



**Automotive Holdings Group Limited**

**Bob Branchi, Chairman**

Annual General Meeting  
24 November 2006

# FY06 Financial Performance

	<b>2005/2006 Results</b>	<b>Prospectus Forecast</b>	<b>% Change</b>
<b>Total revenue</b>	<b>\$1.62 billion</b>	<b>\$1.59 billion</b>	<b>1.8%</b>
<b>EBITDA</b>	<b>\$52.7 million</b>	<b>\$47.7 million</b>	<b>11.2%</b>
<b>NPAT</b>	<b>\$20.2 million</b>	<b>\$16.9 million</b>	<b>18.9%</b>
<b>EPS</b>	<b>14.43 cents</b>	<b>12.14 cents</b>	<b>18.9%</b>
<b>Dividend</b>	<b>10.0 cents</b>	<b>8.5 cents</b>	<b>17.6%</b>



# Decision to List on the ASX

- AHG is a leading automotive retail and logistics group founded in 1952
- Long term history of stable earnings
- Stable and energetic management team with a strong track record of value creation
- Opportunities include:
  - Additional financial flexibility to pursue growth opportunities
  - Improved access to capital markets
  - Facilitate succession planning
  - Management and employees can take ownership



# Snapshot

• Shares on issue	140 million
• 12 month trading range	\$1.06-2.40
• Share price <sup>1</sup>	\$2.30
• Market Cap (ASX: AHE <sup>1</sup> )	\$322 million

<sup>1</sup> Share price, market capitalisation based on AHG share price at close of market 23 November 2006



# Significant Corporate Activity

- Commitment to cold storage facility at Homebush in Sydney
- Hino dealership at Dandenong in Victoria
- KTM Sportmotorcycles distribution in NZ
- Reached agreement to acquire McGrath Lander Group in NSW
- Acquired Auckland Auto Collection Limited in New Zealand comprising 4 dealerships
- Planned divestment of 3 dealerships in the Perth Auto Alliance completed and announcement of exercise of option to acquire 100% of PAA



# Growth strategy

- New automotive dealerships in greenfield sites
- Adding new automotive franchise brands to AHG's portfolio
- Logistics division expansion
- Continuing focus on superior customer service and retention
- Tight control of operating costs
- Targeting selective acquisitions



# Facing the challenges ahead

- Effective corporate governance
- Competent Board and management
- Opportunities for growth
- Economic Outlook





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**Automotive Holdings Group Limited**

