. The full preliminary results announcement for the year ended 28 February 2009 is set out in Part 2 of this Circular:

	Year ended 28 February 2009	**Period from 1 November 2006 to 29 February 2008****
Revenue	£760.8m	£677.2m
Adjusted EBITDA*	£7.9m	£5.1m
Adjusted operating profit*	£5.5m	£3.1m
Adjusted profit before tax*	£3.5m	£1.8m
Adjusted earnings per share*	3.7p	1.6p
EBITDA	£4.6m	£3.5m
Operating profit	£2.1m	£1.4m
Exceptional costs	£3.4m	£1.4m
Profit before tax	£0.07m	£0.14m
Earnings per share	0.93p	0.09p
Operating cash inflow	£21.2m	£21.9m
Gearing	6.0%	28.1%
Net assets per share	62.2p	66.0p

* Adjusted for exceptional costs, amortisation of intangible assets and share based payments credit/charge.

** The prior period results are for the period from incorporation on 1 November 2006 to 29 February 2008 and reflect the commencement of trade on 27 March 2007 with the purchase of the Bristol Street Motors Group.

Financial Highlights

- Adjusted EBITDA in the period of £7.9m was consistent with that on a pro-forma basis for the 12 months ended 29 February 2008
- Strong cash flow generation in the period with operating cash inflow of £21.2m
- Balance sheet underpinned by strong freehold and long leasehold property portfolio of £53.3m (2008: £51.5m)
- Net debt at 28 February 2009 significantly reduced to £3.4m (2008: £16.9m)
- Gearing reduced to 6.0 per cent. (2008: 28.1 per cent.)

Operational Highlights

- Continued to outperform the market with consistent market share gains across all business channels
  - New retail car volumes fell 2.4 per cent. on a like-for-like basis against UK private registrations falling 16.1 per cent.
  - Used retail car volumes up by 10.5 per cent. on a like-for-like basis

- Operational improvements implemented to strengthen position against the market downturn:
  - Cost review programme resulted in annualised savings of £1.8m
  - Investment in training to strengthen performance
  - Improved stock management
  - Developed a team of high performance motor retail professionals

Current Trading

- Current year trading performance in March and April has been ahead of expectations:
  - New car retail volumes in March down 18.6 per cent. (outperforming market, down 28.6 per cent.)
  - Internet sales up 57 per cent. in March year-on-year
  - Used car volumes and margins ahead of 2008 levels

Commenting on the results, Robert Forrester, Chief Executive, said:

"I am pleased to report that, despite challenging market conditions in the year, the Group has delivered a consistent level of operating profit on a pro-forma basis. Fundamentally, the Group continues to take market share in all its revenue streams and has exhibited tight control of both working capital and the cost base. We are pleased with our robust performance.

Subsequent to the year end, trading has been ahead of the Board's expectations, with profits up year on year. Whilst the market will remain challenging for the foreseeable future, the Group is well positioned to take advantage of opportunities arising as we focus on building a sustainable, scalable business that delivers shareholder value. To this end, we are pleased to announce today that the Board is seeking to raise capital to allow the Group to further consolidate the market through investing in new dealership operations, extending the productive capacity of existing operations and purchasing the freeholds of existing leasehold sites. This will further strengthen the Group."

Background to and reasons for the Placing

This section seeks to set out the background to and the reasons for the Placing, by providing details of the Group's strategy for growth.

Vertu was formed in November 2006 and floated on AIM in December 2006 with a strategy of acquiring and consolidating UK motor retail businesses with the potential for performance improvement and which would preferably, also contain freehold property portfolios. The Directors were focused on acquiring dealerships that provided an opportunity to drive performance improvements through increasing sales in new and used cars, improving after-sales services, improving the efficiency of the business processes by adding them onto a scalable platform, delivering economies of scale and providing exceptional customer service. Core to this strategy is generating an entrepreneurial culture within the business and the recruitment of high performance motor retail professionals to lead the transformation of underperforming businesses through their drive and expertise.

Since its flotation in December 2006, Vertu has made four acquisitions all of which have been fully integrated and are delivering in line with its stated growth strategy. This can be seen in the Group's outperformance of the market since commencement of trading and in the 2009 Preliminary Results (as set out in Part 2 of this Circular), which clearly demonstrate the progress made with integrating the acquisitions. Vertu's first major acquisition was that of Bristol Street Motors in March 2007 at a total cost of £69m (including debt). The Bristol Street Motors group was the 13th largest dealer group in the UK in 2005 (*Source: AM100, 2006*) with 32 franchised dealerships across the UK offering new & used car sales, commercial vehicle sales and after-sales services. Bristol Street Motors also operated three used car outlets and one standalone service operation.

Since the acquisition of Bristol Street Motors in 2007, Vertu has made three further acquisitions across the UK:

Name	Date	Consideration	Marques
Blake Holdings Limited	2 May 2007	£4.9m	Vauxhall/ Peugeot
Grantham Motor Company Limited	28 June 2007	£4.6m	Honda
Morpeth Ford	29 June 2007	£2.6m	Ford

In addition to these four acquisitions, Vertu has started up two new Bristol Street Motor Nation used car outlet businesses; Doncaster in March 2008 and Darlington in March 2009.

Vertu has established itself as a major player in the United Kingdom automotive retail sector. The Group is now the 9th largest motor retailer by turnover and operates 41 franchised sales operations, four non-franchised sales operations and two standalone service operations from 42 English locations.

The Board has had a consistent strategy since flotation and this remains totally relevant for today's environment. This strategy is to grow a scaled volume dealership group, driving performance improvements through the implementation of consistent business processes and systems. The recruitment, development and retention of high performing motor retail professionals is of paramount importance and the Board has developed its business model to ensure that the culture of the Group is entrepreneurial and consistent with the encouragement of top performers. The Group's business strategy includes the development of internet and fleet channels, as well as ensuring strong financial controls are in place to control costs and maximise cash generation. This strategy has led to the Group outperforming the market over the past two years, since its first acquisition.

Vertu's objective has been to enhance the experiences of our customers and, in turn, secure significant gains in market share. This has allowed the Group to deliver substantial benefits from our operational gearing and these benefits will accelerate as the United Kingdom economy improves over time.

Having successfully integrated the acquisitions undertaken in the past two years, the Board believes that the market conditions are right to support another period of expansion, again targeting volume franchises. A small number of volume franchises are likely to be added to strengthen the Group's portfolio balance. Expansion will predominantly take place in geographical areas where the Group already operates, in order to gain the benefits accruing from regional concentrations.

The Directors believe that current lower valuations of both motor retail franchises and freehold properties provide a significant opportunity for the Group to consolidate the market at significantly lower valuations than initially envisaged. As a result of this, the Group is now seeking to raise approximately £30m net of expenses which the Directors intend to use to invest in new dealership operations, to extend the productive capacity of existing operations and to purchase the freeholds of existing leasehold sites as and when the Board considers it appropriate to do so. The Group has agreed non-binding heads of terms on three transactions and is in dialogue with both potential vendors and manufacturers, who continue to provide the Group with informal support, and who are introducing the Group to new opportunities. Details of these and/or other transactions are expected to be announced in due course.

