Automotive Holdings Group Limited

July 2011

AHG

AUTOMOTIVE HOLDINGS GROUP

Performance Update

Trading Update

- **Creditable finish to the financial year in light of supply constraints and economic conditions**
- **Consensus View Operating NPAT ($52 - $53M)**
- **National new vehicle registrations on track to deliver 1 million units**
- **Order bank growing / Supply issues easing**
- **Positive signs in Queensland**
- **Settlement of acquisitions executed 1 July (Covs and Harris Refrigeration), Integration plans in place, synergy tracking to monitor delivery of identified benefits**
- **Update on integration / transaction costs and timing**
- **Capital expenditure outlook and property strategy**

Performance Update

Auto Market Conditions (Impact Analysis)

- VFacts auto volumes to FY 30 June 2011 1,000,642 units (pcp 1,013,273 units)
- VFacts auto volumes 2nd half 2011 496,236 units (pcp 531,168)
- FY 2010 – Government stimulus package influences 2nd and 4th Qtr volumes
- FY 2010 - Hail Storms (VIC & WA March 2010) 4th Qtr volumes
- FY 2011 – Residual government stimulus pack to 2nd Qtr 2011
- FY 2011 – Impact of floods 3rd Qtr and Tsunami supply issues 4th Qtr

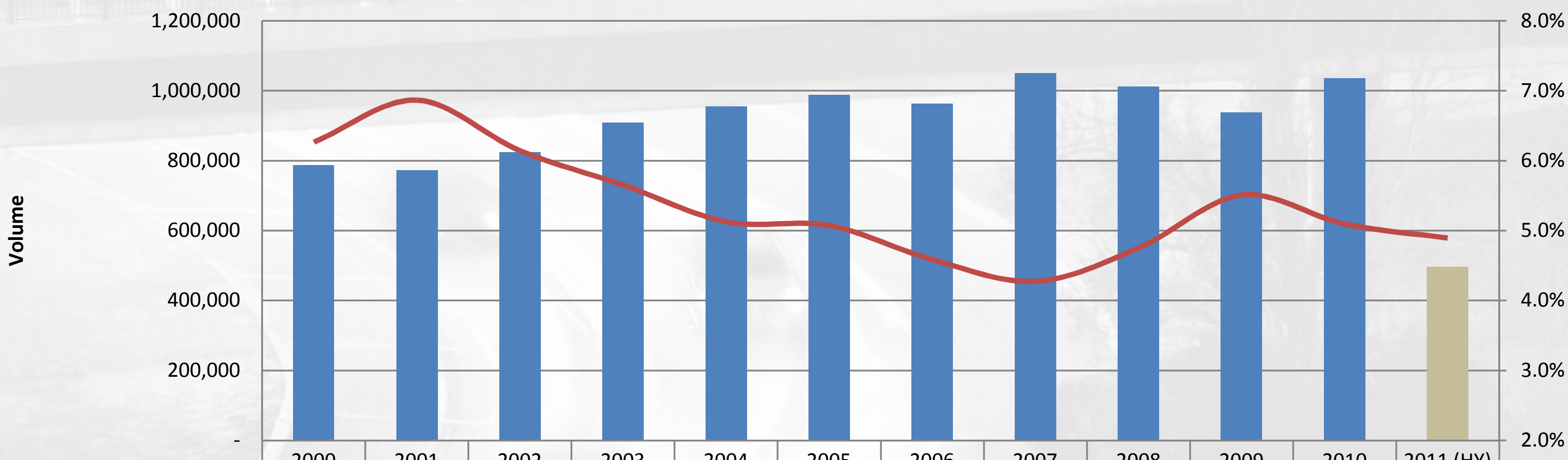
	Qtr 1 2010	Qtr 2 2010	Qtr 3 2010	Qtr 4 2010	Qtr 1 2011	Qtr 2 2011	Qtr 3 2011	Qtr 4 2011
VFacts data	226,751	255,354	251,827	279,341	249,552	254,854	248,464	247,772

Performance Update

Auto Market Conditions

- **Strong employment numbers (low unemployment rate @ June 2011 ~ 5%)**
- **Correlation between employment and vehicle sales**
- **Outlook remains positive for Auto sales**

