



Automotive Holdings Group Limited



Merrill Lynch Emerging Companies Conference
Wednesday 18 & Thursday 19 June 2008

Presented by:
Bronte Howson
Managing Director

Group Snapshot

- Australia's largest automotive retail and logistics group founded in 1952
- 105 high profile passenger and commercial dealership franchise sites in Australia and New Zealand
- Represents 10 of the top 11 selling manufacturers in Australia (Top 11 sell 85% of all new vehicles¹)
- Long term history of stable earnings
- Demonstrated capability of growing businesses



¹ VFACTS ACT Report May 2008

Group Snapshot

FY07
 Revenue - \$2.06b
 EBITDA - \$64.07m

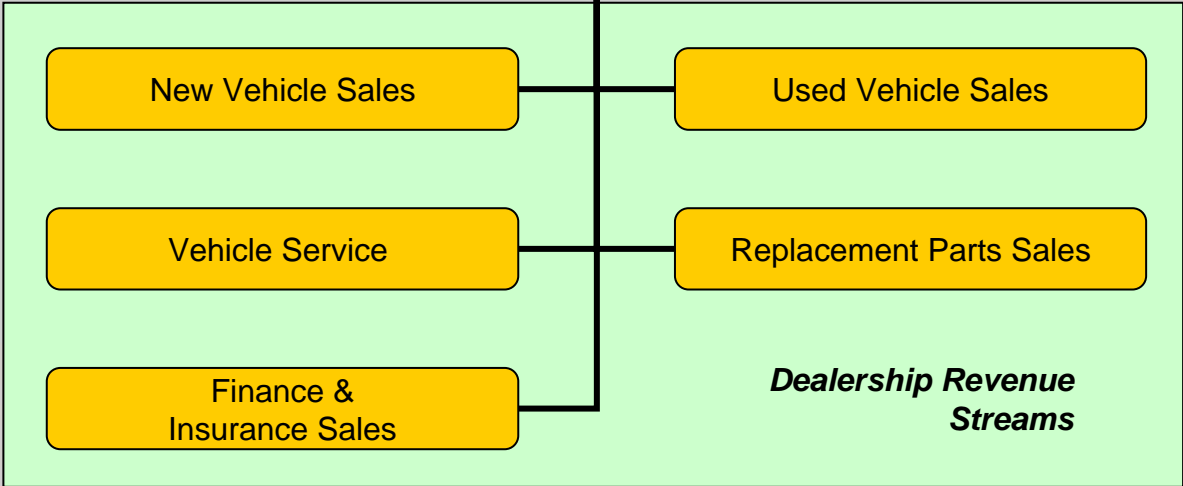
AHG

FY07
 Revenue – 247.9m
 EBITDA - \$11.86m

AUTOMOTIVE RETAIL

LOGISTICS

105 Dealership Sites
 Australia and NZ



Wholesale Distribution
Automotive Parts
 AMCAP

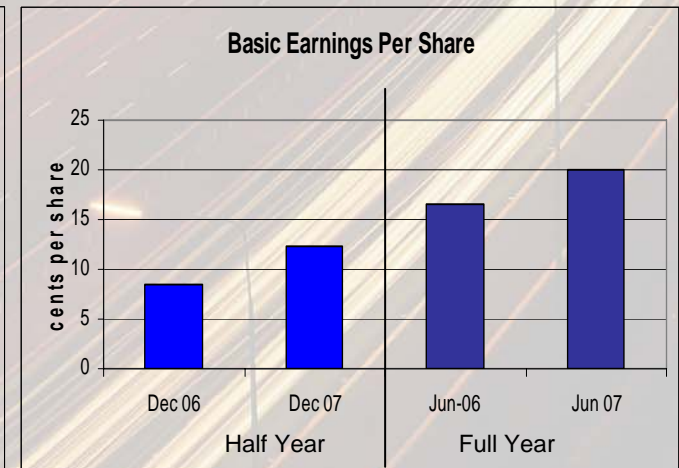
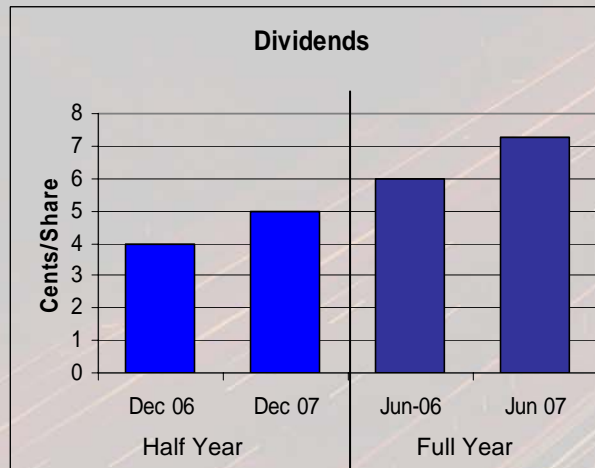
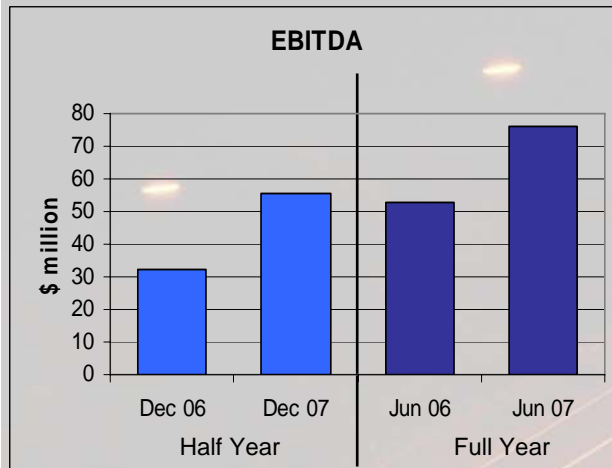
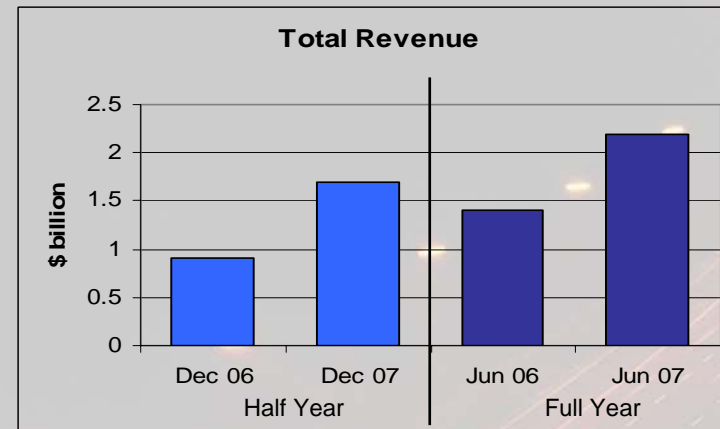
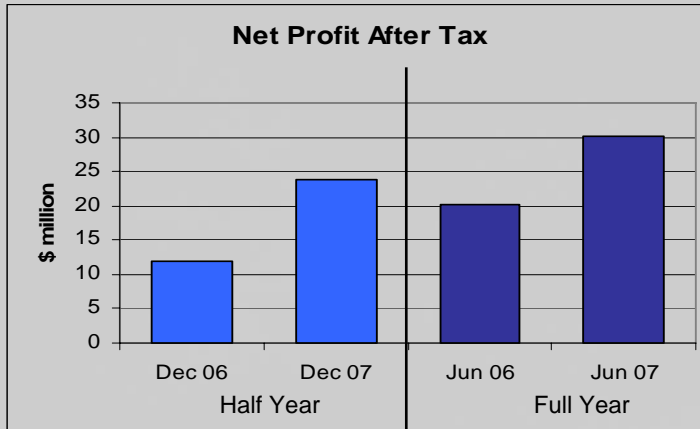
Refrigerated Transport
Storage & Distribution
 Rand Transport

