



Australia's Largest Motoring Group

UBS AUSTRALIAN EMERGING COMPANIES CONFERENCE April 2013



Company Overview



Australia's Largest Motoring Group

- Established in 1952 and listed on the ASX in 2005
- Largest automotive retailer by sales, profitability, market capitalisation and workforce
- More than 120 passenger vehicle, bus and truck dealerships
- Diversified business model

AUTOMOTIVE RETAIL

PASSENGER CARS

COMMERCIAL TRUCKS

- Passenger car and commercial truck retailer
- 133 Australian and 4 New Zealand dealerships
- Operations in WA, QLD, NSW, VIC and NZ
- Franchises in 11 of Australia's 12 most popular brands
- Successful history of developing greenfield sites
- Establishing strategic truck 'hubs' in key states

LOGISTICS

TRANSPORT AND COLD STORAGE

(Rand and Harris)

- Largest national refrigerated transport and warehousing provider
- Dynamic model with modern fleet and integrated tracking systems
- Key market brands RAND and HARRIS
- Road and Rail capability

OTHER LOGISTICS

(AMCAP, Covs, KTM, GTB/VSE)

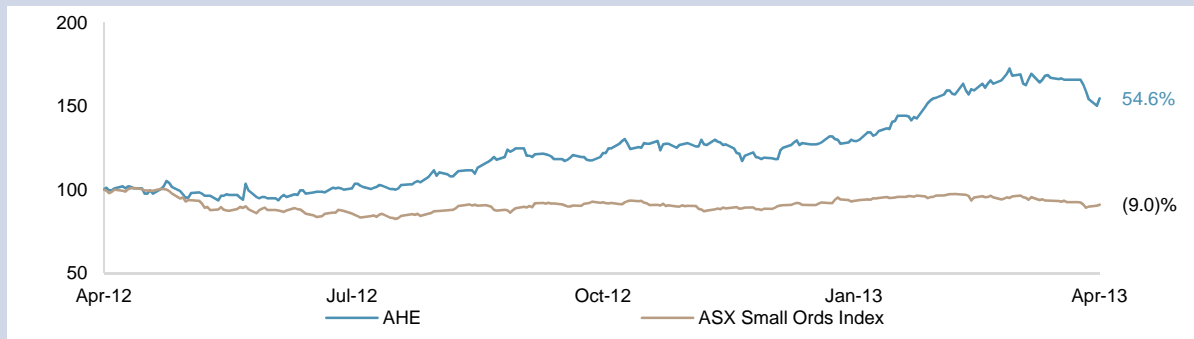
- Industry leading 3PL and 4PL
- Expanded WA distribution centre
- Automotive parts and mining service supplier
- KTM Sportmotorcycles and Husaberg national distribution
- Fabrication, customisation and build capability in GTB



Performance History



Share Price Performance – 12 Months



9 April 2013	AHE	ASX Small Ords Index
Share price	\$3.88	2,256
1-Yr TSR ¹	64.8%	(6.6%)
3-Yr TSR ¹	76.5%	(7.2%)

9 April 12 – 9 April 13

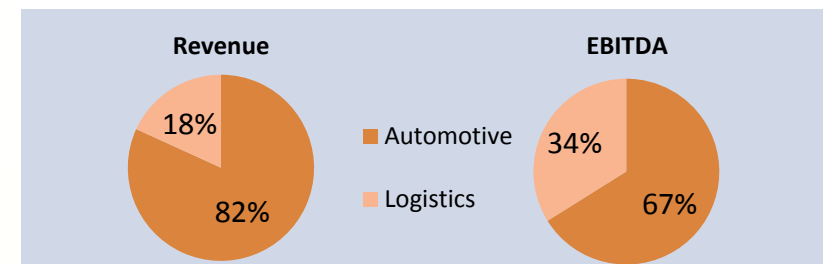
Source: IRESS

¹ Includes capital growth and reinvestment of dividends

Key Market Statistics (9 April 2013)

Ticker	ASX:AHE
Share Price (9 April 13)	\$3.88
Shares on Issue	260.6 million
Market Capitalisation	\$1,011 million

Divisional Split (HY2012)



