



AUTOMOTIVE HOLDINGS GROUP

POTENTIAL SALE AND LEASE-BACK OF PROPERTIES

21 July 2015

Automotive Holdings Group (ASX: AHG) has entered into exclusive discussions for the sale and leaseback of an existing dealership site and two development properties. No binding agreement has been entered into to date.

The proposed transaction is in line with AHG's strategy of realising the value of operational property assets. In 2012 AHG recycled a number of dealership properties in a similar transaction.

The key elements of the proposed transaction are:

- The sale for approximately \$38.5-million and lease-back of properties currently owned by AHG at Kirrawee (Sutherland Mazda dealership) and Hoxton Park near Sydney;
- The counter party to forward fund the development at Hoxton Park of a NSW state office and distribution centre; and
- The counter party to purchase and fund the Group's Hillcrest Mazda dealership development at Browns Plains near Brisbane.

AHG managing director Bronte Howson said, "The proposed transaction is part of our normal capital management strategy to maintain capacity in our balance sheet to fund growth opportunities."

The total value of the properties when fully developed is estimated at \$77.5-million. The proposed transaction if completed will relieve AHG from approximately \$39-million in future development capital expenditure. It is not expected to have a material impact on forward operating earnings.

ENDS

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 dealerships 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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