The Directors believe that, in the medium term, the Group will take advantage of easing credit conditions in the debt markets. At that time, with a substantial property portfolio and earnings stream, a sensible leverage structure can be attained in order to generate further funds for expansion. The Board believes that significant shareholder value will be generated through this strategy.

Summary of Identified Targets

The Directors have agreed non-binding heads of terms on three potential transactions, details of which are set out below:

- A £10.8m acquisition of a five site dealership group representing three franchises.
- A £1.2m freehold property in the Midlands (at below the replacement cost) that expands the Group's representation of the Honda franchise.
- A £1.4m freehold property purchase of an existing Group dealership, which is currently leased.

For the sake of clarity, the Placing is not conditional upon the completion of any of these potential transactions.

The Market

The UK motor retail market consists of both franchised and non-franchised dealerships, selling new and used vehicles via retail and corporate fleet channels. The market also includes after-sales services such as servicing, body repairs and the supply of parts to retail and trade customers.

The new car motor retail market deteriorated in 2008 and the first quarter of 2009 as consumer spending came under pressure from rising unemployment and general uncertainty surrounding the UK economy.

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**Q1 2009**
Annual new car registrations	2,579,050	2,567,269	2,439,717	2,344,864	2,404,007	2,131,795	480,358
Growth		*-0.5%*	*-5.0%*	*-3.9%*	*2.5%*	*-11.3%*	*-29.7% **
Annual used car sales	7,527,176	7,731,609	7,576,724	7,584,466	7,487,544	7,157,982	N.A.
Growth		*2.7%*	*-2.0%*	*0.1%*	*-1.3%*	*-4.4%*	*N.A.*

Source: SMMT

* Compared with Q1 2008

After a relatively stable period from 2003 to 2007, new car registrations fell by 11.3 per cent. in 2008 and margins on new cars decreased, in part due to lower volume bonuses and greater discounting. The used car market fell by the smaller amount of 4.4 per cent. during 2008, as it benefitted from a switch from new to used as consumers became more price conscious. Nonetheless, margins on used cars also suffered significantly as residual values fell sharply in 2008. As a result of consumers trading down in the economic downturn, the volume segment has outperformed the specialist segment with the likes of Ford and Vauxhall achieving better like for like volumes than many specialist franchises in 2008.

The reduction in new car registrations has continued into 2009, with registrations for the quarter to 31 March down 29.7 per cent. year on year. The volume operators have continued to outperform with, most notably, Ford only seeing registrations decline by 21 per cent. In March 2009, historically the best performing month of the year, new car private registrations fell 28.6 per cent. compared with March 2008 (*Source: SMMT*). Volume operators accounted for eight of the ten best selling models with the Ford's Fiesta and Focus models being the best and third best selling models respectively.

On 22 April 2009, the Government announced a £300m support package for the motor industry in order to stimulate new car and light commercial vehicle sales through subsidising the replacement of vehicles over 10 years old with new vehicles. The scheme was launched in mid May and the Directors envisage that this will stimulate an increase in new vehicle sales in the period to 28 February 2010 when the scheme ends. In addition, the Directors also believe that the scheme is likely to increase after-sales activity in the franchised dealer network in the medium term since retention in after-sales of new cars is significantly higher than is the case for older vehicles.

2009 has, so far, been much more encouraging for the used car market, with demand remaining strong as consumers benefit from lower prices. Fleet vehicle operators are retaining their vehicle stock for longer and with fewer new cars being sold, good quality used cars are restricted in supply. This has had a positive effect on the used car market and, as a consequence, margins have increased to date and used car prices have risen in 2009.

There are approximately 5,300 franchise outlets in the UK and the sector remains highly fragmented with the top 10 dealer groups accounting for approximately 20 per cent. of the UK's franchised dealer outlets (*Source: AM100 June 2008*). The Directors believe that, in the current difficult trading environment, despite seeing some encouraging signs and the Government support package, many of the Group's competitors are likely to be under financial pressure, faced with falling volumes, less available credit and difficult working capital conditions. Therefore, the Directors believe that the difficult trading conditions and a highly fragmented market will present the Group with a number of consolidation opportunities.

Use of Proceeds

The Company is seeking to raise approximately £30m after expenses to provide capital to take advantage of acquisition opportunities and to purchase the freeholds of existing leasehold sites. The Directors have agreed non-binding heads of terms on three transactions and have identified a number of other potential targets that will enable the Company to pursue the strategy for growth as set out at the time of its flotation. Following completion of the Placing the Company will have cash of £40.9m, indebtedness of £14.5m and committed facilities of £34.5m. The funds raised will allow the Company to make acquisitions whilst maintaining considerable comfort within its current banking covenants.

Irrevocable undertakings

Irrevocable undertakings to vote in favour of the Resolution have been received from shareholders holding 9,152,324 Ordinary Shares (9.95 per cent.) in aggregate.

General Meeting

The GM has been convened for 11.30 a.m. on 15 June 2009 at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF to enable Shareholders to consider and, if thought fit, pass the Resolution.

The purpose of the Resolution is to:

- increase the authorised share capital of the Company from £12,500,000 to £23,000,000 by the creation of 105,000,000 Ordinary Shares of 10 pence each, ranking *pari passu* with the existing Ordinary Shares of the Company,
- authorise the Directors to issue the New Ordinary Shares pursuant to the Placing, and
- disapply the statutory pre-emption provisions in relation to the issue of the New Ordinary Shares pursuant to the Placing.

Action to be taken

The Placing is conditional, *inter alia*, on passing of the Resolution at the GM. For this reason, the Resolution included in the Notice of the GM (which is set out on pages 31 to 33 of this document) is being proposed.

You will find enclosed with this document a Form of Proxy for use at the GM. Whether or not you propose to attend the GM in person, you are asked to complete the Form of Proxy (according to the instructions printed on it) and return it to Capita Registrars (Proxies), PO Box 25, Beckenham, Kent, BR3 4BR, so as to arrive as soon as possible, but in any event so as to be received not less than 48 hours before the time of the meeting or of any adjournment of the meeting. Completion and return of a Form of Proxy will not preclude you from attending and voting at the GM in person if you subsequently wish to do so. CREST members can cast their votes using CREST electronic proxy voting (further details of which are set out in the notes to the notice of the General Meeting).

Recommendation

The Directors believe that the Placing, as set out earlier in this Circular, is in the best interests of the Company and its Shareholders. Accordingly, the Directors unanimously recommend that you vote in favour of the Resolution to be proposed at the General Meeting, as they intend to do so in respect of their own beneficial holdings amounting to 7,948,895 Ordinary Shares (representing approximately 8.64 per cent. of the Company's issued share capital).