Automotive – Passenger



- Automotive sales remained strong in Q3 in line with industry wide activity
- Specific Holden operational pressures have impacted on supply with market share for the franchise significantly down in March – Holden represents a significant portion of our business
- Acquisition of Peninsular and Bayside Group announced in February will support growth in FY2014
- Two further dealership acquisitions close to being finalised
- Significant progress with restructuring the Queensland business:
 - Coopers Plains parts warehouse sub-let
 - Sale of Southport dealerships completed
 - Sale of Capalaba dealership
 - Focus on profitability



Holden - Operational issues impacting supply



Sales Units Analysis by Marque/Franchise - MTD, YTD

NEW VEHICLE SALES UNITS	Mar CY12	Mar CY13	Mar '13 V Mar '12	Jan-Mar CY12	Jan-Mar CY13	Jan-Mar '13 V Jan-Mar '12
Toyota	18,461	18,653	1.0%	47,375	48,045	1.4%
Mazda	9,345	9,112	-2.5%	26,513	26,752	0.9%
Holden	10,196	8,283	-18.8%	28,945	24,777	-14.4%
Nissan	8,312	8,408	1.2%	19,897	23,868	20.0%
Hyundai	7,806	8,402	7.6%	21,731	22,723	4.6%
Ford	7,457	6,434	-13.7%	20,246	20,746	2.5%
Mitsubishi	6,007	5,147	-14.3%	15,739	15,605	-0.9%
Volkswagen	4,485	4,299	-4.1%	11,983	12,323	2.8%
Honda	2,247	3,897	73.4%	6,429	11,575	80.0%
Subaru	4,004	4,219	5.4%	10,434	10,429	0.0%
Kia	2,738	2,643	-3.5%	7,004	7,155	2.2%
Mercedes-Benz	1,806	2,502	38.5%	4,591	6,151	34.0%
Top 12 Marques Total	82,864	81,999	-1.0%	220,887	230,149	4.2%
% of Total	84.9%	84.2%		84.9%	84.3%	