Motorcycle Distribution
 KTM Sportmotorcycles
 Australia and NZ
 Vmoto Scooters

Vehicle Storage & Engineering
 VSE



Group Performance Since Listing



Automotive - Overview FY2008

- Stable trading conditions – new vehicle sales up 4% nationally calendar YTD¹
- Strong second half performance
- Record profit in FY2008
- Successful integration of Zupps and McGrath groups
- Further focus on synergy and scale realisation
- Acquired bolts-ons and developed greenfield sites
- Strengthened corporate infrastructure and IT systems



¹ VFACTS ACT Report May 2008

Economic Concerns Addressed

- Debt Structure
 - New Vehicle Sales
 - Discretionary Spending
 - Interest Rates
 - Fuel Prices
 - Employment
- ⇒ Customer Preferences



Economic Concerns Addressed

- Net Debt Position*

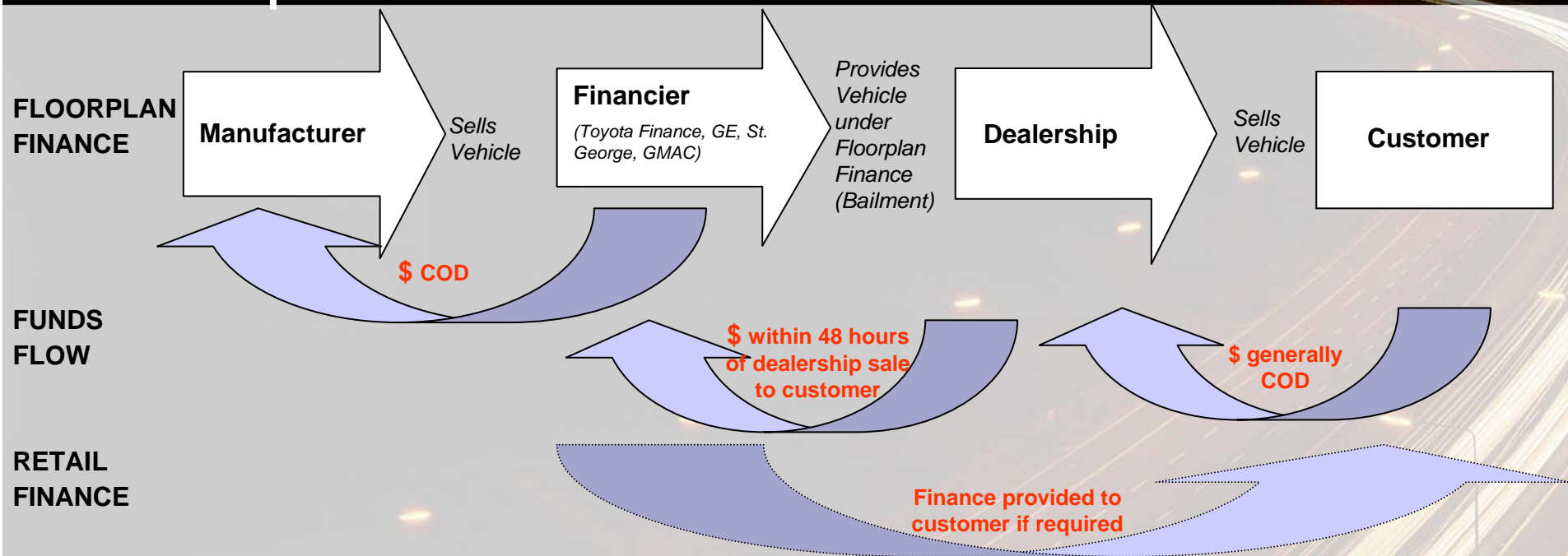
	31.12.07	30.6.07
	<u>\$m</u>	<u>\$m</u>
Total Debt		
Current	351	424
Less, finance company loans (Floorplan)	<u>332</u>	<u>406</u>
	19	18
Less Cash (Positive)	<u>(24)</u>	<u>(29)</u>
Net Current Cash Position (excl. Floorplan)	(5)	(11)
Non Current Debt	<u>73</u>	<u>69</u>
Net Debt Position	<u>\$68</u>	<u>\$ 58</u>
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Net of floorplan funding minimal short term debt.