Yours sincerely

Paul Williams
Non-Executive Chairman

PART 2

PRELIMINARY RESULTS FOR THE YEAR ENDED 28 FEBRUARY 2009

Set out below are the Group's preliminary results for the year ended 28 February 2009, as announced earlier today:

Vertu Motors plc, the 9th largest UK motor retailer, announces its audited results for the year ended 28 February 2009.

	Year ended 28 February 2009	**Period from 1 November 2006 to 29 February 2008****
Revenue	£760.8m	£677.2m
Adjusted EBITDA*	£7.9m	£5.1m
Adjusted operating profit*	£5.5m	£3.1m
Adjusted profit before tax*	£3.5m	£1.8m
Adjusted earnings per share*	3.7p	1.6p
EBITDA	£4.6m	£3.5m
Operating profit	£2.1m	£1.4m
Exceptional costs	£3.4m	£1.4m
Profit before tax	£0.07m	£0.14m
Earnings per share	0.93p	0.09p
Operating cash inflow	£21.2m	£21.9m
Gearing	6.0%	28.1%
Net assets per share	62.2p	66.0p

* Adjusted for exceptional costs, amortisation of intangible assets and share based payments credit/charge.

** The prior period results are for the period from incorporation on 1 November 2006 to 29 February 2008 and reflect the commencement of trade on 27 March 2007 with the purchase of the Bristol Street Motors Group.

Financial Highlights

- Adjusted EBITDA in the period of £7.9m was consistent with that on a pro-forma basis for the 12 months ended 29 February 2008
- Strong cash flow generation in the period with operating cash inflow of £21.2m
- Balance sheet underpinned by strong freehold and long leasehold property portfolio of £53.3m (2008: £51.5m)
- Net debt at 28 February 2009 significantly reduced to £3.4m (2008: £16.9m)
- Gearing reduced to 6.0 per cent. (2008: 28.1 per cent.)
- The company today also released a separate announcement regarding a proposed placing to raise approximately £30m of net proceeds to invest in new dealership operations, extend the productive capacity of existing operations and purchase existing leasehold sites

Operational Highlights

- Continued to outperform the market with consistent market share gains across all business channels
  - New retail car volumes fell 2.4 per cent. on a like-for-like basis against UK private registrations falling 16.1 per cent.
  - Used retail car volumes up by 10.5 per cent. on a like-for-like basis

- Operational improvements implemented to strengthen position against the market downturn:
  - Cost review programme resulted in annualised savings of £1.8m
  - Investment in training to strengthen performance
  - Improved stock management
  - Developed a team of high performance motor retail professionals

Current Trading

- Current year trading performance in March and April has been ahead of expectations:
  - New car retail volumes in March down 18.6 per cent. (outperforming market, down 28.6 per cent.)
  - Internet sales up 57 per cent. in March year-on-year
  - Used car volumes and margins ahead of 2008 levels

Commenting on the results, Robert Forrester, Chief Executive, said:

"I am pleased to report that despite challenging market conditions in the year, the Group has delivered a consistent level of operating profit on a pro-forma basis. Fundamentally, the Group continues to take market share in all its revenue streams and has exhibited tight control of both working capital and the cost base. We are pleased with our robust performance.

Subsequent to the year end, trading has been ahead of the Board's expectations, with profits up year on year. Whilst the market will remain challenging for the foreseeable future, the Group is well positioned to take advantage of opportunities arising as we focus on building a sustainable, scalable business that delivers shareholder value. To this end, we are pleased to announce today that the Board is seeking to raise capital to allow the Group to further consolidate the market through investing in new dealership operations, extending the productive capacity of existing operations and purchase the freeholds of existing leasehold sites. This will further strengthen the Group."

An analysts' briefing will be held at the offices of Financial Dynamics at Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB at 9.30 a.m. on 28 May 2009.

For further information please contact:

Vertu Motors plc

Robert Forrester, CEO	On the day tel: 0207 831 3113 and thereafter Tel: 0191 206 4617
Karen Anderson, FD	Tel: 0191 298 6514

Brewin Dolphin Investment Banking

Andrew Kitchingman	Tel: 0845 270 8613

Panmure Gordon (UK) Limited

Andrew Burnett Stuart Gledhill	Tel: 020 7459 3600

Financial Dynamics

Caroline Stewart/Edward Westropp	Tel: 020 7831 3113

CHAIRMAN'S REPORT

Since flotation in December 2006, the Group has established itself as a major player in the United Kingdom automotive retail sector. The Group is now the 9th largest motor retailer by turnover and operates 41 franchised and four non-franchised operations across England.

The Board has had a consistent strategy since flotation and this remains totally relevant for today's economic environment. This strategy is to grow a scaled volume dealership group driving performance improvements through the implementation of consistent business processes and systems. The recruitment, development and retention of high performing motor retail professionals is of paramount importance and the Board has developed its business model to ensure the culture of the Group is entrepreneurial and consistent with the encouragement of top performers. The Group's business strategy includes the development of internet and fleet channels as well as ensuring strong financial controls are in place to control costs and maximise cash generation. This strategy has led to the Group outperforming the market over the past two years since its first acquisition.

Our objective has been to enhance the experiences of our customers and, in turn, secure significant gains in market share. This has allowed the Group to deliver substantial benefits from our operational gearing and these benefits will accelerate as the United Kingdom economy improves over time.

Having successfully integrated the acquisitions undertaken in the past two years, the Board believe that the market conditions are right to support another period of expansion, again targeting volume franchises. A small number of new volume franchises are likely to be added to strengthen the Group's portfolio balance. Expansion will predominantly take place in geographical areas where the Group already operates, in order to gain the benefits accruing from regional concentrations.

The Board is committed to building a sustainable, scalable business to deliver shareholder value.

FINANCIAL COMMENTARY

Revenue in the period increased to £760.8m (16 months ended 29 February 2008: £677.2m) reflecting the full year impact of acquisitions made in the preceding period.

Adjusted EBITDA rose in the period to £7.9m, compared to £5.1m in the 16 months ended 29 February 2008. Despite challenging market conditions in the period, such as a falling new car market and an unprecedented fall in used vehicle values, adjusted EBITDA was the same as the prior period on a pro-forma basis. The Group was able to absorb the impact of these factors through obtaining enhanced performances from previously underperforming businesses, in line with the Group's strategy. EBITDA and profit before tax were £4.6m (16 months ended 29 February 2008: £3.5m) and £0.07m (16 months ended 29 February 2008: £0.14m) respectively. Exceptional costs of £3.4m were incurred in the period.

The Group has continued to focus on working capital management in the period and generated £21.2m of operating cashflow after the impact of exceptional cash costs of £1.5m. Working capital was reduced by £16.8m in the period, primarily due to a reduction in stock levels and more advantageous payment terms from finance company and manufacturer partners. Consequently, the Group has reduced gearing from 28.1 per cent. to 6.0 per cent. Net debt at 28 February 2009 totalled £3.4m and was coupled with early repayment of Group borrowings. It is important to note that the Group funds its working capital through its bank facilities and, in particular, does not utilise interest bearing stocking facilities to fund its used cars.

