



2 February 2012

AHG to develop Holden dealership in South Melbourne

Automotive Holdings Group Limited (ASX: AHE) today announced it was developing a new Holden automotive franchise in South Melbourne.

AHG Managing Director Bronte Howson said the addition of a Holden dealership in a prime location in the Melbourne city fringe was a further milestone in AHG's strategy of growing its automotive business in Victoria.

"Holden is AHG's leading brand by sales volume and the second biggest selling vehicle brand in Australia so having an inner-city Holden franchise will add significant scale to our existing Victorian operations," said Mr Howson.

"The combination of a proven location, new facilities and a strong brand means that we are confident of delivering a prime dealership for Holden and for AHG. AHG has a number of similar-sized Holden dealerships in Western Australia and New South Wales. This provides us with a solid reference as to what we can achieve in South Melbourne."

AHG has leased two adjacent sites in South Melbourne which will be the home of the new Holden dealership. The properties are located on Johnson Street opposite an existing dealership and have high visibility from the nearby Princes Highway.

The main site will be developed into a brand new showroom and vehicle display area that will include state-of-the-art vehicle servicing facilities. Development costs are expected to be approximately \$4.8 million which will be fully funded from the capital raising completed in 2011. The dealership development cost plus working capital will be paid by AHG. No goodwill is payable for the new dealership franchise.

Subject to receiving necessary development approvals, the new dealership was expected to open before the end of calendar 2012.

The new dealership will add further scale to AHG's Victorian business following the recently announced purchase of the Jeff Wignall Group – which comprised 9 dealership points at 5 locations throughout the Mornington Peninsula.

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About AHG

Automotive Holdings Group Limited (ASX: AHE) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand.

AHG is Australia's largest automotive retailer with 121 dealership franchises located across Australia and in New Zealand. Its major operations are in Western Australia, New South Wales, Queensland and Victoria and include 10 out of the top 11 manufacturers in Australia. AHG also sells six leading truck and bus brands.

AHG operates logistics businesses throughout Australia through subsidiaries Rand Transport and Harris Refrigerated Transport (transport and cold storage), AMCAP and Cova WA (motor parts and industrial supplies distribution), VSE, providing vehicle storage and engineering, Genuine Truck Bodies, which provides body building services to the truck industry, and KTM Sportmotorcycles (motorcycle importation and distribution in Australia and New Zealand).

Corporate

David Rowland

Company Secretary

Mobile: 0421 661 613

Email: drowland@ahg.com.au

Media

Peter Knight

Manager Corporate Communications

Mobile: 0457 506 815

Email: pknight@ahg.com.au

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