* Excluding Finance Company Loans

Economic Concerns Addressed - Floorplan Finance

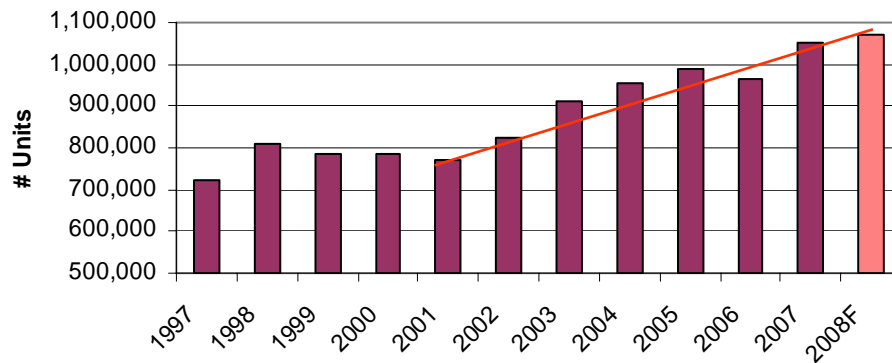


- Vehicle inventory financed by floorplan financing
- Interest is charged at a small margin above the 90 day bank bill swap rate so the lender can participate in retail paper written.
- Floorplan repaid within 48 hours of sale of vehicle to customer
- Stock turn KPI 8 x pa/45 day supply – constantly refreshing facility



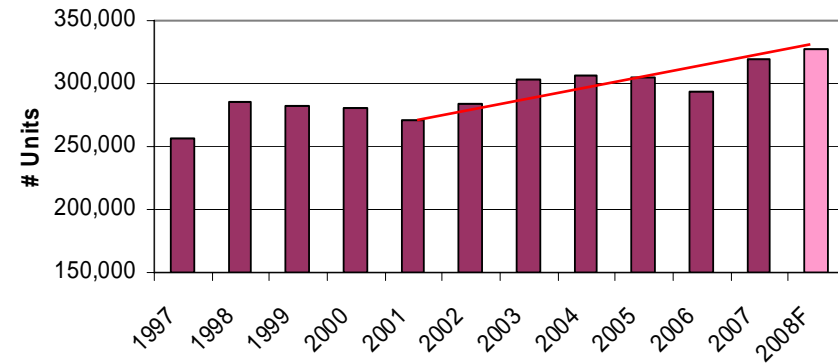
Economic Concerns Addressed – New Vehicle Sales

