



18 February 2011

AHG DELIVERS INTERIM PROFIT OF \$29.6 MILLION

Highlights

- NPAT from continuing operations of \$29.6 million (103.3% of previous corresponding period ('pcp')¹);
- NPAT attributable to members \$29.6 million (88.2% of pcp)
- Group revenue of \$1.69 billion (5.1% increase on pcp¹)
- EBITDA of \$65.9 million – (113.8% increase on pcp¹)
- EBITDA margin 3.9% (8.2% pcp¹)
- Interim dividend of 7.0 cents per share fully franked (7.0 cents pcp)
- Solid Group performance despite increased interest rates, higher company tax rate and soft results in Queensland
- Strong Automotive EBITDA growth
- Stable Logistics result with new Rand facilities performing well

Automotive Holdings Group Limited (ASX: AHE), Australia's largest automotive retailer, today announced a net profit after tax of \$29.6 million for the six months to 31 December 2010, on Group revenue of \$1.69 billion. Statutory NPAT for the six months to 31 December 2009 was \$33.6 million, which included \$4.92m (net) from the profit of carsales.com shares.

EBITDA improved 13.8%¹ to \$65.9 million, while the group EBITDA margin was stronger at 3.9%, up from 3.6%¹ previously.

Earnings per share excluding unusual items was 13.1 cents (12.7 cents previously¹) and the Directors have declared a fully franked interim dividend of 7.0 cents per share (7.0 cents previously). The record date is 18 March 2011 with the dividend payable on 1 April 2011.

AHG Managing Director Bronte Howson said the interim result was solid given increased interest rates, a higher company tax rate and soft results in Queensland.

"The result was pleasing given the changing market conditions.

"Group EBITDA continued to improve (113.8% pcp¹), and our EBITDA margin increased to 3.9% from 3.6%¹ previously," said Mr Howson.

The Company's tax rate increased from 28.7% in 2010 to 30% this financial year following the benefits received from the Federal Government's investment allowance in FY2010.

Automotive

Underlying EBITDA for the automotive retailing division was \$49.4 million (115.1% pcp¹) in the December half on revenue of \$1.48 billion (104.9% pcp¹), while the EBITDA margin improved to 3.35% (3.05% previously¹).

"This is a strong result for our Automotive division," said Mr Howson.

"Our operations in Western Australia, New South Wales and New Zealand recorded solid profits, making up for the soft results and lower consumer sentiment in Queensland.

"Key management changes have been made to our Queensland operations in the 6 months to 31 December 2010 and we anticipate a better performance from this area of operations in 2H2011 as the management changes take effect and the Queensland economy is stimulated from the rebuild following the floods.

"The development of our newly acquired Castle Hill property in Sydney, where 4 new dealerships will be built, is underway and integration of the Ferntree Gully Toyota franchise in Melbourne is progressing.

National vehicle sales increased 4.4% to 1,035,000 for the CY2010 and industry forecasts a similar result for CY2011.

Logistics

AHG's Logistics division contributed EBITDA of \$16.5 million (an increase of 9.8% on pcp) on revenue of \$213.1 million (6.9% increase on pcp). EBITDA margin was 7.7% (pcp 7.5%).

The Transport and Cold Storage segment has benefitted from increased storage and transport volumes and greater efficiencies this period, reporting EBITDA of \$10.7 million (\$8.7 million pcp) on revenue of \$100.9 million (\$86.2 million pcp).

"Following the opening of Rand Transport's new cold storage, distribution and transport facilities in Melbourne in September 2010 and Brisbane in November 2010 capacity has increased by 24,000 pallets to more than 66,000 pallets." said Mr Howson.

"We are now able to move stock more efficiently along the eastern seaboard of Australia and further benefits will be realised in FY2011 and FY2012.

"Utilisation of both new coldstores are above expectations", he said.

Other Logistics segment which comprises AHG's automotive parts, warehousing and distribution businesses, motorcycle distribution and vehicle storage and engineering contributed EBITDA of \$5.7 million (\$6.3 million pcp) on revenue of \$112.2 million (\$113.1 million pcp).

AMCAP, the automotive parts distribution business, had a solid first half with strong results from the truck parts and automotive refinish areas.

Despite the national motorcycle market decrease, KTM Sportmotorcycles enjoyed increased volume of 12%, boosted by new model releases in the motocross segment and the continued demand for its Husaberg line of bikes.

Reduced truck storage demand continues to impact the Vehicle Storage and Engineering business. However, there are a number of opportunities in the Genuine Truck Bodies operations with continued development and expansion of the range of truck bodies.

Outlook

AHG remains optimistic about the economic outlook and general trading conditions for 2H2011.

"We believe AHG's automotive division will continue to perform following key management changes to our Queensland operations and continued demand for new vehicle registrations following the flood damage on the eastern seaboard of Australia as damaged cars are repaired or replaced and infrastructure programs commence," said Mr Howson.

"The steady performance from our Logistics division is also expected to continue – including an increased contribution from Rand following expansion of its cold store facilities and AMCAP maintaining its strong market position.

"Reduced storage demands will continue to impact the VSE business and it is not expected to improve until FY2012."

Mr Howson said AHG would continue to pursue growth opportunities in both Automotive and Logistics and the company's strong management team and resilient business model means AHG is well-positioned to deliver solid financial results going forward.

¹ excluding profit on the sale of carsales.com shares recorded in 1H2010 of \$4.92m (net).

-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 its major operations in Western Australia, New South Wales and Queensland. AHG also operates the Prestige Hino truck dealership in Dandenong, Victoria – one of the largest in the country, and a leading Toyota dealership in Melbourne.

AHG operates logistics businesses throughout Australia through subsidiaries Rand Transport (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE, providing vehicle storage and engineering, Genuine Truck Bodies, which provides body building services to the truck industry, and KTM Sportmotorcycles (motorcycle importation and distribution in Australia and New Zealand) .

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Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Report for the half-year ended 31 December 2010

This statement includes the results for Automotive Holdings Group Limited and its controlled entities, for the half-year ended 31 December 2010 (current period) compared with the half-year ended 31 December 2009 (prior period). The financial result of Automotive Holdings Group Limited and its Australian controlled entities are prepared in accordance with Australian International Financial Reporting Standards (AIFRS), whilst the Group's New Zealand controlled entities are prepared in accordance with New Zealand International Financial Reporting Standards (NZIFRS).

