



AUTOMOTIVE HOLDINGS GROUP

1 March 2006

Australian Stock Exchange
Company Announcements Office
Perth
WA 6000

by electronic lodgement

Dear Sirs

Investor Presentation

Please find attached a presentation that will be made by Automotive Holdings Group Limited (AHE) today.

Yours faithfully

A handwritten signature in black ink, appearing to read 'D W Kiggins'. The signature is fluid and cursive, with a large loop at the end.

D W KIGGINS
Company Secretary
Automotive Holdings Group Limited



Automotive Holdings Group Limited

Interim Financial Statements briefing

Half year to 31 December 2005

28 February 2006

Agenda

Highlights

Financial Performance

Value Strategy

The Investment Strategy

The Year Ahead

Background - AHG Group



Highlights

- NPAT of \$9.5m on group revenue of \$795.1m
- EBITDA of \$25.1m
- Earnings per share of 6.8 cents and fully franked interim dividend of 4.0 cents
- Strong cashflow with \$32m cash balance at 31 December
- Strong performance across automotive retailing and logistics divisions



Highlights

- Implementation of Australia-wide growth strategy
 - Major logistics expansion go-ahead for Sydney
 - Major automotive retailing acquisition in Victoria
- Positive outlook for second half
- On track to meet full year prospectus forecasts



Snapshot

• Market Capitalisation	\$163.8 million
• Shares on issue	140.0 million
• Share price*	\$1.17
• FY06 Dividend (fully franked)	
– Half Year (payable 31 March)	4.0 cents
– Full Year (forecast)	8.5 cents
• Full year forecast dividend yield*	7.26%

* As at close of market 24 February 2006



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Earnings Performance

	H1 FY06	FY06(f)
Revenue	\$796.3m	\$1.58b
EBITDA (\$m)	25.1m	47.4m
NPAT (\$m)	9.5m	16.9m
EPS (based on 140m shares)	6.8c	12.1c
Dividend (fully franked)	4.0c	8.5c
Yield (based on current price*)		7.26%
Interest cover (times)	3.5	3.1

* As at close of market 24 February 2006



Key Financial Data

	Forecast	Actual
\$'000	Year Ending 30 June 2006	Half Year Ending 31 December 2005
Sales	1,586,966	795,106
EBITDA	47,379	25,100
EBITDA margin (%)	3.0%	3.2%
Depreciation and amortisation	6,011	3,066
EBIT	41,368	22,034
Net interest expense	13,266	6,303
Pre-tax profit	28,102	15,731
NPAT	19,390	10,896
Outside equity interest	(2,401)	(1,351)
NPAT attributable to Shareholders	16,989	9,545
Basic EPS ⁷ (cents per Share)	12.14	6.82
Basic EPS growth	8.0%	-
Forecast dividend (cents per Share)	8.5	4.0
EBITDA multiple (including floorplan financing)	7.2	
EBITDA multiple (excluding floorplan financing)	3.2	
PE ratio (times)	8.2	
Dividend yield at Offer Price	8.5%	
Return on equity	15.5%	



Divisional Breakdown

	Forecast	Actual
\$'000	Year Ending 30 June 2006	Half Year Ending 31 Dec 2005
Automotive Retail		
Sales	1,404,616	686,026
EBITDA	38,113	19,413
PBT	-	11,720
EBITDA margin	2.7%	2.8%
Logistics		
Sales	182,350	109,080
EBITDA	9,266	5,687
PBT	-	4,011
EBITDA margin	5.1%	5.2%
AHG Group		
Sales	1,586,966	795,106
EBITDA	47,379	25,100
PBT	28,102	15,731
EBITDA margin	3.0%	3.2%



Consolidated Balance Sheet 31 Dec 05

Consolidated Balance Sheet – as at 31 December 2005 (\$'000)