**Bronte Howson, CEO & Director**

Annual General Meeting

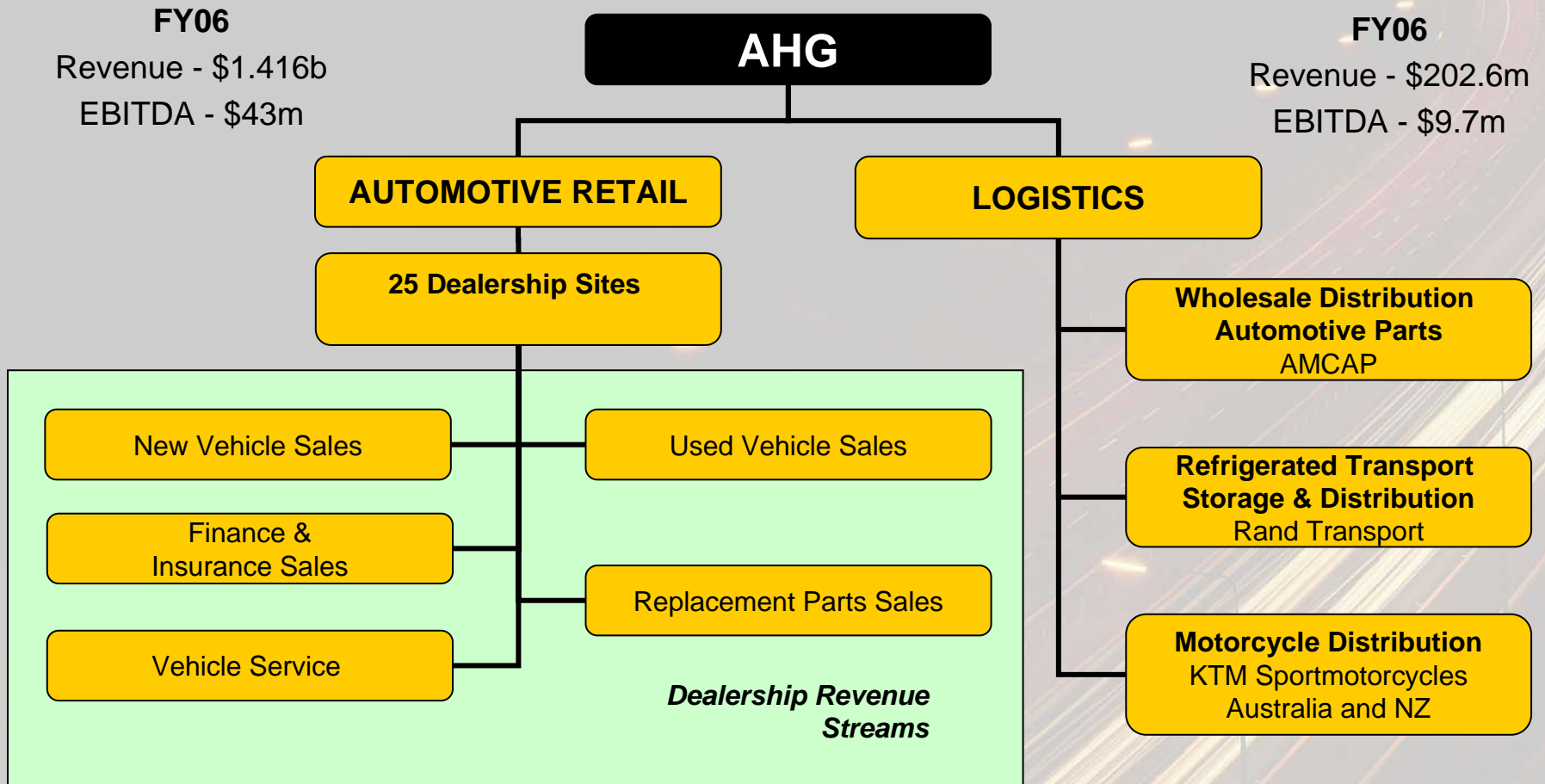
24 November 2006

# About AHG

- Automotive retail and logistics group
- Largest automotive retailer in Australia by sales, profitability and market capitalisation
  - High profile passenger and commercial vehicle dealerships throughout Australia
  - Franchises covering 9 of the top 10 selling automotive brands
  - Diversified income in new and used cars, service, parts, finance and insurance
- Other revenue streams from logistics
  - AMCAP Distribution Centre
  - Rand Transport
  - KTM Sportmotorcycles



# Divisional Performance



# How the AHG Model works

- Diversified income streams across automotive retailing and logistics
- Multiple revenue streams in automotive retailing provides a natural hedge against economic downturn or shift in consumer sentiment
- Strong portfolio of vehicle manufacturers – 9 out of top 10
- Ability to derive cost efficiencies from critical mass
- Forensic, pro-active management of group operations
- Ability to micro manage all operations
- Strong, enduring relationships with major automotive manufacturers
- Proven model for growth initiatives – identify well, buy/grow efficiently, integrate effectively and manage profitably



# Logistics Operations

- Rand Refrigerated Transport
- AMCAP Distribution Centre
- KTM Sportmotorcycles



# Logistics: Rand Transport

- National refrigerated transport, cold storage and distribution services provider
- Acquired in 1986 and now has operations in Sydney, Melbourne, Brisbane, Adelaide and Perth
- New major cold storage facility planned to meet demand in Sydney market
- Long term, stable customer base of major refrigerated food manufacturers - 5 of top 10 customers in FY06 are clients of 10+ years.