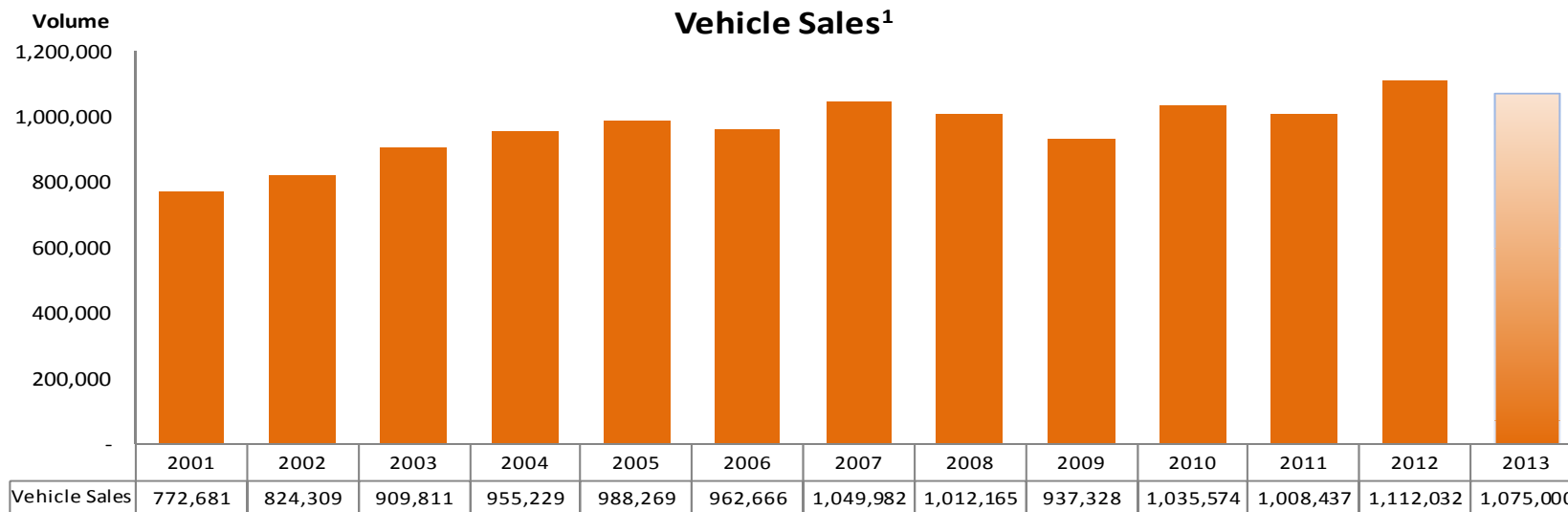
Market Share Analysis

	Jan-Mar CY12	Jan-Mar CY13
Toyota	18.2%	17.6%
Mazda	10.2%	9.8%
Holden	11.1%	9.1%
Nissan	7.6%	8.7%
Hyundai	8.4%	8.3%
Ford	7.8%	7.6%
Mitsubishi	6.1%	5.7%
Volkswagen	4.6%	4.5%
Honda	2.5%	4.2%
Subaru	4.0%	3.8%
Kia	2.7%	2.6%
Mercedes-Ben	1.8%	2.3%
	84.9%	84.3%

Australia – New Vehicle Sales



- Consumer demand remains strong – record national unit sales in CY2012
- Car affordability at its best level in decades
- Strong Australian dollar
- Manufacturer incentives (Low interest rates, value added extras)



¹ Federal Chamber of Automotive Industries VFACTS National Reports

Industry Volume Remains Strong

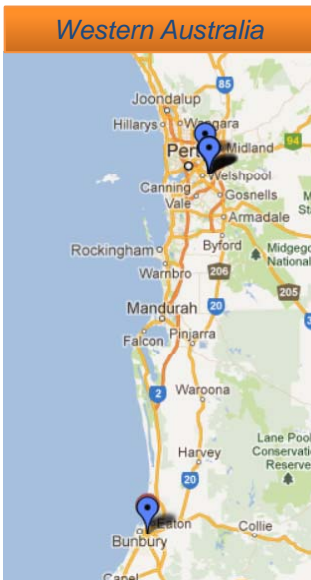


- Strong growth in AHG's core market states
- CY2012 sales up 10.3% nationally and 10.5% in states AHG operates
- Record new vehicle sales of 1.12 million in CY2012
- Previous Australian record was 1.05 million (CY2007)
- 2013 sales trend continuing (up 5.0% on Mar 2012 YTD)
- Retail consumer demand remains strong (Private sector up 11.6%)
- Private sector represents 52.2% of the market

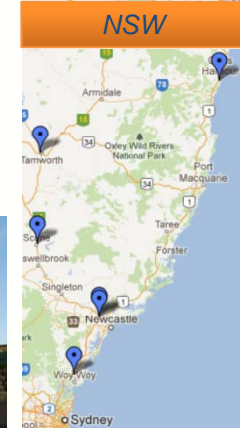
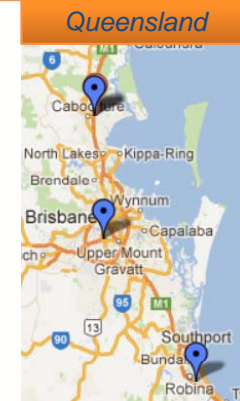
YTD Sales Units Analysis History by State			
NEW VEHICLE SALES UNITS	Jan-Mar CY12	Jan-Mar CY13	Jan-Mar '13 V Jan-Mar '12
NSW	80,596	83,549	3.7%
VIC	69,725	72,358	3.8%
QLD	54,289	56,450	4.0%
WA	29,331	32,022	9.2%
SA/TAS/ACT/NT	26,181	28,669	9.5%
Total	260,122	273,048	5.0%

YTD Sales Units Analysis History by buyer Type			
NEW VEHICLE SALES UNITS	Jan-Mar CY12	Jan-Mar CY13	Jan-Mar '13 V Jan-Mar '12
Private	127,531	142,382	11.6%
Business	100,672	103,126	2.4%
Government	13,100	9,153	-30.1%
Rental	12,270	11,545	-5.9%
Heavy Commercial	6,549	6,842	4.5%
Total	260,122	273,048	5.0%

