



Automotive Holdings Group Limited

## 2007 Half Year Results

Bronte Howson  
Chief Executive Officer  
March 2007

# Group Highlights

- Net Profit after Tax up 25.2% to \$11.9 million
- Total Revenue up 17.8% to \$936.5 million
- Dividend of 5 cents per share, up 25% from 4 cents previously
- McGrath acquisition completed, business integrated
- New Zealand acquisitions completed, businesses integrated



# Group Performance\*

	31 Dec. 06 \$ million	31 Dec. 05 \$ million	% Increase
Revenue	936.5	795.1	17.8
EBITDA	32.2	25.1	28.3
EBITDA Margin (%)	3.44	3.16	8.9
EBIT	28.5	22.0	29.5
NPBT	22.2	15.7	41.4
NPAT – attributable to shareholders	11.9	9.5	25.3
Basic EPS (cents per share)	8.5	6.8#	25.0

\* Including gain on sale of dealerships in the PAA

# Based on actual no. of shares



# Key Operational Highlights

- Integration of new business units with existing operations
- Implementation of AHG model across newly acquired business units
- Critical mass and scale benefits from new acquisitions
- Buoyant trading conditions in key markets
- Continued strength of WA economy
- Strengthened senior management team



# Market Share

WA	YTD Dec 2006	110,874	
	YTD Dec 2005	100,595	+10.2%
	January 2007	8,929	
	January 2006	7,604	+17.4%
NSW	YTD Dec 2006	293,396	
	YTD Dec 2005	305,607	(4.0)%
	January 2007	24,429	
	January 2006	21,995	+11.1%
National	YTD Dec 2006	962,666	
	YTD Dec 2005	988,269	(2.6%)
	January 2007	76,936	
	January 2006	70,003	+9.9%



# Divisional Performance

	31 Dec. 06 \$ million	31 Dec. 05 \$ million	% Increase
<b>Automotive Retail</b>			
- Total Revenue	814.1	686.0	18.7
- Segment Result	13.8	11.7	17.9
<b>Logistics</b>			
- Total Revenue	122.4	109.0	12.3
- Segment Result	4.5	4.0	12.5



# Divisional Highlights - Automotive

- Continued strong performance and organic growth from WA operations
- Acquisition and successful integration of McGrath Lander Group in NSW
- First automotive retailing acquisition in NZ – Ford and Mazda
- Completion of major truck dealership complex in Dandenong, Victoria
- Sale of PAA dealerships in WA in line with Prospectus comments.







# Divisional Highlights - Logistics

- Strong contributions from Amcap and Rand
- Increased business on eastern seaboard
- Major new contracts secured for Rand cold storage/distribution facility at Homebush NSW
- KTM increased performance on last year despite strong competition
- Expansion into New Zealand through KTM distributorship



# AHG's Growth Strategy

- Build scale and critical mass
- Drive earnings through implementation of AHG model across new business units
- Mix of organic and acquisition growth
- Build beachheads in new markets and pursue bolt-on opportunities
- Assess vertical integration opportunities that fit the AHG model



# Growth Parameters

- Must be synergistic with existing operations
- Must provide opportunities for growth through delivery of AHG systems
- Must be earnings accretive
- Must benefit from AHG management and disciplines model



# Opportunities/Deal Flow

- Outstanding opportunity to stand as leading aggregator in automotive retailing
- Strong support from automotive manufacturers
- Cross-pollination opportunities in logistics as automotive retailing base grows
- Logistics divisions experiencing strong demand for additional services delivered through existing operations



# Managing Growth

- Strict acquisition criteria
- Strong management systems and disciplines
- Roll out of AHG management model
- AHG customer relationship and retention systems rolled out through all business divisions
- Conservative capital management policy



# Outlook – Automotive Retail

- Increased scale, enhance critical mass
- McGrath Lander Group to benefit from further synergies
  - buying power
  - overlaying the AHG template across the business units
  - instilling AHG disciplines/initiating AHG customer relations programs.
- Leverage off AHG's exceptional relationship with manufacturers.
- Redevelop New Zealand dealerships
- Continue to assess opportunities for 'beachheads' in all major states of Australia
- Identify bolt on acquisitions where beach heads already established
- Further organic growth from existing strong, well-located operations



# Outlook - Logistics

- Rand Transport coldstore at Homebush to be completed in March 2007
- 90% capacity at Rand cold store already committed under contract
- Major expansion of Rand Transport operations in Queensland and along eastern seaboard
- Expanding Amcap distribution facility at Welshpool in WA by 4,000m<sup>2</sup>



# Rand Coldstore, Homebush





# Summary

- Buoyant trading conditions experienced by all trading divisions
- Strong operating performance expected in second half
- Growing scale, critical mass benefits
- Strict acquisition parameters
- Plentiful growth opportunities in automotive retailing and logistics