New Vehicle Sales - National

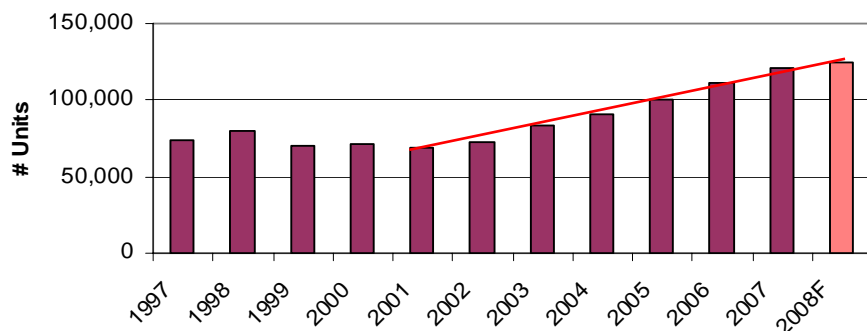


Source: Economics@ANZ

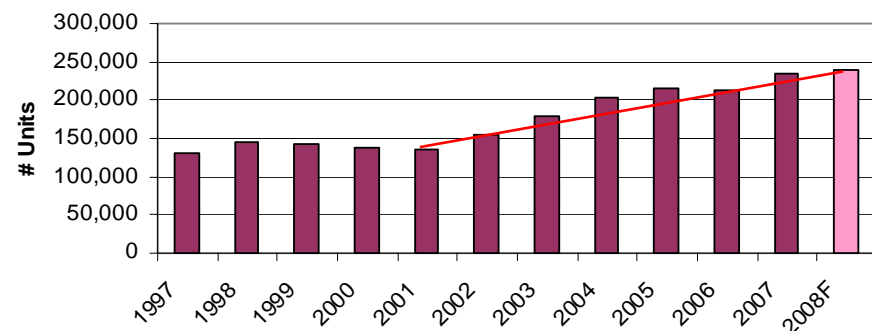
New Vehicle Sales - NSW



New Vehicle Sales - WA



New Vehicle Sales - Qld.

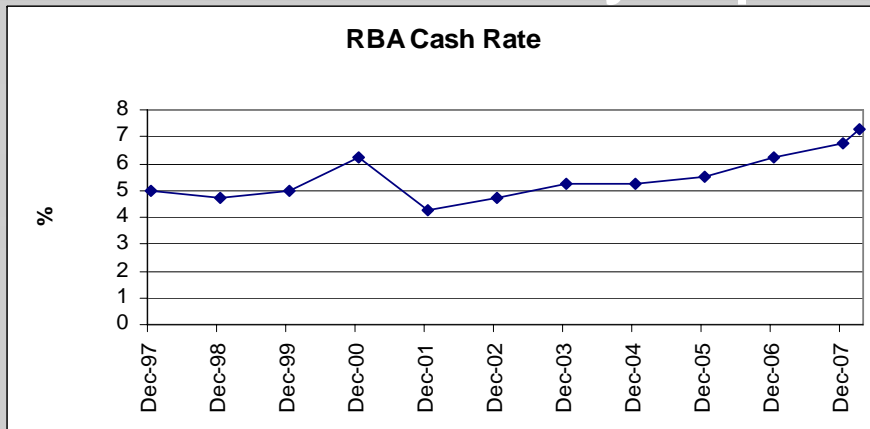


Solid sales forecast in key states off the back of record new vehicle sales in 2007.