Automotive – Trucks



- Strong brand representation nationally – focus on Truck hubs
- Newcastle truck hub (Freightliner, Mercedes, Fuso, Hino and Iveco) now consolidated from 3 sites to 2
- Progressing toward a single site Brisbane truck hub for Daimler brands (Freightliner, Mercedes and Fuso)
- New larger dealership site underway for Daimler brands in Perth
- Perth, Newcastle and Brisbane provide broad exposure to mining and energy sectors and service industries



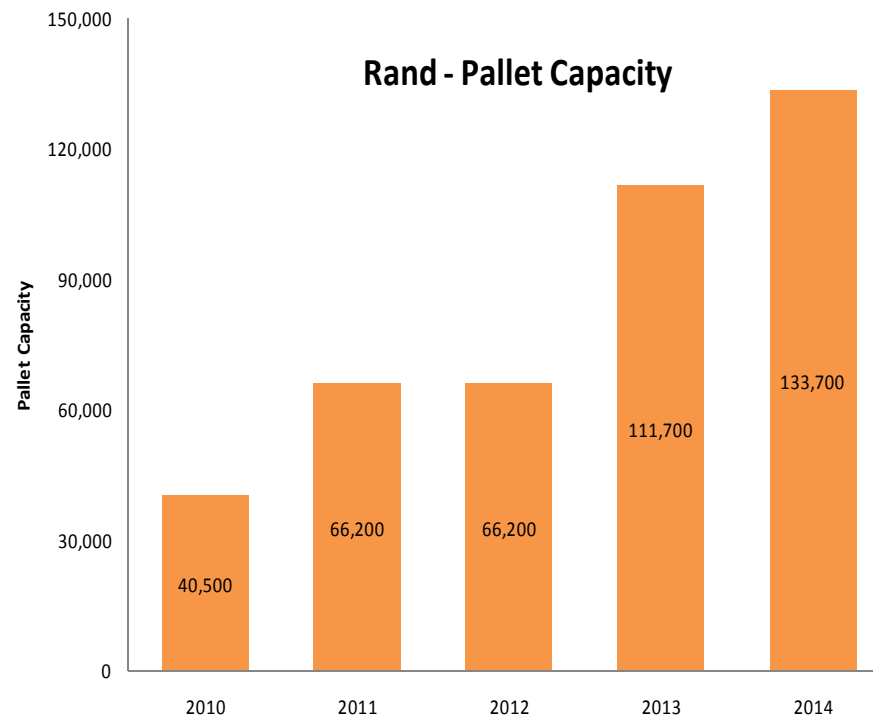
- Rand/Harris experienced challenging trading conditions in Q3
- Queensland and NSW flooding impacted operating efficiencies
 - Queensland flooding impacting suppliers which has substantially reduced fresh produce volumes
 - Increase in km's travelled, subcontracting costs and disruption to operating schedules constraining profitability
- Other constraints with bushfires in Avon Valley and derailments closing the East/West rail line for 5 days
- Overall industry volumes (specifically on East coast) down on prior year – Easter trading activity weaker than expected resulting in lower cold store stock turns particularly in Sydney.
- Continuing cost inefficiencies in Rand until new facilities are completed



Rand/Harris Capacity



- Current utilisation across all cold stores close to 100% - but lower stock turn
- Growth in cold store pallet capacity 2013/2014
 - NSW: accommodate Toll customers (20,000) and growth (20,000)
 - QLD: accommodate Toll customers (15,000) and growth (12,000)
 - SA/WA additional facilities for growth



OTHER LOGISTICS

AHG

- AMCAP continues to trade in line with expectations
- KTM business performing well ahead of expectations with strong first half, however second half is seasonally weaker due to usual model year run out
- VSE/GTB continues to reduce its historically loss making position but yet to trade profitably. Anticipating profits before end FY2013 on the back of a strong order book
- Cov's volumes slightly weaker on reduced mining demand, however new distribution centre, redesigned retail stores and operational efficiencies support continued growth.