CURRENT TRADING AND OUTLOOK

March is the most important month for profitability in the UK motor retail sector and March 2009 was expected to be the hardest for many years as the UK economy hit a low point. New car registrations to private buyers were indeed weak, with a year on year fall of 28.6 per cent. Against this backdrop, Vertu continued to gain market share as it has done consistently since flotation. Volumes were down 18.6 per cent. on a like-for-like basis, significantly ahead of the market. Importantly, all manufacturer targets were achieved at a high level and bonuses were earned in the period without recourse to any pre-registration activity.

The new commercial vehicle market remains more depressed than the car market. Activity levels in our Ford Commercial and Iveco operations are below our expectations as a consequence.

Used car sales and margins were robust in March with like-for-like volumes rising by 18.0 per cent. Used car prices and margins rose significantly since the start of 2009 and this trend continued throughout March and April. This trend was driven by reduced supply of used cars due to the weakness of the new private and fleet car market and strong consumer demand reflecting the value proposition of used cars, the prices of which have fallen significantly in the last twelve months. Used cars have consequently generated profit ahead of expectations in March and April.

The Group's after-sales operations continue to perform at a high level and in line with our expectations. Overall, the Board is pleased to report that the Group's profitability in March and April has been ahead of the Directors' expectations.

The Board's view is that, as a consequence of a weak economic backdrop, market conditions in the current year will remain challenging. This is expected to particularly impact the area of new car sales, whilst used cars and after-sales are likely to be more robust. Exchange rates continue to exert pressure on manufacturer margins and this is leading to regular new car price rises. Offsetting these factors, the Group sees itself as a potential major beneficiary of the new vehicle discount scheme ("scrappage scheme") announced by the Government on 22 April. This was formally launched in mid May and initial consumer interest has been strong. Such a scheme is likely to disproportionately benefit our manufacturer partners, which are volume and small car orientated.

In addition, operational improvements driven by securing high performance motor retail professionals, coupled with business process and system enhancements, result in the Board being confident about the Group's prospects for the current financial year.

P R Williams
Non-Executive Chairman

CHIEF EXECUTIVE'S REVIEW

Strategy

The strategy of the Group is focused on creating shareholder value through delivering operational and financial improvements in our existing businesses and augmenting this by acquiring additional UK motor retail operations to add size and scale to the business.

Portfolio Development

Early in the financial year, the Board took the view that, in the face of challenging market conditions, the priority was to secure operational benefits from the existing portfolio and to reduce the Group's borrowing levels, all of which were achieved during the year. Therefore, the year was marked by little acquisition activity.

A review of operating locations led to a marginal non-franchised used van sales outlet in Birmingham being closed in August 2008, in order to reduce fixed operating costs.

The Bristol Street Motor Nation used car outlet business saw considerable changes in the period. On 2 September 2008, the operation in Coventry was closed. This operation had been consistently unprofitable and the location was secondary. In contrast, new operations were started up in Doncaster in March 2008 and Darlington in March 2009. Both operations are situated in prime locations and performance, to date, of both new outlets has exceeded our expectations. This reflects the Group's ongoing confidence in the Bristol Street Motor Nation format.

Subsequent to the year end, the Group has secured the Vauxhall franchise in Waltham Cross, Hertfordshire. This operation is located in a non-franchised outlet, currently operated by the Group, and will allow for an expansion of the outlet in terms of sales and profitability. This brings our number of Vauxhall franchised outlets to five.

The Group currently operates 41 franchised, four non-franchised sales operations and two stand alone service operations from 42 English locations. These are summarised below:

Car Franchises (36)		**Commercial Vehicle Franchises (4)**		**Motorcycle Franchises (1)**	
Ford	14	Iveco	3	Honda	1
Peugeot	6	Fiat Commercials	1		
Vauxhall	5				
Honda	4				
Citroen	4				
Renault	2				
Hyundai	1				

Bristol Street Motor Nation Used Car Outlets	4
Stand alone Service Centres	2

Operating Review

Operating Strategy

During the past twelve months, the automotive retail sector encountered the most challenging market conditions for many years. In particular, new car sales declined and used car values fell substantially from May 2008 until December 2008, placing pressure on margins. In response, the Group focused on generating operational improvements in its core activities. Four key strategies were implemented:

- The Board accelerated the ongoing cost review programme, to minimise the operational cost base. This included the closures referred to above and additional payroll savings from headcount reductions in continuing dealerships totalling £1.8m on an annualised basis. In addition, a "War on Waste" campaign has been implemented to focus on reducing all non-payroll costs, such as in the areas of energy usage, consumables and other discretionary spending.

- Process and system improvements have been implemented, particularly in the areas of sales process and stock management. These initiatives have been supported by the introduction of training programmes for all colleagues in order to ensure the delivery of customer service excellence and efficient processes. Investment has also been made in management development training to support a culture of momentum and maximisation. This is aided by having performance management in place across the Group and the implementation of a uniform management information platform to deliver key KPI information to the desktop of each manager on a real time basis.
- In the face of a decline in used vehicle values, focus was given to improve stock turn through:
  - i. reducing overall used car stock levels
  - ii. ensuring stock mix was appropriate for the market place
  - iii. setting sales strategies to generate like-for-like used car volume growth.
- A number of the Group's dealerships have historically underperformed and a key driver to maintaining Group profitability is the turnaround of the financial performance of these dealerships. Focus has been given to the recruitment of high performance motor retail professionals to lead the transformation of these businesses through their expertise and drive.

The Board believe that the adoption of these strategies has enabled the Group to outperform the market significantly during the period.

Dealership Operations

Despite the economic environment, the Group witnessed outperformance in its franchised operations in the period in terms of both market share gains and a robust trading performance.

New retail vehicle volumes declined 2.4 per cent. in the year on a like-for-like basis. This compared to a market decline in the year of 16.1 per cent. in UK private new car registrations. This outperformance can be partly attributable to the market shift away from specialist franchises to volume franchises and towards smaller, fuel efficient vehicles. This is linked to consumer trends to save money, as finances come under pressure, and also reflects the excellent product quality now seen in the volume franchises. New vehicle launches, such as the Ford Fiesta and KA, Honda Jazz and Vauxhall Insignia, also contributed to the Group's positive momentum. Margins remained strong as a consequence of the Group's performance against manufacturer targets, which resulted in high levels of bonus earnings.

Fleet new vehicle sales represent 34 per cent. of total Group turnover and are a significant element of the Group's operations. Sales include car and commercial vehicles and the latter have been under significant pressure as economic conditions tightened. Whilst UK new car registrations to the fleet sector declined by 10.5 per cent. in the year, light commercial vehicle registrations fell by 20.1 per cent. Overall, the Group saw a 5.5 per cent. fall in fleet and commercial new vehicle sales in the year and this represented an overachievement against the market.

