



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited
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ASX / MEDIA STATEMENT

10th February 2016

AHG STATEMENT ON PARALLEL IMPORTS

Automotive Holdings Group (ASX: AHG) advises shareholders that the federal government's proposal to relax regulations on parallel imports of new and near-new vehicles is unlikely to have any material impact on the Company.

The federal government has announced plans to allow conditional personal imports of new or near-new cars from overseas right-hand drive markets, primarily the UK and Japan, from 2018. The Company understands there is significant political disquiet over the decision and it is not certain that the legislation will pass.

The Company notes that, as far as it is aware, there are no plans by the government to allow broad-based parallel imports.

Should the proposed legislation become law, the government's own modelling suggests it will have only a minor effect on Australian dealerships.

The Luxury Car Tax will still apply to parallel imports and stamp duty will be payable on first registration in Australia.

Given the other costs associated with importation, industry estimates suggest it would be uneconomical to undertake private importation of the vast majority of vehicles in the volume brands category, many of which are already cheaper in Australia than in the UK and Japan.

The majority of AHG's franchises are in the volume category.

In its statement today, the federal government also provided words of caution to potential importers.

The government notes that most vehicle warranties only apply in the country where the vehicle was purchased. It also notes that, "Under current arrangements, vehicles that have not initially been sold into the Australian market by vehicle manufacturers via a dealership will likely remain outside of any manufacturer safety recall."

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About AHG Automotive Holdings Group Limited (ASX: AHE) 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 and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), WMC (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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