



AUTOMOTIVE HOLDINGS GROUP

ASX /MEDIA STATEMENT

13 February 2015

CORRECTION TO INDUSTRY FORECAST QUOTED IN HALF-YEAR RESULT ANNOUNCEMENT

In the Company's announcement earlier today, it was suggested the "industry forecast" for new vehicle sales in CY2015 was 1.4 million.

The correct figure is 1.14 million vehicles.

The amended announcement is shown below.

AHG DELIVERS RECORD HALF-YEAR PROFIT AND INCREASED INTERIM DIVIDEND

Highlights

- Record Statutory NPAT of \$45.0 million (up 17.4% on pcp)
- Record Operating¹ NPAT of \$46.1 million (up 17.2% on pcp)
- Record Group revenue of \$2.57 billion (up 10.6% on pcp)
- Record Operating¹ EBITDA of \$104.1 million (up 17.6% on pcp)
- Operating¹ EBITDA margin 4.1% (3.8% pcp)
- Statutory EPS 14.7 cents (unchanged on expanded capital base)
- Increased interim dividend of 9 cents per share fully franked (8.5 cents pcp)
- Strong performance highlighted by successful integration of acquisitions

Automotive Holdings Group Limited (ASX: AHE), Australia's largest automotive retailing and logistics group, today announced a record Operating¹ NPAT for the six months to 31 December 2014 of \$46.1 million (up 17.2% on pcp).

Statutory Net Profit After Tax for the half-year was \$45.0 million (up 17.4% on pcp).

The results were achieved on record Group H1 revenue of \$2.57 billion. Operating¹ EBITDA improved 17.6% to \$104.1 million. Operating¹ Earnings Per Share were 15.0 cents (15.1 cents pcp).

The Company's Directors have declared an increased fully franked interim dividend of 9 cents per share. The record date is 16 March 2015 with the dividend payable on 2 April 2015.

AHG Managing Director Bronte Howson said it was a strong performance driven by the integration of the Group's recent acquisitions and continued growth in the underlying Automotive business.

"It is a great result in a sometimes challenging market, across both Automotive and Logistics," said Mr Howson.

"The Automotive division has outperformed the broader market despite the significant downturn in new vehicle registrations caused by reduced activity in the mining and resources sectors in Western Australia, Queensland and NSW," he said.

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.



AUTOMOTIVE HOLDINGS GROUP

“The Group benefitted from strong performances in its established automotive dealerships while successfully integrating the Bradstreet acquisition and developing additional Greenfield sites, all of which provide significant future upside,” Mr Howson said.

“The Refrigerated Logistics result reflects the combination of the underlying Rand/Harris business and the acquisition of Scott’s and JAT. The acquisition, combined with investment in new facilities, continued cost savings from synergies and the shedding of leased properties no longer required provide a solid base for future growth in shareholder returns.”

Mr Howson said the performance of Other Logistics was in line with expectations and is an area of continued focus.

“The trading result combined with the Group’s strong financial position enables us to deliver a fully franked interim dividend of 9 cents per share on the expanded capital base,” Mr Howson said.

Automotive Retail

Revenue for the Automotive Retail segment in the first half of the financial year was up 7.1% to \$2.051 billion (\$1.915 billion pcp) while Automotive Operating¹ EBITDA improved 10.1% to \$70.4 million.

“This is a really pleasing performance in a challenging market and clearly demonstrates the benefits of the Group’s scale and operating model,” said Mr Howson.

During the half-year AHG completed the acquisition of the Bradstreet Motor Group in Newcastle, NSW, opened new dealership facilities at Melbourne City Hyundai, Castle Hill Nissan (NSW) and Manukau Nissan (NZ), and the redevelopment of the Davie Motors Holden (NZ) site.

“We’re extremely happy with the performance of our Bradstreet acquisition and the strong contributions from our NSW, Queensland and Western Australian dealerships,” said Mr Howson.

He said the investment in the redevelopment and restructuring of dealerships was part of the Group’s sustainable growth strategy.

Refrigerated Logistics

The Refrigerated Logistics division delivered record revenue of \$319.1 million for the half-year, an increase of 51.9% on the previous corresponding period. Operating¹ EBITDA was \$27.5 million (up 78.7% on pcp). The increased result reflects the acquisition of Scott’s and JAT.

“We are pleased to have successfully integrated Scott’s and JAT into our operations and are excited by the potential growth of the Refrigerated Logistics division,” said Mr Howson.

Other Logistics

Revenue for Other Logistics (comprising the operations of AMCAP, Covs, KTM, GTB/VSE and WMC) was \$195.7 million (up 1.0% on pcp). Operating¹ EBITDA for Other Logistics operations was \$6.2 million (down 40.5% on pcp).

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties.



AUTOMOTIVE HOLDINGS GROUP

The result was impacted by a number of factors, including foreign exchange movements, reduced activity in the mining and resources service sectors and the weaker truck and bus market.

Outlook

Mr Howson said the Group would maintain its focus on the realisation of synergies from its acquisitions of Bradstreet, Scott's and JAT and continue to assess growth opportunities that will deliver future value for shareholders.

"The industry forecast for CY2015 is 1.14 million new vehicle sales in Australia and AHG is confident of maintaining its share of the market," he said. "The comparatively low fuel price and interest rates are expected to boost confidence in the automotive sector in the second half of the financial year."

Mr Howson said the Group's Refrigerated Logistics division would benefit from the addition of a new cold storage facility at Erskine Park, west of Sydney, and from the realisation of further synergies in the ongoing integration of Scott's and JAT.

"I am very confident going forward," said Mr Howson. "AHG has a strong balance sheet, an experienced and motivated management team and proven business models across its divisions."

ENDS

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).

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