This significant market decline in the commercial vehicle sector has impacted the Group due to its strong market presence in Ford and Iveco. Stocks of new vehicles on consignment terms have increased over the period. Such ageing new vehicle stocks are subject to interest charges from manufacturers and these trends resulted in stocking charges increasing from £0.1m in the period ended 29 February 2008 to £0.6m in the year ended 28 February 2009. The increase in the charge was also exacerbated by higher interest rates charged by the manufacturers connected to dislocation in the wholesale money markets. The stock position is expected to reverse during the next six months, as manufacturers' actions bring production in line with sales levels and corporate customers also resume their buying activity. The Group has also seen the interest rates charged by manufacturers decline in 2009.

On a like-for-like basis, the Group's used car sales volumes grew by 10.5 per cent. in the year, having grown by 18.1 per cent. in the previous trading period. This reflects the Group's focus on developing a vibrant used car business to reduce the overall sensitivity to new car sales, which are more directly linked to economic fluctuations, and to maximise operational gearing benefits at each dealership. Margins were under significant pressure from May 2008 as a result of monthly used car value falls of up to 5 per cent., which continued until December 2008. The Group's used car trading performance was affected by both reduced trading margins and the need for additional stock provisions, since the Group has a prudent policy of writing used vehicle stocks down to trade values each month. Lower part exchange values also increased the cost to change for consumers and this provided an element of downward pressure on sales growth. These trends reversed from January 2009, with the industry witnessing rising used car prices as noted above.

In our interim announcement, the Group reported a tightening in the availability of consumer finance to used car customers, particularly those with weaker credit scores. This situation has considerably improved in the area of prime finance, with lower rejection rates being experienced. Potential for sales outside of the prime finance market remain limited.

The internet is an increasingly important driver of vehicle sales in the United Kingdom and the Group has invested in developing a strong internet presence and a dedicated, centralised sales function. These developments have contributed to the outperformance in like-for-like sales outlined above. For example, in March 2009, internet sales rose 57 per cent. on March 2008 levels.

After-sales activities are generally more robust in periods of economic decline, as customers keep their cars for longer periods and service costs rise. The Group generated 47 per cent. of its gross profit from after-sales operations in the period and profitability rose, period on period, in both the service and parts sectors on a pro-forma basis. This profitability increase has been aided by the Group's cost reduction programme, marketing initiatives and campaigns, and the development of outbound call centres.

Robert Forrester
Chief Executive

FINANCE DIRECTOR'S REVIEW

Profit and Loss

Revenue in the period increased by £83.6m from £677.2m in the 16 months ended 29 February 2008 to £760.8m in the year ended 28 February 2009. The prior period reflected trading from 27 March 2007, when the Group acquired Bristol Street Motors. The increase in revenue reflects £103.7m in respect of the full period impact of acquisitions, together with a £4.8m increase in relation to the net impact of new dealerships opened and dealership closures. Like-for-like sales reduced by £24.9m as a consequence of new vehicle volumes falling and increased used car volumes being more than offset by the reduction in used car prices.

Gross profit margins rose in the year from 11.5 per cent. to 11.7 per cent. The table below highlights the composition of revenue and gross margin percentages.

	Year ended 28 February 2009		16 months ended 29 February 2008*	
	Revenue %	Gross Margin %	Revenue %	Gross Margin %
New car retail	22	8.2	21	7.8
New fleet and commercial	34	2.9	30	3.1
Used cars	32	9.1	29	10.0
After-sales	12	40.8	20	40.9
	100	11.7	100	11.5

* The Group began trading on 27 March 2007 on the acquisition of Bristol Street Group Limited.

Margins in new car retail sales rose as a result of 2009 including the key plate change month of March, which was not included in the prior period. Quarterly bonuses are recognised in this month, whereas in the 16 month period to 29 February 2008, March trading activity was prior to the completion of the acquisition of Bristol Street Motors. Margins remained strong in the period, despite falling volumes, as manufacturers' targets were exceeded and bonus income earned.

Fleet and commercial volumes comprised 34 per cent. of revenue in the year ended 28 February 2009. This increased on the prior period due to the inclusion of March and also a lower decline in volume compared to retail sales. Margins were under pressure in the period, as a result of the impact of new vehicle oversupply.

Used vehicle sales grew as a percentage of Group revenue as a result of like-for-like volume growth. As highlighted above, significant declines in used vehicle values reduced margin from 10.0 per cent. in the 16 month period ended 29 February 2008 to 9.1 per cent. in the year ended 28 February 2009. Trading margins declined until December 2008 and additional provisions against stock were required.

After-sales revenue formed a lower percentage of overall Group revenue due to the impact of including the high vehicle sales month of March and the growth of used cars. Margins were stable in the period at over 40 per cent. Overall, aftersales contributed 47 per cent. of Group gross profit in the period.

The Group generated an operating profit before amortisation, share based payment credit/charge and exceptional costs of £5.5m (16 months ended 29 February 2008: £3.1m). This performance was ahead of market expectations and reflects the resilience of our operating businesses. Operating profit rose from £1.4m to £2.1m. Exceptional costs were incurred in the period of £3.4m (16 months ended 29 February 2008: £1.4m).

The Board responded to the deteriorating market conditions by taking swift action to further reduce the Group's cost base. A programme of headcount reductions was undertaken, which gave rise to one off exceptional costs of £0.6m in the financial year. As a result of this programme, the future operating costs of the Group reduced by £1.8m on an annualised basis. The Group also incurred exceptional costs of £0.5m in respect of the closure of two historically underperforming business operations.

The Board has evaluated the carrying value of the four surplus freehold properties held for resale. Due to the continuing delay in realising these assets and trends in the commercial property market, a £1.1m provision has been made and the charge classified as an exceptional cost. Progress continues to be made on planning issues to aid the disposal process and, significantly, planning has been obtained for the site in Newcastle upon Tyne. The exact timing of the disposal of these assets remains uncertain.

Further exceptional costs totalling £1.2m were incurred in relation to property. This included £0.4m of environmental remediation costs on the redevelopment of Oxford Peugeot. The remainder relates to demolition costs of empty premises to avoid business rates and further provision for rates, rent and other costs in relation to empty properties.

Net finance costs were £2.0m for the year (16 months ended 29 February 2008: £1.2m). The increase in net finance costs predominantly relate to £0.5m of increased manufacturer stocking charges discussed above and additional interest costs of £0.2m in relation to pension scheme assets. In order to manage its exposure to interest rate fluctuations, the Group utilises interest rate swaps. From April 2009, £15m of interest rate swaps were in place, which fix debt costs at 5.5 per cent. until 2012. A substantial fall in LIBOR in the period led to a £0.7m reduction in net assets as the Group recognised the fair value of these swaps at the year end in the statement of recognised income and expense. At current LIBOR levels, cash interest charges are expected to be £0.3m higher per annum as a consequence of the swaps in place.