This report is based on financial accounts which have been reviewed.

Results for Announcement to the Market

		\$A'000's		\$A'000's
Revenues from ordinary activities	Up	82,279	5.1% to	1,689,292
Profit from ordinary activities after tax attributable to members	Down	(3,979)	-11.8% to	29,607
Net profit from continuing operations after tax attributable to members	Down	(3,979)	-11.8% to	29,607

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	7 cents	7 cents
Record date for determining entitlement to the interim dividend		18/03/11
Date the interim dividend is payable		01/04/11

Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Commentary on results for the period

Net profit after tax attributable to members from continuing operations for the half-year ended 31 December 2010 was \$29.607 million compared with \$33.586 million in the corresponding period.

Net profit after tax excluding unusual items (detailed below) attributable to members, for the year ended 31 December 2010, was \$29.607 million representing an increase of 3.3% over the previous corresponding profit of \$28.666 million.

The prior year result included an unusual profit after tax on sale of an investment in carsales.com shares, amounting to \$4.919 million.

Group revenue from continuing operations' (excluding unusual items) was \$1.689 billion representing a 5.1% increase on the previous year's revenue of \$1.607 billion.

The Automotive Retail division delivered a result of \$1.476 billion in revenue (excluding unusual items) and \$32.830 million in profit before tax and unusual items segment result compared to \$1.408 billion in revenue (excluding unusual items) and a prior half-year profit before tax and unusual items segment result of \$31.207 million representing an increase of 4.9% and 5.2% respectively.

The Logistics division delivered a result of \$213.102 million in revenue and \$10.962 million in profit before tax segment result compared to \$199.296 million in revenue and a prior half-year profit before tax segment result of \$9.923 million representing an increase of 6.9% and 10.5% respectively.

Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2010 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

NTA Backing

	Consolidated	
	2010 Cents	2009 Cents
Net tangible asset backing per ordinary security	77.7	74.5

Dividends Paid and Proposed

	Date paid / payable	Amount per security (fully franked at 30%)
Declared and paid during the period ended June 2010		
Final franked dividend for 2009	02/10/09	10.0 cents
Interim franked dividend for 2010	06/04/10	7.0 cents
Declared and paid during the period ended December 2010		
Final franked dividend for 2010	01/10/10	10.0 cents
Proposed and not recognised as a liability		
Interim franked dividend for 2011	01/04/11	7.0 cents

Jointly Controlled Entities

	% Holding	
	2010	2009
Vehicle Parts (WA) Pty Ltd	50%	50%

Contribution to net profit attributable to members was immaterial for current and prior periods.



AUTOMOTIVE HOLDINGS GROUP

AUTOMOTIVE HOLDINGS GROUP LIMITED

ABN 35 111 470 038

Interim Financial Statement

31 December 2010

This interim financial statement does not include all the notes of the type normally included in the annual financial statement. Accordingly this document is to be read in conjunction with the annual financial statement for the year ended 30 June 2010 and any public announcements made by Automotive Holdings Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Your directors present their report on the consolidated entity consisting of Automotive Holdings Group Limited (or AHG) and the entities it controlled (the Group) at the end of, or during, the half-year ended 31 December 2010. The figures referred to in this Directors' Report are based on continuing operations unless otherwise stated.

Directors

The following persons were directors of Automotive Holdings Group Limited during the whole of the half-year and up to the date of this report:

David Charles Griffiths	Non Executive Deputy Chairman until appointment as Non Executive Chairman on 18 November 2010
Giovanni (John) Groppoli	Non Executive Director
Bronte McGregor Howson	Managing Director
Michael John Smith	Non Executive Director until appointment as Non Executive Deputy Chairman on 7 February 2011
Peter William Stancliffe	Non Executive Director
Gregory Joseph Wall	Non Executive Director
Hamish Calder Williams	Executive Director

Robert John Branchi was a director of Automotive Holdings Group Limited for part of the half-year in the capacity of Non Executive Chairman, until his retirement from his directorship on 18 November 2010.

Commentary on results for the period

Net profit after tax attributable to members from continuing operations for the half-year ended 31 December 2010 was \$29.607 million compared with \$33.586 million in the corresponding period.

Net profit after tax excluding unusual items (detailed below) attributable to members, for the year ended 31 December 2010, was \$29.607 million representing an increase of 3.3% over the previous corresponding profit of \$28.666 million.

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Consolidated sales revenue and results

Key Financial Data	TOTAL OPERATIONS December 2010	TOTAL OPERATIONS December 2009 (excluding unusual items *)	Variance
\$'000			
Total revenue	1,689,292	1,607,013	5.1%
EBITDA	65,912	57,941	13.8%
EBITDA margin %	3.9%	3.6%	8.2%
Depreciation & amortisation	(9,278)	(8,245)	(12.5%)
EBIT	56,635	49,696	14.0%
Interest (Net)	(12,842)	(8,565)	(49.9%)
Profit before tax	43,793	41,130	6.5%
Tax Expense	(13,147)	(11,819)	(11.2%)
Profit after tax	30,645	29,311	4.6%
Non controlling interest	(1,038)	(645)	
Net profit after tax attributable to shareholders	29,607	28,666	3.3%
Basic EPS (cents per share)	13.07	12.66	3.2%

* During the period ended 31 December 2009 the Group disposed of the majority of its interest in carsales.com Limited shares which was unusual in nature. Please refer to note 3 for more details.

Dividends

The directors have declared the payment of an interim dividend of 7 cents per fully paid share compared to the previous corresponding interim dividend of 7 cents per fully paid share. Refer to note 5 for further information.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and follows the directors' report.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.



David C Griffiths
Director
Perth, 18 February 2011



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18 February 2011

To the Board of Directors
Automotive Holdings Group Limited
21 Old Aberdeen Street
WEST PERTH WA 6005

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF AUTOMOTIVE HOLDINGS GROUP LIMITED

As lead auditor for the review of Automotive Holdings Group Limited for the half-year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Automotive Holdings Group Limited and the entities it controlled during the period.

Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

Automotive Holdings Group Limited
Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2010

		Half-Year	
	Notes	2010 \$'000	2009 \$'000
Revenue from continuing operations		1,689,292	1,607,013
Other Income		232	7,462
Raw materials and inventory expense		(1,351,301)	(1,291,384)
Employee benefits expense		(165,194)	(156,397)
Depreciation and amortisation expense		(9,278)	(8,245)
Finance costs		(15,648)	(10,533)
Advertising and promotion		(14,798)	(15,565)
Occupancy costs		(34,983)	(30,914)
Vehicle preparation and service		(13,507)	(12,681)
Supplies and outside services		(13,339)	(12,698)
Motor vehicle expense		(3,954)	(3,746)
Equipment rental		(3,392)	(3,569)
Professional services		(1,378)	(1,699)
Other expense		(18,960)	(18,358)
Loss on sale of assets		-	(93)
Cost of sale of investment	3	-	(434)
Profit before income tax		43,793	48,158
Income tax expense		(13,147)	(13,928)
Profit from continuing operations		30,645	34,230
Profit for the half-year before other comprehensive income		30,645	34,230
Other Comprehensive Income			
Available-for-sale financial assets		(127)	(1,322)
Unrealised changes in the fair value of cash flow hedges		(96)	-
Exchange differences on translation of foreign operations		(259)	10
Total comprehensive income for the half-year (net of tax)		30,163	32,919
Profit attributable to:			
Owners of Automotive Holdings Group Limited		29,607	33,586
Non-controlling interest		1,038	645
		30,645	34,230
Total comprehensive income attributable to:			
Owners of Automotive Holdings Group Limited		29,125	32,274
Non-controlling interest		1,038	645
		30,163	32,919
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	4	13.1	14.8
Diluted earnings per share		13.1	14.8
Earnings per share is calculated on a weighted average number of shares of:		226,491,073	226,371,426

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Automotive Holdings Group Limited
Consolidated Statement of Financial Position
As at 31 December 2010

	Notes	31 Dec 2010 \$'000	30 Jun 2010 \$'000
CURRENT ASSETS			
Cash and cash equivalents	9	43,245	76,778
Trade and other receivables		146,372	158,562
Inventories		411,862	449,885
Other current assets		10,393	9,659
TOTAL CURRENT ASSETS		611,872	694,884
NON CURRENT ASSETS			
Available-for-sale financial assets		1,000	233
Property, plant and equipment	6	167,869	116,750
Intangible assets		209,574	198,574
Deferred tax assets		18,562	16,877
TOTAL NON CURRENT ASSETS		397,005	332,434
TOTAL ASSETS		1,008,877	1,027,318
CURRENT LIABILITIES			
Trade and other payables		118,801	137,080
Interest-bearing loans and borrowings		314,680	358,825
Income tax payable		10,801	13,987
Provisions		31,262	29,155
TOTAL CURRENT LIABILITIES		475,544	539,047
NON CURRENT LIABILITIES			
Interest-bearing loans and borrowings		135,529	98,283
Deferred tax liabilities		893	206
Provisions		11,447	10,172
TOTAL NON CURRENT LIABILITIES		147,868	108,661
TOTAL LIABILITIES		623,412	647,708
NET ASSETS		385,465	379,610
EQUITY			
Contributed equity	7	302,106	302,106
Reserves		(716)	(235)
Retained profits		81,960	74,992
Capital and reserves attributable to the owners of Automotive Holdings Group Limited		383,350	376,863
Non-controlling interest		2,115	2,748
TOTAL EQUITY		385,465	379,610

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Automotive Holdings Group Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2010

		Contributed equity	Asset revaluation reserve	Hedge Reserve	Foreign currency translation reserve	Retained earnings	Total	Non- controlling interest	Total equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2009		294,711	1,530	-	(393)	53,147	348,994	1,304	350,299
Profit for the period (after tax)		-	-	-	-	33,586	33,586	645	34,230
Available-for-sale financial assets		-	(1,889)	-	-	-	(1,889)	-	(1,889)
Exchange differences on translation of foreign operations		-	-	-	10	-	10	-	10
Income tax relating to components of other comprehensive income		-	567	-	-	-	567	-	567
Total comprehensive income for the half-year		-	(1,322)	-	10	33,586	32,274	645	32,919
Transactions with owners in their capacity as equity holders:									
Contributions of equity, net of transaction costs	7	7,395	-	-	-	-	7,395	-	7,395
Dividends provided for or paid	5	-	-	-	-	(22,639)	(22,639)	(780)	(23,418)
		7,395	-	-	-	(22,639)	(15,243)	(780)	(16,023)
At 31 December 2009		302,106	208	-	(383)	64,094	366,025	1,169	367,194
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2010		302,106	127	-	(361)	74,992	376,864	2,747	379,610
Profit for the period (after tax)		-	-	-	-	29,607	29,607	1,038	30,645
Available-for-sale financial assets		-	(181)	-	-	-	(181)	-	(181)
Cash Flow Hedges		-	-	(137)	-	-	(137)	-	(137)
Exchange differences on translation of foreign operations		-	-	-	(259)	-	(259)	-	(259)
Income tax relating to components of other comprehensive income		-	54	41	-	-	95	-	95
Total comprehensive income for the half-year		-	(127)	(96)	(259)	29,607	29,125	1,038	30,163
Transactions with owners in their capacity as equity holders:									
Contributions of equity, net of transaction costs	7	-	-	-	-	-	-	200	200
Non-controlling interest on acquisition of subsidiary		-	-	-	-	-	-	0	0
Dividends provided for or paid	5	-	-	-	-	(22,639)	(22,639)	(1,870)	(24,509)
		-	-	-	-	(22,639)	(22,639)	(1,670)	(24,309)
At 31 December 2010		302,106	(0)	(96)	(620)	81,960	383,350	2,115	385,465

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Automotive Holdings Group Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2010

