

**AUTOMOTIVE HOLDINGS GROUP LIMITED
CHAIRMAN'S ADDRESS
2014 ANNUAL GENERAL MEETING
10.00 AM FRIDAY, 14 NOVEMBER 2014**

Good morning ladies and gentlemen, and welcome to Automotive Holdings Group Limited's 2014 Annual General Meeting.

My name is David Griffiths and I am the non-executive chairman of Automotive Holdings Group.

In terms of the usual housekeeping items, please switch your mobile phones to silent. In the event of a fire, the emergency exits are clearly marked.

If you have not already done so, please register your attendance at the Link service desk, just outside the door.

As a quorum is present and the meeting is validly constituted, I formally declare the 2014 Annual General Meeting open.

The minutes of the 2013 Annual General Meeting have been approved by the Board and have been tabled.

Any shareholder who wishes to view a copy of the minutes is welcome to do so and should see the Company Secretary after the meeting.

With me today are my fellow directors:

- Michael Smith, the Deputy Chairman;
- Bronte Howson, Chief Executive Officer;
- Howard Critchley;
- John Groppoli;
- Tracey Horton;
- Peter Stancliffe; and
- Robert McEniry.

Also here today and in the front row of seats are our Company Secretary, David Rowland, and our Chief Financial Officer Phil Mirams.

This is Howard's first AHG AGM and shareholders will have noted from the Annual Report that Howard comes to the Group with a very strong background in logistics. Howard has become a key member of the strong team we have assembled in Refrigerated Logistics this year.

Detailed backgrounds of each of the Board members are available in the 2014 Annual Report, which I encourage you to read if you've not already done so. The report can be downloaded from AHG's investor relations website: www.ahgir.com.au

I would like to commence the Chairman's address today by providing a brief overview of the company and its performance in FY2014, before handing over to the Managing Director, Bronte Howson, who will provide details of the Group's financial performance and highlights from the company's business units and make some comments about FY2015.

We will then turn our attention to the matters to be resolved at this meeting in the 'Formal Business' section, before closing the meeting.

Following that, the Directors would welcome the chance to answer any further questions from shareholders as we enjoy refreshments in the foyer.

AHG remains Australasia's largest automotive retailer by sales, profitability, market capitalisation and the number of people employed.

With the acquisition of the Bradstreet Motor Group in Newcastle in August the Company now has 169 franchises at 95 dealerships across four Australian states and New Zealand.

We report our logistics businesses in two divisions; Refrigerated Logistics and Other Logistics.

AHG is Australia's largest provider of temperature-controlled transport and cold storage services. This position was already held by our Rand and Harris operations at the start of the year before it was significantly bolstered by the acquisition of Scott's Refrigerated Freightways and JAT Refrigerated Road Services in April this year.

Our Other Logistics operations include AMCAP, Covs, Genuine Truck Bodies, Vehicle Storage and Engineering, and WMC.

With the acquisitions of Scott's, JAT and the Bradstreet Motor Group AHG today employs more than 7,300 people across Australia and New Zealand.

As I said to this meeting last year, we are proud of our achievements and our strengths, but we are not standing still.

AHG's performance in the 2014 financial year was pleasing, both as a company and as an investment.

The company achieved record profit after tax of \$78.5 million, which was an increase of eleven percent on the previous year.

Earnings per share increased seven percent and shareholders received an increased fully-franked full year dividend of 21-cents per share.

Your Company's market capitalisation presently stands at around \$1.2 billion, compared with \$520 million just three years ago.

AHG has delivered strong growth across all of its key earnings metrics over the past six years including revenue, EBITDA and NPAT.

Revenue has grown at a Compound Annual Growth Rate of 9% since FY2009. Operating EBITDA has grown at 12% and Operating NPAT has grown at a CAGR of 13.2%

EPS has grown on the expanded capital base and is expected to experience further growth as the synergies of recent investments in new business and maturing Greenfield dealerships add to our bottom line.

AHG's Total Shareholder Return, measured at the 12th of November, and which includes capital growth and reinvestment of dividends, stands at 14% over twelve months, at 125% over three years, and at more than 148% over five years.

The year in review has been an active one with further acquisitions in our Automotive and Refrigerated Logistics divisions that carefully align with your Board's objective of delivering a satisfactory growth in returns to shareholders.

The refrigerated logistics acquisitions significantly expand the division's customer offering and reach in a way that is already producing very meaningful synergies while the addition of Bradstreet Motor Group has added further scale and opportunity to the Automotive division.

It was especially pleasing to receive strong institutional and private shareholder support for the acquisitions of Scott's Refrigerated Freightways, JAT Refrigerated Road Services and the Bradstreet Motor Group.

Bronte Howson will have more details on those matters in his address.

In addition to the acquisitions I've just mentioned, we also opened new dealerships in South Melbourne and in Sutherland, south of Sydney, and moved our Rand and Harris operations into new state-of-the-art cold stores and offices in Adelaide and Perth.

The Board's strategy is to continue to improve returns to shareholders by applying and developing AHG's proven business model to new acquisitions and Greenfield sites while maintaining the energy levels and business leading performance of existing operations.