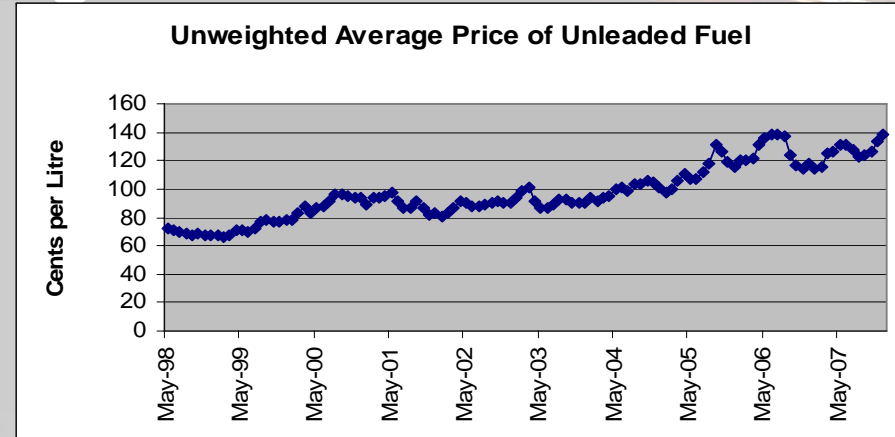


Source: VFACTS ACT Report Federal Chamber of Auto Industries

Economic Concerns Addressed - Discretionary Spending



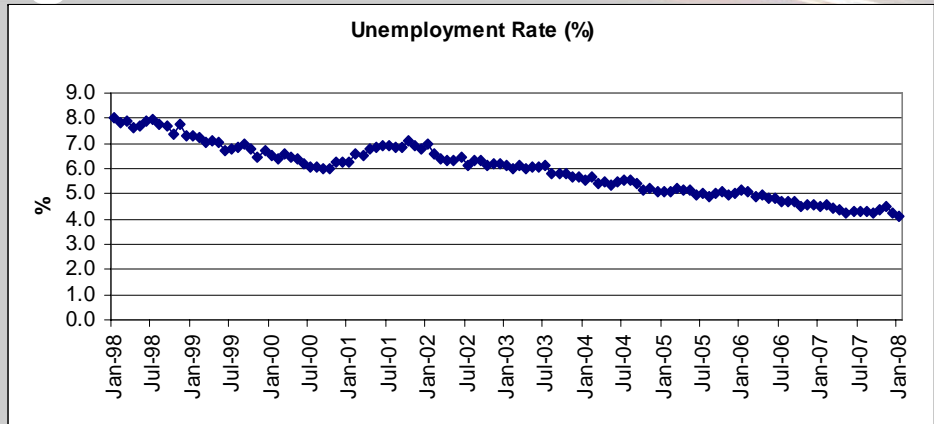
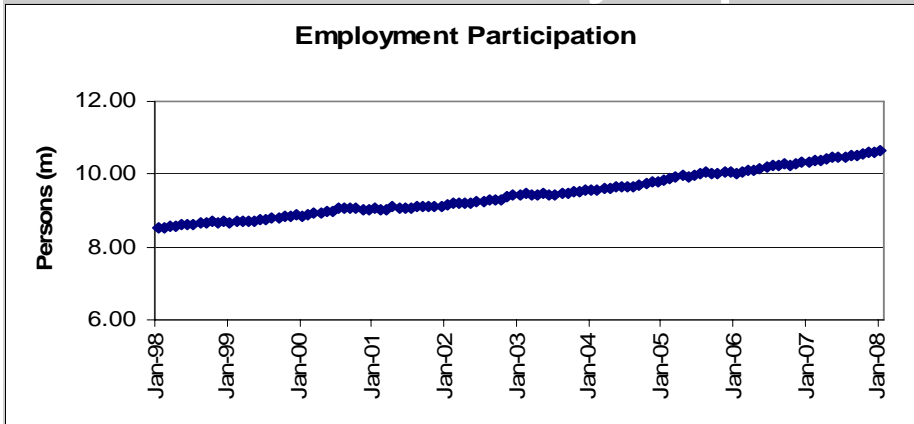
Source: RBA.gov.au