		Half-Year	
	Notes	2010 \$'000	2009 \$'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		1,701,734	1,612,246
Payments to suppliers and employees (inclusive of GST)		(1,600,845)	(1,560,792)
Interest paid and costs of finance		(15,648)	(10,533)
Interest received		2,754	1,814
Income tax paid		(16,874)	(10,542)
Net cash inflow from operating activities	9	71,121	32,193
Cash flow from investing activities			
Payment for purchase of business, net of cash acquired	8	(12,630)	-
Payment for property plant and equipment		(53,926)	(6,902)
Dividends and distributions received		-	162
Proceeds of sale of property, plant and equipment		1,281	1,902
Proceeds of sale of investments (net of transaction costs)	7	-	7,428
Payment for purchase of investment		(1,007)	-
Net cash (outflow) / inflow from investing activities		(66,282)	2,589
Cash flows from financing activities			
Net repayment of borrowings		(13,864)	(11,174)
Proceeds from issue of shares, net of transaction costs		-	7,395
Dividends paid to members	5	(22,639)	(22,639)
Dividends paid to non-controlling interest		(1,870)	(780)
Net cash outflow from financing activities		(38,373)	(27,197)
Net (decrease) / increase in cash and cash equivalents		(33,533)	7,585
Cash and cash equivalents at the beginning of the year	9	76,778	64,982
Cash and cash equivalents at the end of the half-year		43,245	72,567

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Non-cash financing and investing activities

During the half-year the Group acquired plant and equipment with a fair value of \$5,945,384 by means of finance leasing and hire purchase arrangement. These acquisitions are not reflected in the above Consolidated Statement of Cash Flows.

1. Basis of preparation of half-year report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 have been prepared in accordance with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial statement does not include all the notes of the type normally included in the annual financial statement. Accordingly, this document is to be read in conjunction with the annual financial statement for the year ended 30 June 2010 and any public announcements made by Automotive Holdings Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Operating segments

The Board has determined that AHG's operating segments be divided between a single reportable automotive segment and two reportable logistics segments comprising of AHG's transport and cold storage operations and the balance of all of its other logistical operations. All segments operate within the geographical area of Australia and New Zealand. Operations in Australia and New Zealand are classified and managed as one geographical area, and therefore geographic disclosures have not been included.

Automotive Retail

The automotive segment has 107 dealerships franchise sites operating within the geographical areas of Australia and New Zealand.

AHG's automotive operations exhibit similar economic characteristics. They have similar product offerings and a consistency of customer base. The generic characteristics of these businesses allow AHG to consistently measure operating performance within this segment and a Chief Operating Officer is directly accountable for all aspects of this performance.

Transport and Cold Storage

It was determined that AHG's transport and cold storage operations be disclosed as a separate reportable segment given the unique characteristics attendant to these operations, vis-à-vis the Group's other logistical operations, as well as the proportion of AHG's profit generated by them.

Other Logistics

The Other logistical operations segment comprises AHG's automotive parts warehousing and distribution businesses, motorcycle distribution and vehicle storage and engineering.

2. Operating segments (continued)

Segment Reporting December 2010	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	1,509,304	100,822	129,237	230,059	1,739,363
Less: intercompany sales	(35,692)	-	(17,132)	(17,132)	(52,825)
Segment revenue	1,473,611	100,822	112,104	212,926	1,686,538
Interest earned	2,579	83	93	175	2,754
Total revenue before unusual items	1,476,190	100,905	112,197	213,102	1,689,292
Total revenue					1,689,292
EBITDA	49,444	10,740	5,728	16,468	65,912
Depreciation and amortisation	(5,626)	(2,794)	(858)	(3,652)	(9,278)
EBIT	43,818	7,946	4,870	12,817	56,635
Interest expense (net)	(10,988)	(1,102)	(752)	(1,855)	(12,842)
Segment result before unusual items					43,793
Profit before tax					43,793
Income tax expense					(13,147)
Reportable segment profit after tax					30,645
Detailed Segment Trading Analysis					
Segment revenue after allocation of interest	1,476,190	100,905	112,197	213,102	1,689,292
Proceeds from sale of investment (unallocated)					-
Total segment revenue after allocation of interest	1,476,190	100,905	112,197	213,102	1,689,292
Segment result after allocation of interest	32,830	6,844	4,118	10,962	43,793
Segment Reporting December 2010	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	743,189	74,232	100,319	174,551	917,740
Unallocated corporate assets					91,137
Total consolidated assets					1,008,877
Segment liabilities					623,412
Total consolidated liabilities					623,412
Acquisition of property, plant, equipment, intangibles and other non current segment assets					72,458

2. Operating segments (continued)

Segment Reporting December 2009	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	1,455,065	86,185	132,596	218,781	1,673,846
Less: intercompany sales	(49,067)	-	(19,580)	(19,580)	(68,647)
Segment revenue	1,405,998	86,185	113,016	199,201	1,605,199
Interest earned	1,719	32	63	94	1,814
Total revenue before unusual items	1,407,717	86,217	113,079	199,296	1,607,013
Sale of investments					7,462
Total revenue					1,614,475
EBITDA	42,947	8,663	6,331	14,994	57,941
Depreciation and amortisation	(5,175)	(2,178)	(892)	(3,071)	(8,245)
EBIT	37,772	6,485	5,439	11,924	49,696
Interest expense (net)	(6,565)	(947)	(1,054)	(2,001)	(8,565)
Segment result before unusual items					41,130
Unusual items					7,028
Profit before tax					48,158
Income tax expense (net)					(11,819)
Income tax expense on unusual items					(2,108)
Reportable segment profit after tax					34,230
Detailed Segment Trading Analysis					
Segment revenue after allocation of interest	1,407,717	86,217	113,079	199,296	1,607,013
Sale of investments		-	-	-	7,462
Total segment revenue after allocation of interest	1,407,717	86,217	113,079	199,296	1,614,475
Segment result after allocation of interest	31,207	5,538	4,385	9,923	41,130
Unusual items					
Profit on sale of investments					7,028
Reportable segment profit after unusual items before tax					48,158
Segment Reporting June 2010	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	786,306	63,548	101,789	165,338	951,643
Unallocated corporate assets					75,675
Total consolidated assets					1,027,318
Segment liabilities					647,708
Total consolidated liabilities					647,708
Acquisition of property, plant, equipment, intangibles and other non current segment assets					35,279

3. Profit (Loss) for the half-year

Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:

Gains

Proceeds on sale of investment
Less: costs on sale of investment
Less: applicable tax expense

Half-Year	
2010	2009
\$'000	\$'000
-	7,462
-	(434)
-	(2,108)
-	4,920

During the period ended 31 December 2009 the Group disposed of the majority of its interest in carsales.com Limited shares.