PHOTO



# Logistics: AMCAP Distribution

- Distributor of automotive parts and associated products throughout Australia
- Dual revenue streams – third and fourth party logistics
- Third party logistics: AMCAP does not own inventory but provides warehousing and distribution services
  - KTM, Hyundai, Subaru, Ford
- Fourth party logistics: AMCAP owns inventory and provides warehousing, distribution and marketing services
  - Holden, HSV, Mitsubishi, Iveco, PPG, Fuso
- Modern computerised materials handling, storage and retrieval systems

PHOTO



# Logistics: KTM Sportmotorcycles

- Exclusive Australian and New Zealand distributor for prestigious Austrian motorcycle manufacturer
- Acquired in 1994 and grown to become number 4 off road motorcycle brand in Australia in 2005 and number 5 in total market by sales volume
- Sales FY06 5,731
- Strong contributor to AHG with positive indicators for further growth
- Expanding into road bikes





# GROWTH HIGHLIGHTS



# Growth Highlights - Automotive Retail - Prestige Hino Dandenong

- Largest Hino sales and service facility in Australia
- 27,800m<sup>2</sup> high profile site on Princes Highway
- Ability to display trucks on showroom floor.

PHOTO



# Growth Highlights - Automotive Retail

## – Expansion into New Zealand

### Auckland Auto Collection Limited

- Formed in 1999
- Acquired by AHG in September 2006
- Turnover of >\$NZ 200m
- 2 Ford and 2 Mazda dealerships with 4 satellite service centres
- Central flagship site, John Andrew Ford, being redeveloped to ensure long term success
- Provides future growth opportunities in NZ for AHG



# Growth Highlights - Automotive Retail

## – Expansion into New Zealand

PHOTO



# Automotive Retail Growth – McGrath Lander Group

- One of the largest automotive retailers in NSW
- 15 motor vehicle dealerships
- 10 motor vehicle manufacturers encompassing 7 out of top 10
- Agreement reached on 23 November 2006
- Earnings per share accretive in year 1
- Turnover of \$550 million
- Positive contribution to earnings – current financial year.
- Settlement anticipated in December 2006



# Logistics Growth - Rand

- Commitment to 24,000 pallet facility at Homebush, Sydney
- Purpose built 30,000m<sup>2</sup> facility
- Springboard for Rand's growth on the eastern seaboard
- Customer commitments to underpin full utilisation in Year 1 of operation



# Logistics Growth - Rand

PHOTO



# The Year Ahead

- Continue to leverage strong activity in the WA economy
- Strong focus on profit growth
- Continue to target acquisitive growth in both automotive retailing and logistics
- Further organic growth from existing operations
- Consolidate 100% of Perth Auto Alliance
- Completion of construction of new facilities for Prestige Hino and Rand
- Commence redevelopment of John Andrew Ford & Mazda site, Auckland in first half of 2007
- Continue to establish beach heads in major states.





The background of the slide features a dark night sky with a road curving into the distance. The road is illuminated by a series of bright, glowing light trails that create a sense of motion and depth. The trails are primarily white and yellow, with some red and blue accents, suggesting a long-exposure photograph of a highway at night. The overall effect is dynamic and futuristic.

Questions?



# Annual Report

Receipt of the financial report, directors' report and auditor's report.



# Resolutions

## 1. Adoption of the remuneration report

*‘That for the purpose of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the remuneration report for the period ended 30 June 2006 be adopted.’*



# Proxy Votes – Resolution 1

For	39,773,190
Against	140,600
Not Stated	*55,723,959
Abstained	8,000

- \* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.