Taxation

The Group tax credit was £0.8m (16 months ended 29 February 2008: charge £0.1m) in the period. During the year, the Group undertook a major review of capital allowances claimed on the Group's substantial property portfolio and resolved a number of outstanding enquiries with HMRC. As a consequence, a £0.8m credit has been recognised in respect of adjustments relating to prior years. The underlying effective tax rate of the Group going forward is expected to be 28 per cent.

Financial Position

The Group has a strong balance sheet position with shareholders' funds of £57.2m (29 February 2008: £60.2m), representing net assets per share of 62p. The balance sheet is underpinned by a freehold and long leasehold property portfolio (including properties held for resale) of £53.3m (29 February 2008: £51.5m).

The capital structure of the Group comprises shareholders' equity funds, bank loans and overdrafts. The Group does not utilise interest bearing stocking facilities to fund its used cars and funds all its working capital requirements through its banking facilities. As at 28 February 2009, the Group had drawn down loans of £16.4m (29 February 2008: £24.4m). The reduction in loans in the year arose due to £1.0m of scheduled term loan instalment repayments and £7.0m of repayment of debt ahead of schedule. The latter was in line with the Group's objective to reduce borrowing. In addition, outstanding loan notes of £2.1m were also paid to the vendors of Bristol Street Motors pursuant to the Sale and Purchase Agreement dated 27 February 2007.

Subsequent to the year end, a further £2.0m of additional debt repayment has been made and, as a consequence, the Group now has drawn down loans of £14.46m on which interest is payable at 1 per cent. above LIBOR. These loans are repayable in March 2012 or through the application of proceeds from the disposal of the four surplus properties. During the period, the Group complied with all of the financial covenants in respect of these borrowings.

In addition to loan facilities, the Group has £20.0m of overdraft and other money market facilities on which it pays interest at 2.25 per cent. above base rate and 2 per cent. above LIBOR respectively. The facilities are available until the next review date of 1 September 2010. The Group operated with substantial cash balances for much of the year and these additional facilities are utilised to fund peak working capital requirements following plate change months. As at 28 February 2009, the Group had cash balances of £12.9m (29 February 2008: £9.5m) and as a consequence net debt fell to £3.4m at 28 February 2009 (28 February 2008: £16.9m).

Cash Flows

The Group's net cash inflow from operating activities was £21.2m (16 months ended 29 February 2008: £21.9m), after deduction of cash outflows in respect of exceptional costs of £1.5m. The Group reduced its investment in working capital by £16.8m in the period. Working capital reductions arose due to lower used vehicle and demonstrator stock levels (£7.2m), more advantageous payment terms from finance company partners (£5.0m) and increased manufacturer interest free deferred payment terms for used vehicles (£4.2m).

Capital expenditure of £5.0m arose in the period. Of total capital expenditure, £3.7m related to property refurbishments and developments. During the period the Group rebuilt the Oxford Peugeot dealership, constructed a new showroom at Kings Norton Ford and refurbished the Ford dealership in Bristol Street, Birmingham. As a result, the Group significantly enhanced these retail environments. It is expected that ongoing capital expenditure will be reduced in 2009/10.

Pensions

During the year, and in line with the funding programme agreed with the Trustees in 2007, the Group made cash contributions to the Bristol Street defined benefit pension scheme of £1.0m. This scheme is closed to future membership and accrual. In the period, net assets have been reduced by £3.0m as a result of actuarial losses on retirement benefit obligations, net of related taxation. These losses arose due to changes in actuarial assumptions in regard to bond yields and the long-term outlook for inflation. The Board continues to look at its options with respect to this scheme to reduce both its costs and exposure to volatility.

Karen Anderson
Finance Director

CONSOLIDATED INCOME STATEMENT (AUDITED)

	Note	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008* £'000
Continuing operations			
Revenue		760,810	677,180
Cost of sales		(671,680)	(599,531)
Gross profit		89,130	77,649
Operating expenses		(83,617)	(74,573)
Operating profit before amortisation, share based payments credit (charge) and exceptional costs		5,513	3,076
Amortisation of intangible assets		(183)	(116)
Share based payments credit (charge)		221	(221)
Exceptional costs	3	(3,441)	(1,360)
Operating profit		2,110	1,379
Finance income		1,788	1,808
Finance costs		(3,830)	(3,050)
Net finance costs	2	(2,042)	(1,242)
Profit before tax		68	137
Taxation	4	789	(65)
Profit for the period		857	72
Attributable to:			
Equity holders of the Group		857	72
Basic earnings per share (p)	5	0.93	0.09
Diluted earnings per share (p)	5	0.93	0.09

* The Group began trading on 27 March 2007 on the acquisition of Bristol Street Group Limited.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE (AUDITED)

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008* £'000
Actuarial (losses) gains on retirement benefit obligations	(4,138)	2,948
Cash flow hedges	(981)	(452)
Taxation thereon	1,434	(699)
Net (losses) gains recognised directly in equity	(3,685)	1,797
Profit for the period	857	72
Total recognised income and expense for the period	(2,828)	1,869
Attributable to:		
Equity holders of the Group	(2,828)	1,869

CONSOLIDATED BALANCE SHEET (AUDITED)

	Note	As at 28 February 2009 £'000	As at 29 February 2008 £'000
Non-current assets			
Goodwill		18,612	18,612
Other intangible assets		1,043	962
Retirement benefit asset		130	3,117
Property, plant and equipment		49,813	47,446
		69,598	70,137
Current assets			
Inventories		155,698	131,579
Property assets held for sale		10,250	11,390
Trade and other receivables		19,791	14,102
Cash and cash equivalents		12,907	9,459
Total current assets		198,646	166,530
Total assets		268,244	236,667
Current liabilities			
Trade and other payables		(185,056)	(139,250)
Current tax liabilities		(2,370)	(3,328)
Borrowings		(2,000)	(3,119)
Total current liabilities		(189,426)	(145,697)
Non-current liabilities			
Borrowings		(14,336)	(23,261)
Derivative financial instruments		(1,434)	(452)
Deferred income tax liabilities		(4,416)	(5,875)
Deferred consideration		–	(128)
Provisions for other liabilities and charges		(1,433)	(1,029)
		(21,619)	(30,745)
Total liabilities		(211,045)	(176,442)
Net assets		57,199	60,225
Capital and reserves attributable to equity holders of the Group			
Ordinary shares	6	9,198	9,194
Share premium	6	40,991	40,991
Other reserve	6	7,969	7,950
Hedging reserve	7	(1,032)	(326)
Retained earnings	8	73	2,416
Shareholders' equity	8	57,199	60,225

CASH FLOW STATEMENT (AUDITED)

