

13 May 2013

## **Vertu Motors plc (“Vertu” or “the Group”)**

### **Disposal of Heavy Trucks business**

Vertu Motors plc, the fast growing automotive retailer with a network of 96 sales and aftersales outlets across the UK, announces that it has exchanged contracts for the sale of the trade and certain assets of its three heavy truck operations, which comprise the Iveco sales and aftersales outlets in Bristol, Swindon and Gloucester, to Aquila Truck Centres (Italia) Limited, a newly incorporated and wholly owned subsidiary of Aquila Group (UK) Limited (“Aquila”). Aquila is an established main dealer for MAN Truck and Bus, Caterpillar, Isuzu and Neoplan and an authorised repairer for Iveco. Completion of the sale is expected to take place on 31 May 2013. The Board of Vertu expects that this disposal will be earnings enhancing in the financial year ending 28 February 2014.

The Group has performed a strategic review of its on-going operations to ensure that they fit with the strategy of developing future scalable relationships with manufacturer partners in profitable and appropriate locations. As a result of this review the Group determined its heavy trucks operations to be non-core, with neither marketing nor management synergies with the Group’s expanding motor retail activities.

In the year ended 28 February 2013, the Group’s Iveco operations had revenues of £18.0m and incurred an operating loss of £0.6m. The assets to be disposed of comprise vehicle and parts inventories and fixed assets for which the expected net cash consideration will be approximately £1.5m which will be used to reduce the net indebtedness of the Group. In addition, Vertu will receive £192,000 of preference shares in Aquila Truck Centres (Italia) Limited redeemable in 2018 which will be retained and carry a coupon of 4% per annum. For the year ended 28 February 2013, the Group expects to recognise exceptional losses of £0.8m in relation to the Iveco business relating to onerous leases and asset impairments.

#### **Robert Forrester, CEO of Vertu Motors, said:**

“Following the decision by our Board to dispose of our loss-making heavy trucks business, we are delighted to announce this disposal today. This exits Vertu from the heavy truck vehicle market ensuring that the whole focus of the Group can be on cars and light commercial vehicles.

We have known Aquila for a number of years and they are highly regarded as specialists in the heavy truck sector and this will ensure that the disposed business will be integrated into their business.

The transaction will generate around £1.5m of cash and is expected to be earnings enhancing immediately.”

The Group will announce its Preliminary Results on 21 May 2013.

#### **For further information please contact:**

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**Notes to Editors**

Vertu Motors is a fast growing automotive retailer with a network of 96 sales and aftersales outlets across the UK. Its dealerships operate predominantly under the Bristol Street Motors, Vertu Honda and Macklin Motors brand names. Manufacturer partners are Alfa Romeo, Chrysler Jeep, Citroen, Fiat, Ford, Honda, Hyundai, Iveco, Mazda, Nissan, Peugeot, Renault/Dacia, SEAT, Suzuki, Vauxhall and Volvo.

Vertu Motors was established in November 2006 and listed on AIM in December 2006, with the strategy to consolidate the UK motor retail sector. It is intended that the Group will continue to acquire motor retail operations to grow a scaled dealership group. The Group's acquisition strategy is supplemented by a focused organic growth strategy to drive operational efficiencies through its national dealership network. The Group currently operates 95 franchised sales outlets and 1 non-franchised sales operation from 76 locations across the UK.

Vertu Motors group websites - [www.vertumotors.com](http://www.vertumotors.com) / [www.vertucareers.com](http://www.vertucareers.com)

Vertu Motors brand websites - [www.bristolstreet.co.uk](http://www.bristolstreet.co.uk) / [www.vertuhonda.com](http://www.vertuhonda.com) / [www.macklinmotors.co.uk](http://www.macklinmotors.co.uk)