



TAKE NO ACTION

WAIT FOR AHG'S TARGET'S STATEMENT

TAKE NO ACTION ON A.P. EAGERS' OFFER

The Directors of AHG strongly advise that you TAKE NO ACTION at this stage.

There is no need to rush your decision. You will not receive any A.P. Eagers shares while the offer remains conditional.

There is NO BENEFIT TO YOU in accepting the offer at this time.

Wait until you receive the Target's Statement before you decide on your course of action.

See more details at: www.ahgir.com.au

POSTAGE
PAID
AUSTRALIA

Mr A Sample
321 Exhibition Street,
MELBOURNE VIC 3000
XXXXXXXXXX
XXXXXXXXXX

IF UNDELIVERABLE, RETURN TO: AHG, 21 OLD ABERDEEN PLACE, WEST PERTH 6005



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited
21 Old Aberdeen Place
West Perth WA 6005
www.ahgir.com.au
ABN 35 111 470 038

AN OPEN LETTER TO AHG SHAREHOLDERS

23 April 2019

Dear Shareholder

AHG REITERATES TAKE NO ACTION ON RECEIPT OF AP EAGERS' BIDDER'S STATEMENT

- **THERE IS NO BENEFIT TO YOU IN ACCEPTING THE OFFER AT THIS TIME AND YOU MAY BE DISADVANTAGED**
- **THE OFFER REMAINS HIGHLY CONDITIONAL AND YOU WILL NOT RECEIVE ANY AP EAGERS SHARES WHILE THESE CONDITIONS REMAIN OUTSTANDING**
- **IF YOU ACCEPT THE OFFER, YOU WILL NOT BE ABLE TO SELL YOUR AHG SHARES ON MARKET**
- **AHG SHARES ARE TRADING AT A PRICE THAT IS ABOVE THE VALUE IMPLIED BY THE OFFER¹ – YOUR SHARES ARE CURRENTLY WORTH MORE ON THE MARKET THAN UNDER THE OFFER**
- **AHG HAS COMMISSIONED KPMG TO PREPARE AN INDEPENDENT ASSESSMENT OF THE OFFER**

Automotive Holdings Group Limited (ASX: AHG) ("AHG") notes that AP Eagers Limited (ASX: APE) ("AP Eagers") has today dispatched its Bidder's Statement to AHG Shareholders in relation to its unsolicited and conditional takeover offer for your shares in AHG ("Offer").

Your Board and management, together with its advisers, are reviewing the Offer and expect to dispatch a Target's Statement to AHG shareholders on or before Wednesday, 8 May 2019.

The Target's Statement will contain, among other things, the Board's recommendation in relation to the Offer and its rationale for that recommendation.

It will also outline your options as an AHG shareholder and an opinion from an independent expert as to whether the offer is fair and reasonable to AHG shareholders who are not associated with AP Eagers.

AHG has appointed KPMG as the Independent Expert, and commissioned KPMG to prepare the Independent Expert's Report for inclusion in the Target's Statement.

Your Board reiterates that **THERE IS NO NEED TO TAKE ANY ACTION** in relation to the Offer and you should not respond to the Bidder's Statement nor take any steps to accept the Offer at this time. AHG recommends that you properly consider the Target's Statement from AHG (including KPMG's Independent Expert's Report) and seek independent advice about the Offer and its consequences for you.

The Offer is highly conditional and AHG expects that there will still be a significant period of time for you to determine a course of action following receipt of the Target's Statement.

¹ As at the date of this letter, the ASX closing price for each and every day from 5 April (the date of announcement of the Offer) has been higher than the implied value of the Offer based on the closing price of AP Eagers' shares

Conditions to the Offer include:

- receipt of all required regulatory approvals or consents, including approval or clearance from the Australian Competition and Consumer Commission ("ACCC"); and
- no exercise of rights by, and consent from, all third parties who have rights under a change of control which, if exercised, would have a material adverse effect on AHG,

in addition to those other conditions listed in Schedule 2 to the Bidder's Statement.

There is no benefit to you in accepting the Offer (or to take any other action) at this time and you may be disadvantaged if you do.

If you accept the Offer, you will not be able to sell your AHG shares on market. The market price for AHG shares is currently higher than the implied value of the Offer².

Furthermore, should you accept the Offer, or choose to participate in the institutional acceptance facility, you will not receive any consideration (i.e. any AP Eagers shares) for your AHG shares while the Offer remains conditional.

There are a number of factors that will determine whether or not the conditions to the Offer will ultimately be satisfied, and when. A number of these conditions depend on the response or approach of third parties, and are outside of the control of both AP Eagers and AHG.

According to the Bidder's Statement, AP Eagers currently intends to seek merger authorisation from the ACCC and expects it will take a minimum of 90 days after lodgement of a valid application for this to receive a determination from the ACCC.

Your Board is committed to acting in the best interests of and maximising value for all AHG shareholders and will make further announcements so that shareholders remain fully informed.

Yours sincerely



John Groppoli
Acting Chairman
Automotive Holdings Group Limited

² As at the date of this letter, the ASX closing price for each and every day from 5 April (the date of announcement of the Offer) has been higher than the implied value of the Offer based on the closing price of AP Eagers' shares

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 include AHG Refrigerated Logistics (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), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

Corporate:

David Rowland

Company Secretary

Mobile: 0421 661 613

Email: drowland@ahg.com.au

Media:

David Christison

Group Executive Corporate Communications

Mobile: 0418 959 817

Email: dchristison@ahg.com.au