	Note	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008* £'000
Operating profit		2,110	1,379
Loss on sale of tangible fixed assets		14	69
Amortisation of intangible assets		183	116
Depreciation of property, plant and equipment		2,344	2,018
Decrease in inventories		8,650	5,792
(Increase) decrease in trade and other receivables		(7,115)	33,710
Decrease in assets held for resale		1,140	–
Increase (decrease) in payables		13,674	(21,870)
Increase in provisions		404	514
Movement in share based payments (credit) charge		(221)	221
Cash generated from operations		21,183	21,949
Tax received		173	–
Tax paid		(367)	(2,473)
Finance income received		211	212
Finance costs paid		(2,751)	(1,493)
Net cash generated from operating activities		18,449	18,195
Cash flows from investing activities			
Acquisition of businesses, net of cash, overdrafts and borrowings acquired		–	(77,882)
Proceeds from sale of tangible fixed assets		190	–
Purchases of intangible fixed assets		(156)	(544)
Purchases of property, plant and equipment		(4,916)	(4,654)
Net cash outflow from investing activities		(4,882)	(83,080)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		–	50,153
Proceeds from borrowings	9	–	24,191
Repayment of borrowings	9	(10,119)	–
Net cash inflow from financing activities		(10,119)	74,344
Net increase in cash and cash equivalents	9	3,448	9,459
Cash and cash equivalents at beginning of period		9,459	–
Cash and cash equivalents at end of period		12,907	9,459

NOTES

For the year ended 28 February 2009

1. Basis of Preparation

The Group prepares financial information under International Financial Reporting Standards (IFRS) issued by the IASB and as adopted by the European Commission (EC) and on the same basis as in 2008. Further information in relation to the Standards adopted by the Group is available on the Group's website www.vertumotors.com.

Whilst the financial information included in this preliminary announcement has been computed in accordance with International Financial Reporting Standards (IFRS's), this announcement does not itself contain sufficient information to comply with IFRS's. The Group published full financial statements that comply with IFRS's today and these are available on the Group's website.

The financial information presented for the year ended 28 February 2009 and the period ended 29 February 2008 does not constitute the Company's statutory accounts as defined in Section 434 of the Companies Act 2006, but is derived from those financial statements. The auditors' reports on the 2009 and 2008 financial statements were unqualified. A copy of the statutory accounts for 2008 have been delivered to the Registrar of Companies. Those for 2009 will be delivered following the Company's annual general meeting, which will be convened on 23 July 2009.

Going Concern

In determining whether the Group is a going concern, the Directors have reviewed the Group's current financial position and have prepared detailed financial projections. These projections reflect the recent unprecedented downturn in economic conditions and the actions already taken to reduce the Group's cost base, manage working capital and drive operational improvements.

The projections also assume that: new car sales will continue to decline in 2009 and not begin to recover until the second half of 2010; the service and parts business will be more resilient to the downturn; lower UK interest rates will continue; manufacturer partners will remain in production and supply on normal terms of trade; and there will be no further significant downturn in the global economic environment.

These projections, even after allowing for headroom to accommodate a reasonable downside scenario (including weaker trading and adverse movements in interest rates), indicate that the Group would be able to manage its operations so as to remain within its current facilities and in compliance with its banking covenants.

Accordingly, after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue as a going concern for the foreseeable future. As such, the Group continues to adopt the going concern basis in preparing the financial statements.

2. Net finance costs

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008 £'000
Bank loans and overdrafts	(1,653)	(1,579)
New vehicle stocking interest	(597)	(88)
Other finance costs relating to Group pension scheme	(1,567)	(1,371)
Other finance costs	(13)	(12)
Finance costs	(3,830)	(3,050)
Interest on short term bank deposits	211	212
Other finance income relating to Group pension scheme	1,577	1,596
Finance income	1,788	1,808
Net finance costs	(2,042)	(1,242)

3. Exceptional costs

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008 £'000
Reorganisation costs	570	985
Closure costs	482	–
Impairment of assets held for resale	1,140	–
Environmental costs	400	–
Empty property provisions	571	–
Onerous lease costs	201	375
Abortive costs	77	–
	3,441	1,360

There is no explicit definition of exceptional items under IFRS. For the purposes of the financial statements, exceptional items are items which individually, or if of a similar type, in aggregate, need to be disclosed, by virtue of their nature, size or incidence in order to allow a proper understanding of the underlying performance of the Group.

The Group responded to the deteriorating market conditions by taking swift action to further reduce its cost base. A programme of headcount reductions was undertaken, which gave rise to one off exceptional costs of £570,000 in the financial year. As a result of this programme, the future operating costs of the Group reduced by £1.8m on an annualised basis.

The Group also incurred exceptional costs of £482,000 in respect of the closure of two historically underperforming business operations.

The Board have evaluated the carrying value of the four surplus freehold properties held for resale. Due to the continuing delay in realising these assets and trends in the commercial property market, the expected realisable value has been reduced by £1,140,000 and the charge classified as an exceptional cost. Progress continues to be made on planning issues to aid the disposal process and, significantly, planning has been obtained for the site in Newcastle upon Tyne. The exact timing of the disposal of these assets remains uncertain.

On the redevelopment of the Group's dealerships in Oxford, environmental remediation costs of £400,000 were incurred. The Directors' believe that this cost should not be carried forward and hence the amount has been written off as an exceptional cost.

Exceptional costs in relation to empty properties were incurred during the year. These costs, totalling £571,000, related predominantly to the demolition of empty freehold properties to reduce rates liabilities, in addition to providing for ongoing rates and security at other empty property locations.

Provisions of £201,000 were made in the year for future rent liabilities on empty leasehold properties.

Abortive costs of £77,000 in relation to an aborted acquisition have been classified as exceptional.

4. Taxation

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008 £'000
Current tax		
Current tax charge	79	–
Adjustment in respect of prior years	(843)	–
Total current tax	(764)	–
Deferred tax		
Origination and reversal of temporary differences	138	65
Adjustment in respect of prior years	(163)	–
Total deferred tax	(25)	65
Income tax (income /expense	(789)	65
Comprising:		
Taxation – excluding exceptional items	62	446
Taxation – exceptional items	(851)	(381)
	(789)	65

(a) Factors affecting taxation income/expense in the period

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008 £'000
Profit before taxation and exceptional items	3,509	1,497
Exceptional costs	(3,441)	(1,360)
	68	137
Profit before taxation multiplied by the rate of corporation tax in the UK of 28.2 per cent. (sixteen months ended 29 February 2008: 30 per cent.)	19	41
Non-deductible amortisation	52	7
Non-deductible expenses	155	42
Effect on deferred tax balances due to rate change	(3)	(25)
Small companies rate	(6)	–
Adjustments in respect of prior years	(1,006)	–
Total tax (income)/expense included in the income statement	(789)	65

(b) Factors affecting future taxation charges

As of 1 April 2008, the UK Corporation Tax rate changed from 30 per cent. to 28 per cent. The current tax rate applicable to the Group for the period ended 28 February 2009 was 28.2 per cent. Deferred tax on temporary differences has been provided at 28 per cent., being the rate at which these temporary differences are expected to reverse. The underlying effective tax rate of the Group going forward is expected to be 28 per cent.

5. **Earnings per share**

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares during the period or the diluted weighted average number of ordinary shares in issue in the period.

The Group only has one category of potentially dilutive ordinary shares, which are share options. A calculation has been undertaken to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

Adjusted earnings per share is calculated by dividing the adjusted earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period.