# Resolutions (Cont.)

## 2.1 Re-Election of Mr Robert John Branchi

*‘That Mr Robert John Branchi, who retires as a director of the Company in accordance with rule 5.1 of the Company’s constitution and, being eligible, having offered himself for re-election, be re-elected a director of the Company.’*



# Proxy Votes – Resolution 2.1

For	21,726,924
Against	70,000
Not Stated	*56,208,959
Abstained	17,639,866

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.



# Resolutions (Cont.)

## 2.2 Election of Mr Peter William Stancliffe

*‘That Mr Peter William Stancliffe, having been appointed as a director of the Company to fill a casual vacancy and retiring in accordance with rule 8.2 of the Company’s constitution and, being eligible, having offered himself for election, be elected a director of the Company.’*



# Proxy Votes – Resolution 2.2

For	39,367,790
Against	72,000
Not Stated	*56,203,959
Abstained	2,000

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.





# Resolutions (Cont.)

## 2.3 Election of Mr Giovanni (John) Groppoli

*‘That Mr Giovanni Groppoli, having been appointed as a director of the Company to fill a casual vacancy and retiring in accordance with rule 8.2 of the Company’s constitution and, being eligible, having offered himself for election, be elected a director of the Company.’*



# Proxy Votes – Resolution 2.3

For	39,305,540
Against	74,000
Not Stated	*56,204,209
Abstained	62,000

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.



# Resolutions (Cont.)

3. Approval of increase in total directors' remuneration

*'That for the purposes of rule 38.2 of the Company's constitution, ASX Listing Rule 10.17 and for all other purposes, the shareholders of the Company approve that the total amount of directors' remuneration (excluding the salary of an executive director or the managing director) is increased from \$450,000 to \$600,000.'*



# Proxy Votes – Resolution 3

For	21,572,688
Against	201,575
Not Stated	82,620
Abstained	513,660



# Resolutions (Cont.)

4.1 Approval for the grant of 156,843 share rights to Mr Bronte McGregor Howson

*‘That for the purpose of Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the grant of 156,843 share rights to Mr Bronte McGregor Howson, Chief Executive Officer and a director of the Company, under the AHG Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.’*



# Proxy Votes – Resolution 4.1

For	38,991,554
Against	921,575
Not Stated	*55,710,959
Abstained	21,660

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.



# Resolutions (Cont.)

4.2 Approval for the grant of 355,511 share rights to Mr Bronte McGregor Howson

*‘That for the purpose of Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the grant of 355,511 share rights to Mr Bronte McGregor Howson, Chief Executive Officer and a director of the Company, under the AHG Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.’*



# Proxy Votes – Resolution 4.2

For	38,993,554
Against	919,575
Not Stated	*55,710,959
Abstained	21,660

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution if put to a poll.





# Resolutions (Cont.)

5.1 Approval for the grant of 31,368 share rights to Mr Hamish Calder Williams

*‘That for the purpose of Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the grant of 31,368 share rights to Mr Hamish Calder Williams, Chief Financial Officer and a director of the Company, under the AHG Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.’*



# Proxy Votes – Resolution 5.1

For	38,993,554
Against	919,575
Not Stated	*55,710,959
Abstained	21,660

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.



# Resolutions (Cont.)

5.2 Approval for the grant of 66,658 share rights to Mr Hamish Calder Williams

*‘That for the purpose of Listing Rule 10.14 and for all other purposes, the shareholders of the Company approve the grant of 66,658 share rights to Mr Hamish Calder Williams, Chief Financial Officer and a director of the Company, under the AHG Performance Rights Plan on the terms and conditions contained in the Explanatory Notes to this Notice of Meeting.’*



# Proxy Votes – Resolution 5.2

For	38,995,554
Against	917,575
Not Stated	*55,710,959
Abstained	21,660

\* 54,366,322 relates to entities associated with Vern Wheatley who has indicated he intends to vote 'for' the resolution.





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