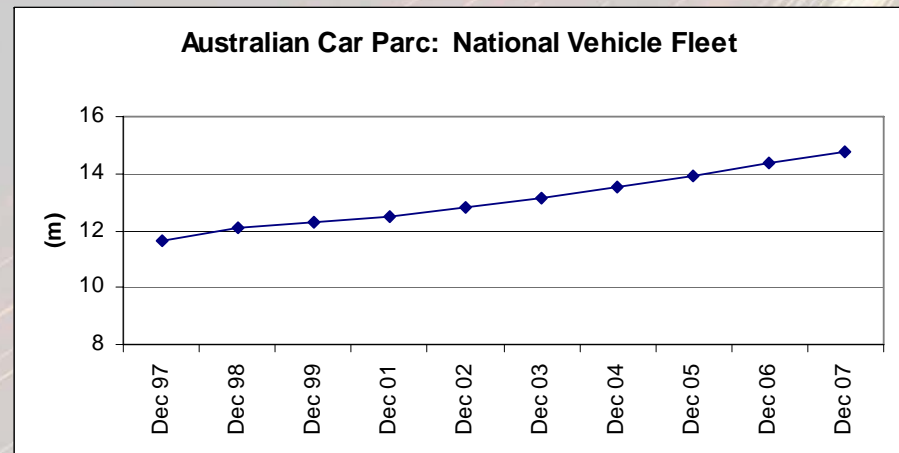
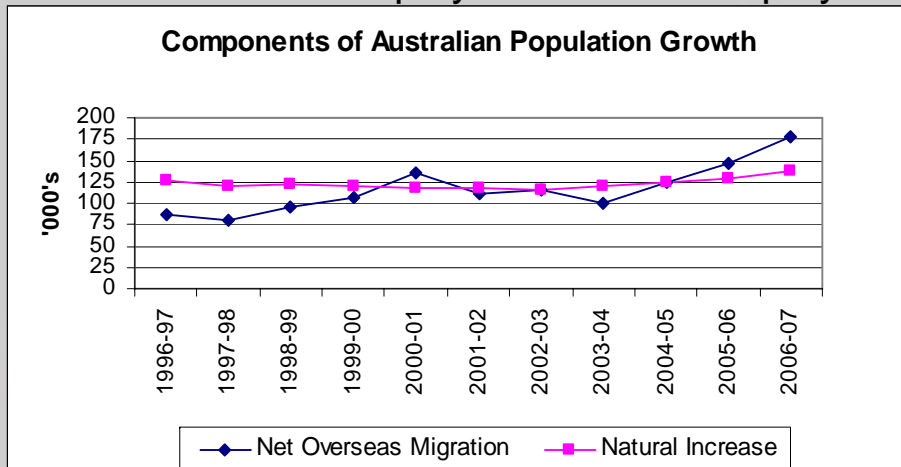
- Car sales have risen through periods of increasing interest rates and fuel prices
- Fuel prices are impacting consumer sentiment
 - Shifts in vehicle size
 - Move towards greater fuel efficiency
 - Manufacturers continue to produce more fuel efficient vehicles
- While indicators point to a retail spending slow-down, to date there has been little impact on new vehicle sales.



Economic Concerns Addressed - Discretionary Spending



Record levels of employment/low unememployment has kept consumer demand at high levels



Australia's population growing at 1.3% p.a.
 Australia's driving age (18 years) population growing at 1.5%¹
 Permanent migration – 140,000 p.a.

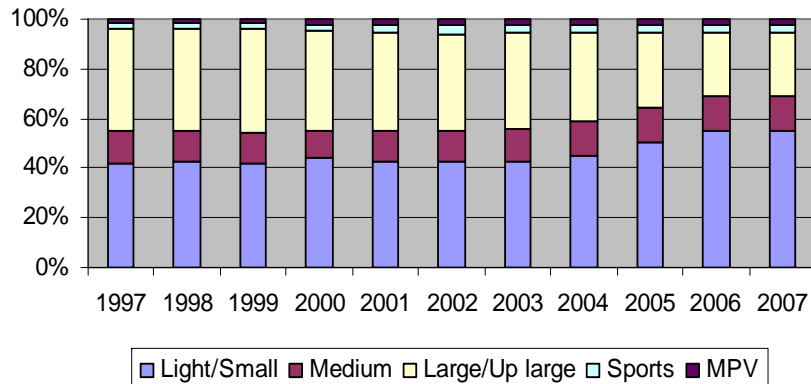
Australian Car Parc increased 11% in last 5 years¹