We will remain proactive in seeking out new businesses which have a strategic fit for the Group, meet our financial metrics and where we believe that we can add value.

AHG's diversification remains a key element of the Company's strategy.

We expect that the benefits of this diversification will be further demonstrated by the growing contribution to earnings from our logistics businesses, in which we have continued to invest.

In FY2014 Logistics represented 18% of our revenue and accounted for 26% of earnings at the EBITDA level. We remain confident that the contribution from logistics will increase over time.

Our Automotive division has continued to be a strong engine for growth driven by our diversified portfolio of brands and the industry leading benchmarks we have been able to achieve across the multiple revenue streams we operate in all our dealerships.

The Automotive division performed strongly in a slightly softening market and it is a tribute to our key management teams that their dealerships collectively outperformed the broader automotive retail sector.

The Automotive sector is changing and AHG is positioned to embrace and benefit from that change on a number of levels.

AHG starts from a very strong position with more than 101,00 new and used vehicle sales last year the AHG dealership front end drives an enormous number of opportunities in finance, insurance and back end parts and service.

In recent times we have seen the announcements of the end of local manufacturing by Holden, Ford and Toyota; the increase in prominence of online sites and other digital disruptors, and we have the prospect of parallel and “grey” imports from 2018.

We are on record as saying that we see no negatives from the closure of local manufacturing. Each of Toyota, Holden and Ford has been selling more imported models than their respective Australian-built cars for many years. We confidently expect their new imported ranges to remain attractive to Australian buyers.

There are certainly significant changes occurring in the way consumers research their purchases and we have been targeting our marketing and sponsorship strategies to strategies to match the customer journey.

There are profound changes happening in the way that automobiles are sold, financed and serviced, but we see those changes as opportunities to leverage our scale and market leadership.

Finally we note the recent entry of Warren Buffet into the US automotive sales sector. The entry of such an astute investor only endorses and confirms the level of excitement AHG feels about the future of the automotive sales sector.

In Refrigerated Logistics our scale and market strength give us a significant advantage in terms of our customer offering.

The management team we now have across Refrigerated Logistics has the strength, experience and passion to capitalise on the synergies created by the acquisition of Scott’s and JAT.

We are already seeing the benefits of the acquisition and expect to deliver further cost savings and efficiencies over the year ahead and into 2016.

We expect that as well as the synergies to be exploited from recent acquisitions there will also be opportunities to harness the benefits of increasingly automated and “dark” warehousing as well as improved transport technology.

It is an exciting time. The combination of services from Rand, Harris, Scott’s and JAT will allow AHG to make a compelling integrated business offering to our customers.

While technology is important, it is our people who are our greatest asset; more than 7,300 staff across Australia and New Zealand.

AHG has continued to make significant investments in the development of our people. During the past financial year more than \$5 million dollars has been invested in development of our people.

- More than 20 Dealer Principals attended the annual National Automobile Dealers Association (NADA) conference in the United States of America as part of their personal development;
- We continue to employ in excess of 300 apprentices across Australia and we remain one of the largest employers of Apprentices in WA; and
- We have a best in class automotive development program in conjunction with Deloitte.

It is also important that we provide the remuneration and conditions to attract and retain the best staff. AHG structures its remuneration to reward success, and provide downside protection to the company in more subdued markets. In the automotive sector in particular we believe we pay our staff well and we are rewarded with industry leading margins and performance.

AHG is committed to creating a more gender diversified business in sectors which have traditionally been unbalanced. Our acquisitions have reflected and underlined that imbalance.

Females account for 23% of the Group's total workforce (up from 21% last year) and make up 27% of the number in supervisory roles or in middle and senior management (up from 21%).

Females make up 8% of middle management roles (up from 6% last year) and 10% of senior management roles (also up from 6% last year).

While there was some improvement last financial year, there were elements of our diversification plans where we felt that we did fall short of our aspirations. We will look to an improvement this year.

A new gender diversity charter is being established by the Executive which will confirm the Company's position and with a greater focus on diversity this year we are confident that further tangible improvements will be made.

At the end of the day actions speak louder than words and we'll be happy to be judged on our progress and be benchmarked against other companies operating in our industries.

Succession planning is also a key element of the Company's strategic plan particularly at Board and senior management level. It is important to ensure the Company and shareholders interests are protected. This year we have bolstered our succession planning with the assistance of an external advisor.

Looking to the year ahead, there may be some softer areas of growth in the domestic economy but the overall macro settings look reasonably supportive for AHG with the

continuation of reasonably low unemployment and low interest rates. The direct benefits and synergies we expect from recent acquisitions should also help bolster profitability.

AHG is a high-quality business with significant organic and acquisition-led growth opportunities in each of our three divisions that will provide substantial benefits to shareholders in the years ahead.

We remain confident in our strategy and the Company's leadership team and excited about the opportunities for growing shareholder returns in the years ahead.

In conclusion, I would like to thank my fellow board members, our Managing Director Bronte Howson, his senior management team and all our staff for their hard work and commitment.