Cash	32,918	
Receivables	83,423	
Inventory	209,649	
Available for sale financial assets	416	
Net P,P&E	32,001	
Intangibles	77,194	
Deferred tax assets	8,270	
Total Assets		443,871
Payables	56,340	
Interest Bearing Liabilities (Current)	190,176	
Other Current Liabilities	15,208	
Interest Bearing Liabilities (Non-Current)	38,844	
Other Non-Current Liabilities	10,078	
Total Liabilities		<u>310,646</u>
Net Assets		<u>133,225</u>
Equity	111,154	
Retained profits	10,722	
Outside Equity Interests	11,349	
Total Equity		<u>133,225</u>



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Growth Strategy

- Public ownership allows AHG greater flexibility in seeking new growth opportunities
- Pursue selective acquisitions across Australia that create long-term value for shareholders
- Continue to establish new dealerships on greenfield sites
- Add new franchise brands to AHG's automotive retailing portfolio
- Expand the logistics business through broadening the service offering to customers



Growth Initiatives H1FY06

- Hino

- Secured Hino truck dealership at Dandenong
- Selected by Hino Australia to operate biggest Hino dealership in Victoria
- Major opportunity for growth
- Aim to mirror AHG's performance with Hino in Western Australia (Hino's Australian Dealer of the Year - 3 out of 4 years)



Growth Initiatives H1FY06

- Rand Transport

- Commitment to major expansion of Rand Transport cold storage and distribution
- New 24,000 pallet facility at Homebush in Sydney – opens in March 2007
- Growing demand from established Rand customers
- Major share of East-West refrigerated transport across Australia



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The Investment Case

- Diversified automotive retail and logistics group
- Western Australia's largest automotive retailer with revenue from new and used cars, parts, service and finance
- Multiple earning streams in logistics: refrigerated transport, cold storage, warehousing and distribution
- Long-term history of stable earnings
- Experienced Board and strong management team
- Demonstrated capability of growing businesses
- Exposure to the strong WA economy
- Commenced implementation of Australia wide growth strategy



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The Year Ahead

- Strong focus on profit growth and protecting margins in competitive markets
- Growth push in both automotive retailing and logistics
- Target acquisitive growth in automotive retailing
- Pursue further organic growth opportunities in existing operations
- Continue to leverage strong activity in the WA economy



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Background - AHG Group



About AHG

- Automotive retail and logistics group founded in 1952
- Largest automotive retailer in Western Australia
 - High profile passenger and commercial vehicle dealerships throughout Perth metropolitan area
 - Franchises covering 8 of the top 10 selling automotive brands
- Diversified income in new and used cars, service, parts, finance and insurance
- Other revenue streams from refrigerated transport, cold storage, warehousing and distribution
 - AMCAP Distribution Centre
 - Rand Transport
 - KTM Sportmotorcycles



Automotive Retail Operations

- 21 high profile Perth dealerships operated from leased premises
- Represents 15 passenger vehicle and 5 truck manufacturers
- AHG Automotive Retailing services include new and used car sales, parts sales, servicing, finance and insurance
- Western Australia's largest truck retailer and developing major operation in Victoria
- AHG offers 8 of the top 10 passenger vehicle brands, these 8 brands together account for 74.4% of passenger vehicles sold in Australia ⁽¹⁾
- 60.3% holding in the Perth Auto Alliance, operator of six Perth Ford dealerships (Ford holds remaining 39.7%)
- Hino truck dealership at Dandenong in Victoria – AHG's first major expansion into automotive retailing on the eastern seaboard

(1) Source: VFACTS Industry data, calendar year ended 31 Dec 2005



Logistics Operations

- Logistics provider with operations in warehousing, transport and distribution
- Growing revenue and earnings streams
- Western Australia base with growing national footprint
- Successful acquisition, integration and management of target businesses
- Rand Transport committed to major expansion of NSW cold storage and distribution facility to meet growing demand – scheduled for completion in March 2007



AHG Corporate

- AHG Corporate pro-actively manages and develops the Group's operations, identifies opportunities and acquires and builds businesses
- Responsibilities include:
 - Active management of the Dealer Principal team;
 - Timely sharing of knowledge and experience between business units;
 - Management of relationships with all vehicle manufacturers and key suppliers; and
 - Centralised negotiation of financing arrangements ensuring prudent management
- Operates real-time monitoring of business units to provide management support where operational issues arise



AHG Structure