Source:- VFACTS ACT Report May 2008

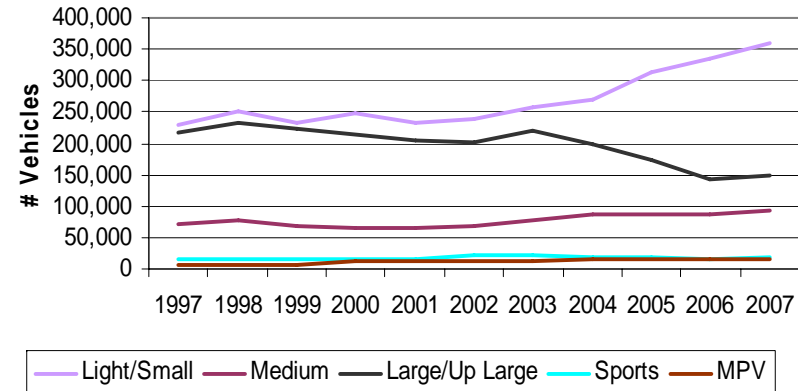
Customer Preferences

Passenger Vehicle Mix



Source: AON Martec Automotive Insight May 2008 – Number 5

Passenger Vehicle Mix



Passenger/SUV/Light Commercial Vehicle Sales by Buyer Type

	May 2008 YTD	May 2007 YTD	% Change
Private	206,399	207,410	(0.5)
Business	169,026	150,257	12.5
Gov't	28,037	31,151	(10.0)
Rental	18,283	17,534	4.3
TOTAL	421,745	406,352	3.8

Source:- VFACTS ACT Report May 2008

Passenger/SUV/Light Commercial Vehicle Sales by Fuel Type

	May 2008 YTD	May 2007 YTD	% Change
Diesel	87,373	68,079	28.3
Hybrid	2,286	2,081	9.8
LPG	4,885	5,416	(9.8)
Petrol	327,201	330,776	(1.1)
TOTAL	421,745	406,352	3.8

AHG has the mix of vehicles to satisfy changing consumer preferences

Manufacturer	% National Market share ¹	AHG number of franchises ²					
		Total	WA	NSW	QLD	VIC	NZ
1. Toyota	23.3%	4	3	1	-	-	-
2. Holden	12.6%	9	2	3	4	-	-
3. Ford	10.1%	8	5	-	-	-	3
4. Mazda	8.0%	6	-	2	-	-	4
5. Mitsubishi	6.1%	11	3	2	6	-	-
6. Nissan	5.8%	8	4	3	1	-	-
7. Honda	5.5%	-	-	-	-	-	-
8. Hyundai	4.4%	4	3	-	1	-	-
9. Subaru	3.8%	6	2	1	3	-	-
10. VW	3.0%	3	1	2	-	-	-
11. Suzuki	2.2%	8	1	1	6	-	-
Sub Total		67	24	15	21	-	7
Other Vehicles		23	11	3	9	-	-
Other Trucks		15	8	-	6	1	-
TOTAL		105	43	18	36	1	7

¹ VFacts ACT Report Federal Chamber of Auto Industries May 2008

² Individual franchise agreements. Multiple franchises at many sites



Logistics – Overview FY2008

- Continued revenue growth
- Rand's continued growth on Eastern seaboard
- AMCAP's strong growth
- Stable trading conditions for KTM
- Expansion of VSE



Vehicle Storage and Engineering



- Provider of vehicle storage and logistics for manufacturer
- Engineering division undertakes modification services including chassis modification, lazy axle, turntable and accessory fitment



Growth Opportunities in FY2009

- Rand Cold Store Homebush
- Vehicle Storage & Engineering (VSE)
- New and maturing greenfield sites
- Continued scale benefits and synergies from acquisitions
- Acquisition strategy



Summary

- Record profit FY2008 profit
- Stable new vehicle sales
- New vehicle sales growth over recent years will support the Group's other revenue streams
uncertainty in retail spending
- New and maturing greenfield sites
- Continued scale benefits and synergies from acquisitions
- Organic and acquisitive growth opportunities in FY2009.