4. Earnings per share

Basic earnings per share

Earnings per share for profit attributable to the ordinary equity holders of the Company (excluding unusual items) 13.07 12.66
Earnings per share for profit / (loss) from unusual items attributable to the ordinary equity holders of the Company - 2.18
Total earnings per share for Profit from continuing operations attributable to the ordinary equity holders of the Company 13.07 14.84

Half-Year	
2010 cents	2009 cents
13.07	12.66
-	2.18
13.07	14.84

Reconciliation of earnings used in calculating earnings per share

Profit attributable to the ordinary equity holders of the Company from continuing operations excluding unusual items 29,607 28,666
Profit attributable to the ordinary equity holders of the Company from unusual items - 4,920
Profit attributable to the ordinary equity holders of the Company from continuing operations in calculating basic earnings per share 29,607 33,586

Half-Year	
2010 \$'000	2009 \$'000
29,607	28,666
-	4,920
29,607	33,586

The Group has no instruments that have a dilutive affect on earnings per share.

4. Earnings per share (continued)

Weighted average number of shares used as the denominator

Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share

Number	
226,491,073	226,371,426

5. Dividends paid and proposed

Dividends on ordinary shares:

Final dividend for the year ended 30 June 2010 of 10 cents per fully paid share on 1 October 2010 (30 June 2009: 10 cents per fully paid share on 2 October 2009)

Since half-year end, the directors have recommended the payment of a fully franked interim dividend of 7 cents per share (2010: 7 cents), based on tax paid at 30%. The aggregate amount of proposed dividends to be paid on 1 April 2011 out of the retained profits at 31 December 2010, but not recognised as a liability at half-year end is

Parent	
2010 \$'000	2009 \$'000
22,639	22,639
15,854	15,854
38,493	38,493

6. Property, plant and equipment

Land and buildings
Accumulated depreciation

Plant and equipment at cost
Accumulated depreciation

Capitalised leased assets
Accumulated amortisation

Leasehold improvements at cost
Accumulated amortisation

Assets under construction

Total property, plant & equipment

Consolidated	
31 Dec 2010 \$'000	30 Jun 2010 \$'000
67,589	24,453
(898)	(712)
66,691	23,741
94,757	84,224
(47,650)	(42,269)
47,107	41,954
35,280	35,795
(11,537)	(10,599)
23,743	25,195
27,564	25,544
(8,915)	(7,747)
18,650	17,798
11,678	8,062
167,869	116,750

6. Property, plant and equipment (continued)

Consolidated December 2010	Land and buildings	Plant and equipment	Capitalised leased assets	Leasehold improvements	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2010	23,741	41,954	25,195	17,798	8,062	116,750
Translation Adjustment	-	(9)	-	(2)	(1)	(12)
Additions	41,238	9,970	943	617	8,048	60,815
Acquisitions through business combinations	-	643	-	-	-	643
Disposals	-	(1,044)	-	(5)	(0)	(1,049)
Transfers	1,898	1,428	(417)	1,522	(4,431)	(0)
Depreciation / Amortisation	(186)	(5,835)	(1,978)	(1,279)	-	(9,278)
Carrying amount at 31 December 2010	66,691	47,107	23,743	18,650	11,678	167,869

7. Contributed equity

		No. of Shares	Issue Price	\$'000
30/06/09	Balance	<u>220,252,328</u>		<u>294,711</u>
08/07/09	Share Purchase Plan	6,238,745	\$ 1.20	7,486
	Less: transaction costs arising on share issue			(91)
31/12/09	Balance	<u>226,491,073</u>		<u>302,106</u>
30/06/10	Balance	<u>226,491,073</u>		<u>302,106</u>
31/12/10	Balance	<u>226,491,073</u>		<u>302,106</u>

(a) Share Purchase Plan

On 8 July 2009 AHG completed a Share Purchase Plan issuing 6,238,745 shares. Existing shareholders participated in the opportunity to obtain additional shares at \$1.20 per share to raise gross proceeds of \$7.5 million. Transaction costs of this placement totalled \$0.091 million.

8. Business Combination

On 4 November 2010 Automotive Holdings Group Limited acquired the business and assets of Graham Werner Toyota (now trading as Ferntree Gully Toyota); a Toyota dealership located 30km from the Melbourne CBD at Ferntree Gully.

The consideration paid was \$12,515,727 cash. The business contributed revenues of \$7.079 million and a net loss before tax of \$0.077 million for the half year ended 31 December 2010. It is expected that this business would have contributed \$37.620 million in revenues and \$0.976 million net profit before tax had the acquisition occurred at the beginning of the reporting period.

Details of the net assets acquired are as follows:

	Fair Value at Acquisition Date \$'000	Acquiree's Carrying Value \$'000
Vehicle inventories	830	830
Parts inventories	229	229
Other inventory	26	26
Other current assets	14	14
Property, plant and equipment	643	643
Deferred tax assets	69	69
	<u>1,812</u>	<u>1,812</u>
Trade and other payables	(55)	(55)
Vehicle warranties	(10)	(10)
Employee entitlements	(231)	(231)
	<u>(296)</u>	<u>(296)</u>
Net identifiable assets acquired	<u>1,516</u>	<u>1,516</u>
Add: goodwill	3,667	
Add: franchise rights	7,333	
Net assets acquired	<u>12,516</u>	
		\$'000
Purchase Consideration		
Cash paid		12,516
Direct costs relating to the acquisition		114
Total purchase consideration		<u>12,630</u>

In accordance with AASB 3 *Business Combinations*:

Costs directly associated with the acquisition of businesses are expenses in the consolidated statement of comprehensive income as they are incurred.

The Group has reported provisional amounts for both goodwill and franchise rights acquired as part of the purchase of the Graham Werner Toyota business (see above). The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired.

