

**H.R. Owen Plc (the “Group”)**  
**Pre-close trading statement**

The UK car market has registered significant falls over the previous two months with every marque represented by the Group being adversely affected. Customers are delaying purchasing decisions and the lack of available credit at affordable rates remains a serious obstacle to the completion of vehicle sale transactions. The recent reduction in VAT rate to 15% has not yet had any noticeable impact on sales levels. Aftersales volumes and margins, however, remain healthy and have not shown any deterioration over the previous few months.

Overall, the adverse effect on profitability means that the Group will not be profitable at the operating level in the second six months of the year, although it is expected that the full year result, pre-exceptionals, at the operating level will be around break-even.

The Group currently holds positive cash balances which have recently been buoyed by the receipt of the first stage of consideration on the agreement for the early surrender of its lease at Nine Elms, London. This transaction is expected to complete in the first quarter of 2009 when additional consideration, consisting of both cash and bills of exchange, will become due. The Group also operates with a number of vehicle funding facilities which are currently not fully utilised.

We have continued to apply stringent controls to ensure that used vehicle stock values remain in line with current market valuations and have been extremely pleased with our recent sale initiative which produced encouraging used car sales. As a result, we expect to finish the year with very low used vehicle inventories.

The current uncertainties in the automotive retail sector make predictions for next year very difficult. However, the Board’s expectation is that trading throughout 2009 will remain severely depressed.

The Group plans to retain its current dividend policy and still expects to recommend to shareholders a final dividend for the year ended 31<sup>st</sup> December 2008.

19 December 2008

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