Balance Sheet Remains Robust



Balance Sheet








Net Debt	30 JUN 2012	31 DEC 2012
Total Borrowings	654.0	673.2
Inventory Finance (Floorplan)	(501.9)	(504.4)
Cash & Cash Equivalents	(81.4)	(82.7)
Net Debt	70.7	86.1
Net Debt to Total Assets (excluding Floorplan and Cash)	8.7%	10.4%

FY2013 Acquisitions	Consideration
Coffey Ford	\$3.8m
Brisbane/Newcastle Trucks	\$13.4m
Toll Refrigerated	\$6.2m
	\$23.4m

- \$147.2 million cash and undrawn commercial bill facilities at 31 December 2012
- Growth in working capital needs as logistics business expands
- Fully franked dividend of \$0.08 (\$20.8 million) paid April 2013
- Development of greenfield auto site in South Melbourne for Hyundai and Holden underway
- Continued investment in Castle Hill site expected in CY2013
- Acquisition of Bayside and Peninsular group agreed March 2013.

Growth initiatives for FY2014 and FY2015



-  Automotive acquisitions in Victoria enhance state operations and build capacity and focus
-  Greenfield development in South Melbourne offers substantive growth potential with central location
-  Castle Hill development maturing with both Holden and Hyundai contributing to group performance. Further development planned with a Nissan franchise commencing in CY2013
-  Development of national truck capability in sales and service
-  Logistics businesses well placed to leverage market position and organically grow
-  Investment in cold storage warehouses to strengthen full service offering, increase barriers to entry and enhance profitability.
-  Closure of non profitable business and discontinued operations eliminates leakage and focuses management
-  Two further automotive acquisitions expected to be announced in FY2013

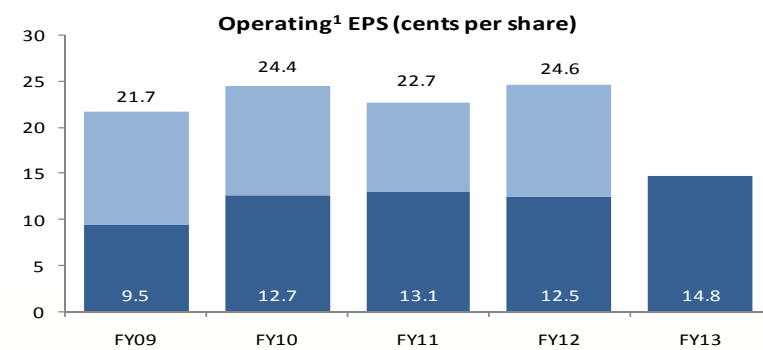
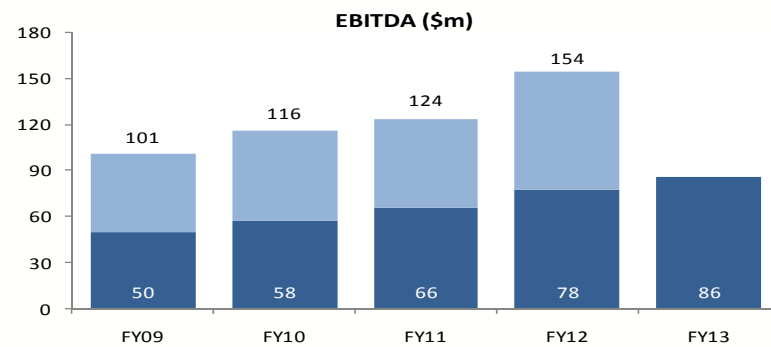
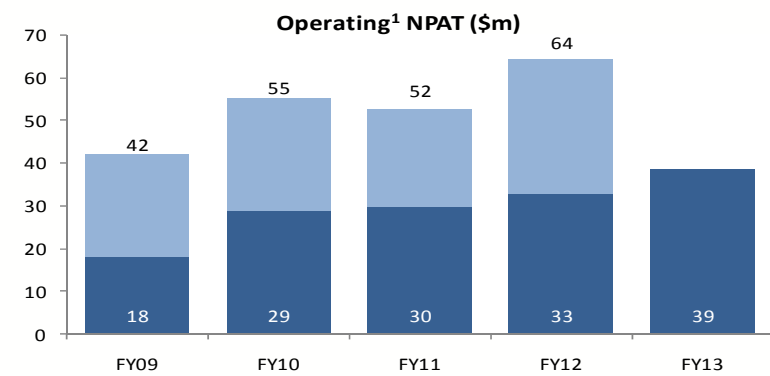
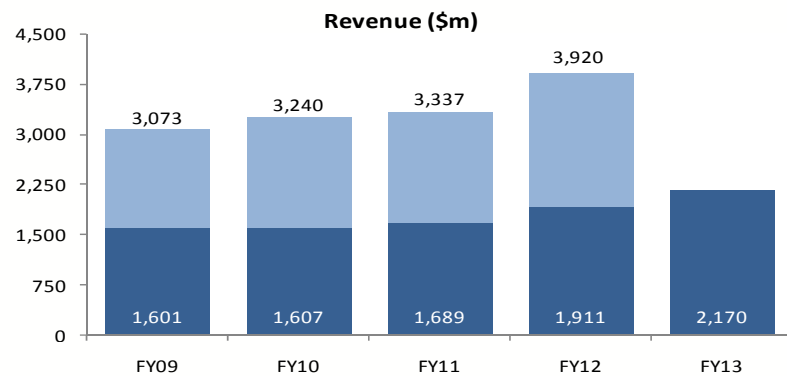