9. Cash flow information

RECONCILIATION OF CASH

	Half-Year	
	2010 \$'000	2009 \$'000
Cash on hand	124	109
Cash at bank	43,121	72,458
	<u>43,245</u>	<u>72,567</u>

	Half-Year	
	2010 \$'000	2009 \$'000
Profit after tax	30,645	34,230
<i>Non Operating Activity Cash flow in profit</i>		
- Distributions received	-	(162)
- Profit on sale of assets	(232)	-
- Loss on sale of assets	-	93
- Profit on sale of investments	-	(7,028)
- Brokerage Fees (purchase of investment)	8	-
- Direct costs relating to the acquisition	114	-
<i>Non Cash flow in profit</i>		
- Depreciation	6,021	4,719
- Amortisation	3,257	3,527
<i>Changes in operating assets and liabilities</i>		
Decrease in trade debtors	12,499	14,672
Decrease / (increase) in inventories	39,418	(17,775)
Decrease in other current assets	233	-
(Increase) / decrease in prepayments	(720)	1,536
(Increase) in deferred tax assets	(1,616)	(1,812)
(Decrease) / increase in current tax payable	(3,186)	6,249
(Decrease) in trade creditors	(12,963)	(7,460)
(Decrease) / increase in accruals	(5,806)	542
Increase in employee entitlements	1,983	2,289
Increase / (decrease) in other provisions	780	(376)
Increase / (decrease) in deferred tax liabilities	687	(1,051)
Net cash inflow from operating activities	<u>71,121</u>	<u>32,193</u>

9. Cash flow information (continued)

CASH FLOW MOVEMENTS

	Half-Year	
	2010 \$'000	2009 \$'000
Net cash inflow from operating activities	71,121	32,193
Normalisation adjustment		
Add back: (Decrease) / Increase in inventories (offset against floor plan financing)	(18,993)	24,340
Normalised net cash inflow from operating activities ¹	52,128	56,533

¹ Cash flow generated from operations has been adjusted above as the majority of the Group's inventory is financed by floor plan arrangements which do not result in cash movements

10. Unsecured Contingent Liabilities and Contingent Assets

A liability exists for after sales service and finance rebates but the amount can not be quantified, but in the opinion of the directors is not a material amount.

Unsecured guarantees, indemnities and undertakings have been given by AHG in the normal course of business in respect of financial trade arrangements entered into by its controlled entities. It is not practicable to ascertain or estimate the maximum amount for which AHG may become liable in respect thereof. At 31 December 2010 no controlled entity was in default in respect of any arrangement guaranteed by AHG.

The Group has a contingent asset by virtue of it having lodged a claim for compensation under the *Land Administration Act (WA) 1997*. The claim is for potential loss of business and associated costs arising as a consequence of the state government's proposed taking of land by way of compulsory purchase order. Such purchase would require the Group to relocate one of its businesses to an alternative location.

11. Events Occurring After Balance Date

No material event has occurred since 31 December 2010 that requires disclosure in the financial statements other than the declaration of an interim dividend (note 5).

The directors of the company declare that:

1. The financial statements, comprising; the statement of comprehensive income; statement of financial position; statement of cash flows; statement of changes in equity; and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards *AASB 134 Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) Give a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



David C Griffiths
Director
Perth
18 February 2011

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AUTOMOTIVE HOLDINGS GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Automotive Holdings Group Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Automotive Holdings Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Automotive Holdings Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Automotive Holdings Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The signature appears to be 'BDO' on the top line and 'SM 1/1' on the bottom line, with a large, stylized flourish extending from the end.

Brad McVeigh
Director

Perth, Western Australia
Dated this 18th day of February 2011

31 December 2010

Half Year Results

18 February 2011



AUTOMOTIVE HOLDINGS GROUP

Contents

- Group Performance Highlights
- Automotive
- Logistics
- Capital Management
- Outlook

Group Performance - Overview

- Solid performance, despite increased interest rates, higher company tax rate and soft results in Queensland
- Revenue increase of 5.1%¹ to \$1,689m
- EBITDA margin increase to 3.9%
- Group profit after tax of \$29.6m, 103.3% pc¹
- Earnings per share of 13.1 cents, 12.7 cents pc¹
- Interim Dividend of 7.0 cents per share (fully franked)
- Net Interest expense increase of 50% pc¹

¹ excluding profit on the sale of carsales.com shares recorded in 1H2010 of \$4.92m (net).

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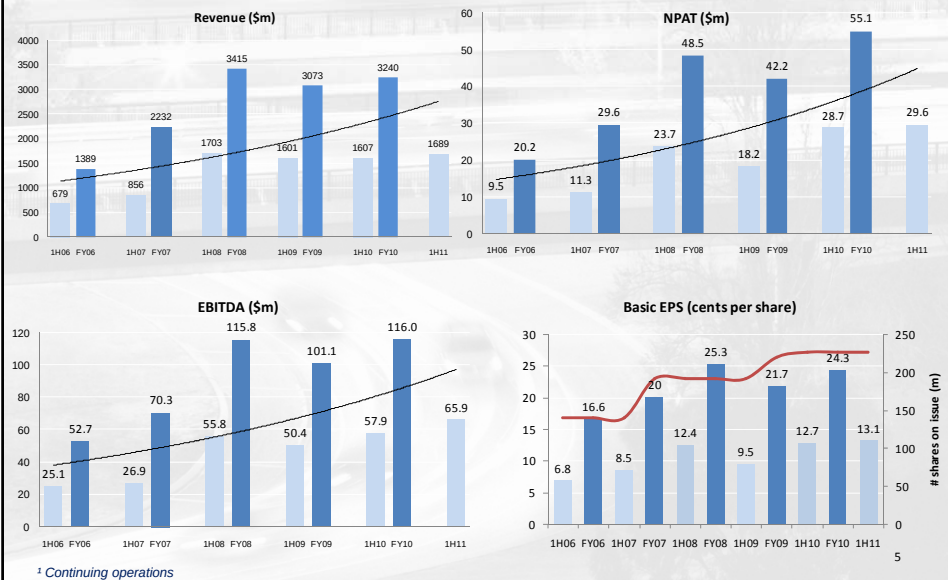
Group Performance - Summary