	Year ended 28 February 2009 £'000	**Sixteen months ended 29 February 2008 £'000**
Profit attributable to equity shareholders	857	72
Amortisation of intangible assets	183	116
Share based payments (credit) charge	(221)	221
Exceptional costs	3,441	1,360
Tax effect of adjustments	(829)	(468)
Adjusted earnings attributable to equity shareholders	3,431	1,301
Weighted average number of shares in issue ('000s)	91,981	81,170
Potentially dilutive shares ('000s)	–	123
Diluted weighted average number of shares in issue ('000s)	91,981	81,293
Basic earnings per share	0.93p	0.09p
Diluted earnings per share	0.93p	0.09p
Adjusted earnings per share	3.73p	1.60p
Diluted adjusted earnings per share	3.73p	1.60p

6. **Ordinary shares, share premium and other reserve**

	Ordinary shares Number of shares (thousands)	**Ordinary shares £'000**	**Share premium £'000**	**Other reserve £'000**	**Total £'000**
At 1 March 2008	91,944	9,194	40,991	7,950	58,135
Shares issued during the period	38	4	–	19	23
At 28 February 2009	91,982	9,198	40,991	7,969	58,158

The total authorised number of ordinary shares is 125,000,000 shares with a par value of 10 pence per share. All issued shares are fully paid-up.

The other reserve is a merger reserve, arising from shares issued for shares, as deferred consideration, to the former shareholders of acquisitions. In the year ended 28 February 2009, shares were issued for shares to the former shareholders of Blake Holdings Limited.

7. Hedging reserve

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008 £'000
Cash flow hedges:		
At beginning of period	(326)	–
Fair value losses during the period	(981)	(452)
Deferred taxation on fair value losses during period	275	126
At end of period	(1,032)	(326)

8. Consolidated statement of changes in shareholders' equity

	Ordinary shares £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 March 2008	9,194	40,991	7,950	(326)	2,416	60,225
Profit for the year	–	–	–	–	857	857
Actuarial losses on retirement benefit obligations	–	–	–	–	(4,138)	(4,138)
Tax on items taken directly to equity	–	–	–	275	1,159	1,434
Fair value losses during the year	–	–	–	(981)	–	(981)
Share based payments	–	–	–	–	(221)	(221)
New ordinary shares issued	4	–	19	–	–	23
As at 28 February 2009	9,198	40,991	7,969	(1,032)	73	57,199

	Ordinary shares £'000	Share premium £'000	Other reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
On incorporation	–	–	–	–	–	–
Profit for the period	–	–	–	–	72	72
Actuarial gains on retirement benefit obligations	–	–	–	–	2,948	2,948
Tax on items taken directly to equity	–	–	–	126	(825)	(699)
Fair value losses during the period	–	–	–	(452)	–	(452)
Share based payments	–	–	–	–	221	221
New ordinary shares issued	9,194	40,991	7,950	–	–	58,135
As at 29 February 2008	9,194	40,991	7,950	(326)	2,416	60,225

9. Reconciliation of net cash flow to movement in net debt

	Year ended 28 February 2009 £'000	Sixteen months ended 29 February 2008 £'000
Net increase in cash and cash equivalents	3,448	9,459
Cash inflow from increase in borrowings	–	(24,191)
Cash outflow from repayment in borrowings	10,119	–
Cash movement in net debt	13,567	(14,732)
Issue of loan notes	–	(2,119)
Amortisation of loan arrangement fee	(75)	(70)
Non cash movement in net debt	(75)	(2,189)
Movement in net debt	13,492	(16,921)
Opening net debt	(16,921)	–
Closing net debt	(3,429)	(16,921)

10. Pensions

The defined benefit plan assets and liabilities have been updated to reflect their market value as at 28 February 2009. Differences between the expected return on assets and the actual return on assets have been recognised as an actuarial gain or loss in the Statement of Recognised Income and Expense in accordance with the Group's accounting policy.

During the year, equity and bond markets fell and returned less than assumed. In addition, there have been changes in the financial assumptions underlying the calculation of the liabilities in the twelve month period ending 28 February 2009. In particular, the yield on AA-rated bonds has decreased slightly and the long-term outlook for inflation decreased. This has led to a higher value being placed on liabilities at the 28 February 2009 than assumed at the beginning of the financial year.

VERTU MOTORS PLC

(Registered in England and Wales, Company number 05984855)

Notice of General Meeting

NOTICE IS HEREBY GIVEN that a general meeting of the Company will be held at 11.30 a.m. on 15 June 2009 at the offices of Muckle LLP, Time Central, 32 Gallowgate, Newcastle upon Tyne, NE1 4BF for the purpose of considering and, if thought fit, passing the following Resolution as a Special Resolution:

SPECIAL RESOLUTION

THAT:

1 the authorised share capital of the Company be increased from £12,500,000 to £23,000,000 by the creation of 105,000,000 additional Ordinary Shares of 10 pence each ranking *pari passu* with the existing Ordinary Shares of the Company;

2 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 addition to 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 £10,431,938 to such persons and on such terms and conditions as they may determine, provided that such authority shall expire at the Company's next annual 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; and

3 the Directors be empowered pursuant to section 95 of the Companies Act 1985 (**Act**) (in addition to any unexercised existing authority) to allot equity securities (as defined in section 94 of the Act) pursuant to the general authority conferred by this resolution, as if section 89(1) of the Act did not apply to such allotment, provided that this power shall be limited to allotments of equity securities up to an aggregate nominal amount of £10,431,938 pursuant to the placing described to the shareholders of the Company in the circular dated the same date as the date of the notice of this meeting and such power shall expire at the Company's next annual 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 after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

Dated: 28 May 2009

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 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), PO Box 25, Beckenham, Kent, BR3 4BR 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 11.30 a.m. on 13 June 2009 in order to be entitled to attend and vote at the 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. 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:

1. The Companies Act 1985 provides that Directors shall only allot unissued shares with the authority of shareholders in general meeting. The Resolution will be proposed as a Special Resolution in addition to the Directors' current 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 at the time of the Company's last annual general meeting, assuming the issue of up to 5,043,213 Ordinary Shares in the capital of the Company over which options had been granted or that had been contracted to be allotted in accordance with the Company's previous authority but which had not yet been allotted). That 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 additional authority granted by the Special Resolution will permit the allotment of 104,319,377 ordinary shares (**Placing Shares**) pursuant to the proposed placing as described in the circular dated 28 May 2009.

2. 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. The Special Resolution also gives the Directors authority to allot the Placing Shares, without first offering them to shareholders pro rata to their holdings in addition to the Directors current general authority to allot shares of up to a maximum aggregate nominal amount of £484,800, (representing approximately 5 per cent of the issued share capital of the Company at the time of the Company's last annual general meeting, assuming the allotment of the maximum number of option or contracted shares referred in explanatory note 1 above).

produced by codexbilingua job no. 9052
www.codexbilingua.com