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APPENDIX – FY2013 half year results summary



A History of Growth



¹ Operating excludes; professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments

Consolidated – H1 FY2013 Financial Performance



Consolidated Financial Performance	HY12 (\$m)	HY13 (\$m)	% change
Operating¹ Performance			
Revenue	1,911	2,170	13.5%
EBITDA	77.6	85.9	10.7%
EBITDA %	4.1%	4.0%	
EBIT	64.2	72.0	12.2%
EBIT %	3.3%	3.3%	
Net Profit after Tax	32.6	38.5	18.1%
<i>Earnings Per Share (cps)</i>	12.5	14.8	18.1%
Statutory Reported Profit after Tax			
Discontinued Operations & Acquisition Costs	(2.4)	(3.9)	64.2%
Gain on Sale of Property (API)	-	3.3	n/a
Statutory Net Profit after Tax	30.2	37.9	25.5%
<i>Earnings Per Share (cps)</i>	11.6	14.6	25.5%

¹ Operating excludes; professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments

- **Statutory profit and EPS up 25.5% with underlying operating performance up 18.1%**
- Revenues up 13.5% to \$2.17m
- Strong growth in KTM with record unit sales
- EBITDA up 10.7% to \$85.9m
- Margins remaining steady
- Discontinued operations include sale of Gold Coast dealerships, and closure of Zupps parts in Coopers Plains, Queensland



Automotive - H1 FY2013 Operating¹ Performance



Operating ¹ Performance	HY12 (\$m)	HY13 (\$m)	% change
Revenue	1,538	1,775	15.4%
EBITDA	49.9	57.4	14.9%
EBITDA Margin (%)	3.2%	3.2%	
EBIT	43.4	50.4	16.0%
EBIT Margin (%)	2.8%	2.8%	
Profit Before Tax	33.3	38.7	16.3%

- Strong growth in the half with revenue up 15.4% and Profit before tax of \$38.7m up 16.3%
- Some impact from acquisitions (Coffey Ford, Newcastle and Brisbane Trucks)
- Margins consistent with historical performance

¹ Operating excludes; professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments



Logistics H1 FY2013 Operating¹ Performance



Transport and Cold Storage	HY12 (\$m)	HY13 (\$m)	% change
Revenue	168.7	211.5	25.4%
EBITDA	19.1	20.1	5.2%
EBITDA Margin (%)	11.3%	9.5%	
Profit Before Tax	10.9	12.2	11.9%

¹ Operating excludes: professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments

- Strong result, driven by organic growth and acquisitions (Toll Refrigerated).
- Lower initial margins from Toll Refrigerated (Transition into AHG and inefficiency of older facilities)

Other Logistics (AMCAP, Covs, KTM, GTB/VSE)	HY12 (\$m)	HY13 (\$m)	% change
Revenue	203.9	183.2	(10.1%)
EBITDA	8.0	9.3	16.3%
EBITDA Margin (%)	3.9%	5.1%	
Profit Before Tax	7.1	8.7	22.5%

- Revenue affected by closure of Zupps Coopers Plains parts
- Organic growth in KTM produced a record profit contribution
- AMCAP trading well with moderate organic growth
- Covs migrated to new distribution facility and commenced branch upgrades