	1H2010 \$m	1H2011 \$m	% pc ¹
Revenue	1,607.0 ¹	1,689.3	105.1
EBITDA	57.9 ¹	65.9	113.8
EBITDA Margin (%)	3.6 ¹	3.9	108.2
EBIT	49.7 ¹	56.6	114.0
Statutory NPAT	33.6	29.6	88.2
NPAT	28.7 ¹	29.6	103.3
Basic EPS (cents per share)	12.7 ¹	13.1	103.2
Interest Cover	5.8 ¹	4.4	86.0
Interim Dividend (cents per share)	7.0	7.0	100.0

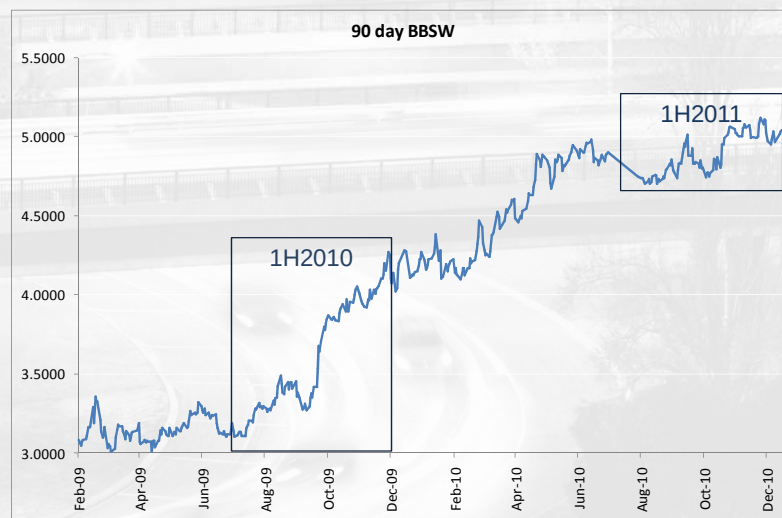
¹ excluding profit on the sale of carsales.com shares recorded in 1H2010 of \$4.92m (net).

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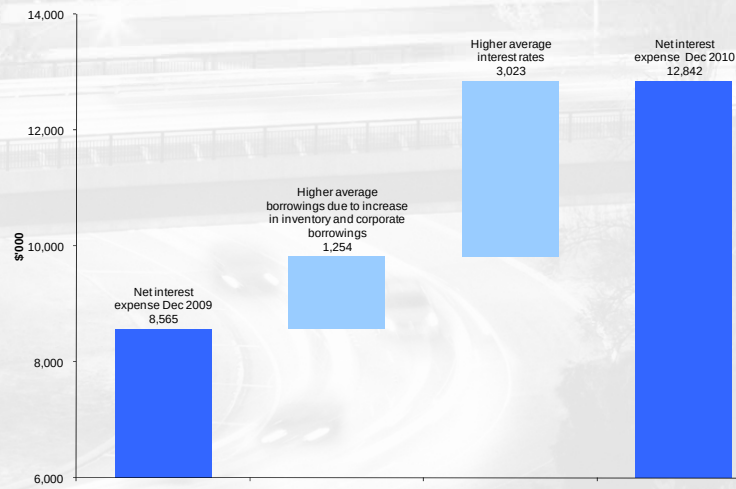
Group Performance¹



Interest Rates Increases 1H2010 vs 1H2011



AHG Net Interest Expense Analysis



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Group Inventory/Days Supply

	June 2008 \$m	June 2009 \$m	June 2010 \$m	Dec 2010 \$m
Revenue ¹	3,414.9	3,073.1	3,239.9	1,689.3
Total Group Inventory	444.9	387.4	449.9	411.8
Days Supply	48	46	51	44

¹ Continuing operations

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Automotive Retail - Overview

- Revenue up 4.9%¹
- Strong EBITDA growth – up 15.1%¹
- Solid performances from our WA, NSW and New Zealand operations
- New vehicle registrations remain strong
- Low interest incentives offered to customers by manufacturer increases penetration
- Queensland results remain soft

¹ excluding profit on the sale of carsales.com shares recorded in 1H2010 of \$4.92m (net).

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Automotive Retail - Result

	1H2010 ¹ \$m	1H2011 \$m	% pcp
Automotive			
Revenue	1407.7	1,476.2	104.9
EBITDA	42.9	49.4	115.1
EBITDA Margin	3.05	3.4	109.8
Segment Result (NPBT)	31.2	32.8	105.2

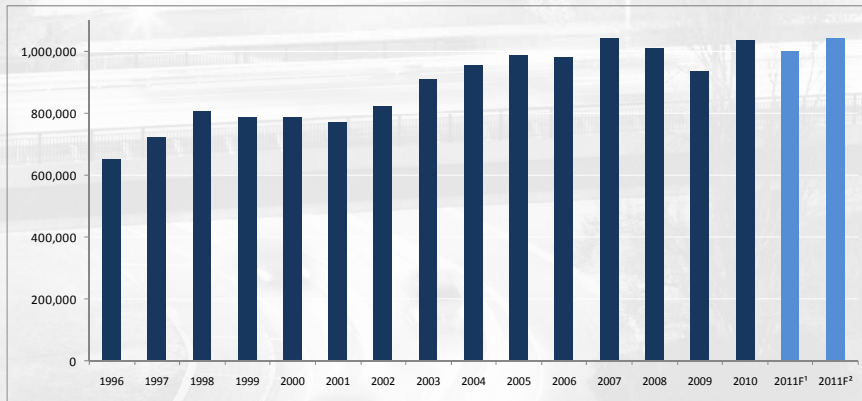


¹ excluding profit on the sale of carsales.com shares recorded in 1H2010 of \$4.92m (net).

