

ASX / MEDIA STATEMENT

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NEW JOINT VENTURE TARGETS VEHICLE REMARKETING AND FLEET OPPORTUNITIES

AHG has acquired a majority stake in the Carlins Auction Group business to establish a national platform to allow AHG to expand the existing Carlins vehicle re-marketing platform in Melbourne, Sydney and Brisbane and to complement the Company's franchised dealerships and the **easyauto123** non-franchised used car strategy.

The Carlins business is a wholesale platform that will remain operationally independent from **easyauto123** although the two businesses will be co-locating in Melbourne and Brisbane.

AHG managing director John McConnell said the joint venture would become the preferred wholesale platform for AHG Automotive.

"We will effectively centralise AHG's internal wholesale operations," said Mr McConnell.

"The transaction gives AHG access to a platform and management team that are well regarded in the industry," he said.

"This is a significant strategic move for AHG that will allow us to access a strong remarketing platform with multiple pathways to expand the business," said Mr McConnell.

The Carlins team buys and sells around 7,500 vehicles (close to \$60m) per annum through its network of wholesale buyers and contracted relationships with dealers and OEMs. It also handles approximately 5,000 consignment vehicles annually.

Less than 10% of those 12,500 vehicles are sold to retail customers.

"There is a natural fit between Carlins and AHG," said Mr McConnell. "They have some strong sourcing channels to access used vehicle stock and we have retail expertise and a broad range of sales channels. They buy used cars well and we sell used cars well. We should be able to realise cost and gross margin synergies."

The joint venture also presents the opportunity to work with fleet management organisations, leasing companies, corporate fleet operators, government departments, banks, finance companies and others to offer a national fleet remarketing platform.

The transaction includes options for AHG to assume full ownership of the business.

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About AHG Automotive Holdings Group Limited (ASX: AHG) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand. The Company is Australia's largest automotive retailer, with operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), Higer Bus (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

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