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Automotive Retail – Australian New Vehicle Sales

1,000,000 – 1,040,000 new vehicle sales forecast for CY11^{1 2}



¹ AutoTeam Australia December 2010

² Manufacturer Forecast

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Automotive Retail – Australian New Vehicle Sales¹

Retail sales remain strong

	CY2009	CY2010	% pcp	6mths to 31.12.09	6mths to 31.12.10	% pcp
Private	423,779	484,155	114.2	206,548	228,991	110.9
Business	414,761	430,042	103.7	215,572	210,616	97.6
Government	60,096	63,477	105.6	30,663	31,065	101.3
Rental	38,692	57,900	149.6	29,322	33,734	115.0

¹ Federal Chamber of Automotive Industries VFacts National Reports

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AHG's key Automotive markets are the high volume states

	% Total Vehicles ¹	% AHG 1H2011 Revenue ²
New South Wales	30.5	25
Victoria	27.2	2
Queensland	20.1	20
Western Australia	11.3	48
South Australia	6.4	0
Tasmania	1.9	0
Australian Capital Territory	1.6	0
Northern Territory	1.0	0

AHG's key markets are the high volume states of Western Australia, Queensland and New South Wales with growth anticipated in Victoria.

¹ Federal Chamber of Automotive Industries VFACTS National Report December 2010

² New Zealand contribution ~5%

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Automotive Retail Growth Opportunities - Update

- Queensland operations expected to benefit from:-
 - the increased demand as infrastructure is rebuilt and vehicles lost/damaged are replaced
 - key management changes
- Castle Hill, Sydney Property
 - 4 new dealership sites planned
- Ferntree Gully Toyota, Victoria
 - Settled November 2010
 - Integration progressing
- Acquisition Opportunities



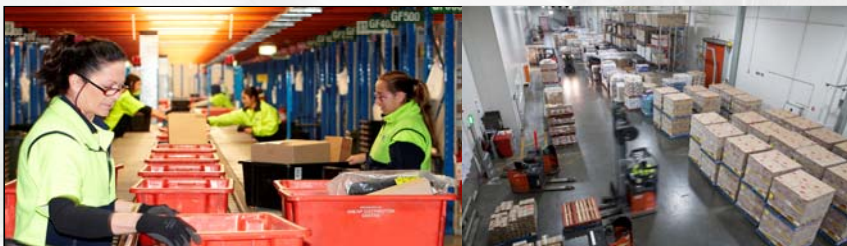
Logistics - Overview

- Consistent revenue stream
- EBITDA increase of 9.8% to \$16.5m
- EBITDA margin growth of 2.7%
- Net Profit before tax of \$11.0m compared to \$9.9m pcp
- Result includes increased revenue from Rand cold store expansion in Melbourne and Brisbane
- Solid result from AMCAP
- KTM benefited from increased volume of 12% boosted by new model releases
- Continued losses from VSE/GTB following truck industry decline

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Logistics - Result

	1H2010 \$m	1H2011 \$m	% pcp
Logistics			
Revenue	199.3	213.1	106.9
EBITDA	15.0	16.5	109.8
EBITDA Margin (%)	7.5	7.7	102.7
Segment Result (NPBT)	9.9	11.0	110.5



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Logistics – Segment Result

	1H2010 \$m	1H2011 \$m	% pcp
Revenue			
Transport & Cold Storage	86.2	100.9	117.1
Other	113.1	112.2	99.2
EBITDA			
Transport & Cold Storage	8.7	10.7	124.0
Other	6.3	5.7	90.5

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Logistics Growth Opportunities - Update

Rand Transport

- Increased contribution from Melbourne/Brisbane facility expansions
- Further increases to cold storage facilities planned
 - Adelaide 5k pallets - 2011
 - Perth 10k pallets - 2012

KTM

- Performance to remain solid on the back of stable exchange rate

Amcap

- Continues to maintain a strong market position

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Capital Management

	30.06.09 \$m	30.06.10 \$m	31.12.10 \$m
Total Debt			
Current*	303.37	358.83	[314.68
Less, finance co. floorplan loans*	(295.21)	(349.94)	(305.95)
Short Term Debt (excl floorplan)	8.16	8.89	8.73
Less Cash	(64.98)	(76.78)	(43.24)
Net Current Cash Position (excl floorplan)	(56.82)	(67.89)	(34.51)
Non Current Debt	86.64	98.28	135.53
Net Debt (excl floorplan)	29.82	30.39	101.02

NOTES:

* Includes \$20m cash offset (Jun 09) / \$25m cash offset (June & December 10)

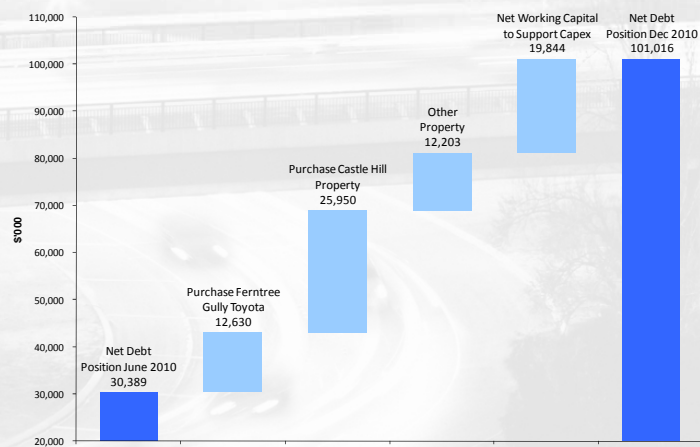
Undrawn Bill Facility at 31 December 2010 - \$14m

Floorplan headroom at 31 December 2010 - \$133m (subject to inventory levels)

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Capital Management

Net Debt Position – June to December 2010



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Economic Outlook

- *“...the medium term outlook is broadly unchanged ... with strong growth in mining investment and higher commodity prices boosting national income and demand”¹.*
- Low unemployment – unemployment rate remains steady at 5.0%
- Australian Dollar to remain strong
- Interest rates expected to rise in the future

¹ RBA Statement on Monetary Policy February 2011

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Group Outlook

- Acquisition and greenfield opportunities
- Rand contribution to increase following expansion of cold store facilities
- Amcap to continue to maintain a strong market position
- Stable exchange rate expected to lead to improved KTM performance
- Solid Automotive performances from WA and NSW with Queensland to benefit from greater demand for vehicles
- VSE / GTB not expected to recover until FY2012
- Strong management and resilient business model to continue to deliver solid financial results
- Maintain strong business practices

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