Vehicle Sales / Unemployment

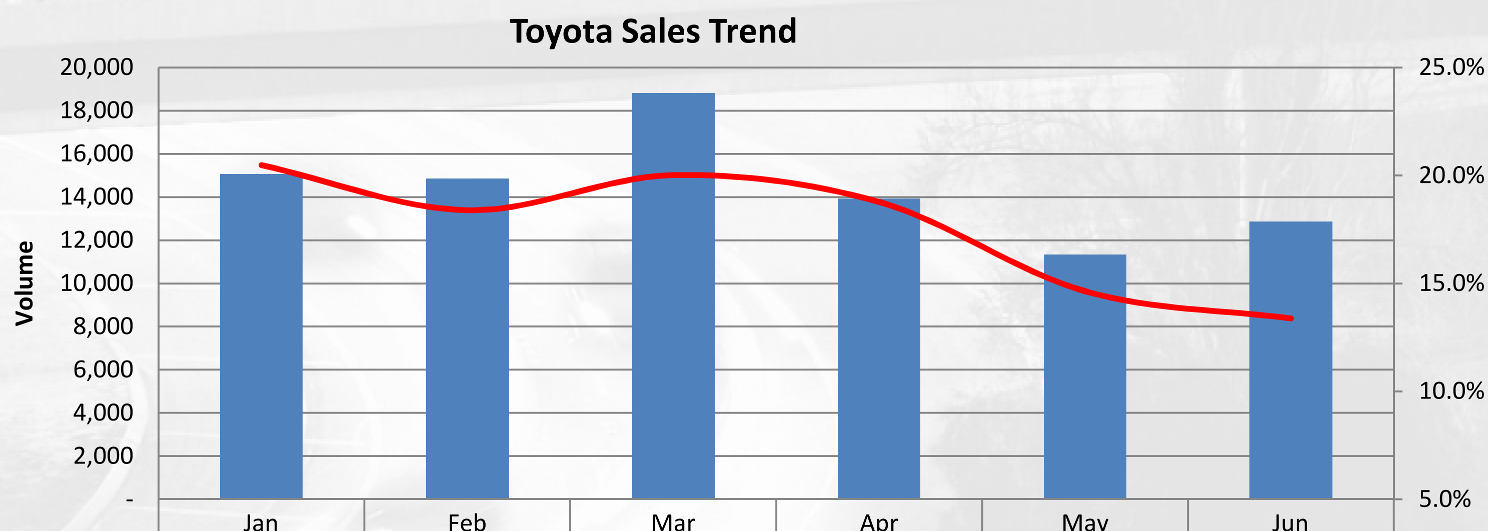


	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011 (HY)
Vehicle Sales	787,100	772,681	824,309	909,811	955,229	988,269	962,666	1,049,98	1,012,16	937,328	1,035,57	496,236
Unemployment rate	6.3%	6.9%	6.1%	5.6%	5.1%	5.1%	4.6%	4.3%	4.7%	5.5%	5.1%	4.9%

Performance Update

Automotive – Supply issues easing

- Toyota market monthly share has reduced from approx 20% to 13% (@ June 2011) post Tsunami due to a lack of supply
- Average unit sales per month 1st Qtr 16,251 versus 2nd Qtr 12,705 decrease of 21.8%
- Outlook for Supply Improving - anticipated to return pre earthquake/Tsunami levels by September



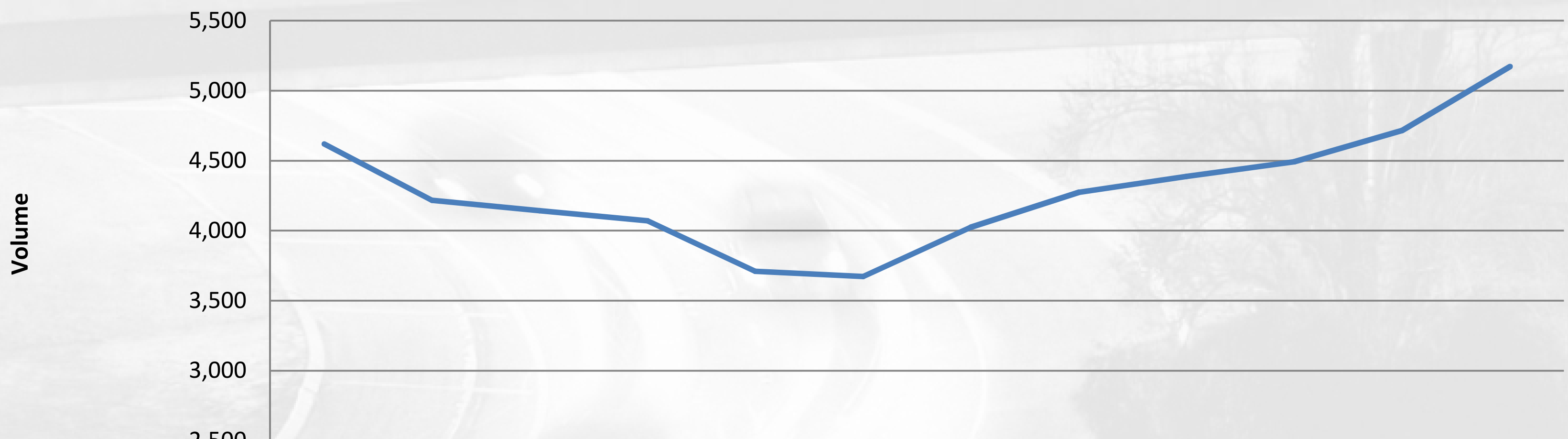
	Jan	Feb	Mar	Apr	May	Jun
Vfacts Sales	15,070	14,873	18,810	13,930	11,325	12,861
Monthly Market Share	20.5%	18.4%	20.0%	18.8%	14.6%	13.4%

Performance Update

Automotive – Supply issues easing

- **Order bank levels increasing**
- **Return to pre Tsunami production levels will convert order bank into realised sales opportunities**

Vehicle Order Bank



	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Total Order Bank	4,620	4,217	4,143	4,072	3,711	3,673	4,025	4,274	4,387	4,493	4,715	5,172

Performance Outlook

Queensland update

- Economic data shows growth for 2012
- CommSec's State of the States Report (July 2011) – Craig James

  "Queensland still in the early stages of recovery from the summer floods and Cyclone Yasi and the state's housing market remains weak."

  "There are a number of difficulties for Queensland, but the outlook is looking pretty good."

  "When you've got rebuilding-type activity after the floods, that should kick-start the Queensland economy over the second half of the year."
- QLD Management restructure completed
- QLD Logistics operation restructure ongoing post loss of Mitsubishi metro parts distribution and ISUZU D- Max Ute parts distribution rights
- Negotiations for alternative replacement franchises continuing
- Leverage Covs existing relationships into QLD market

Integration and Transaction costs

Integration and Transaction Indicative Expenditure

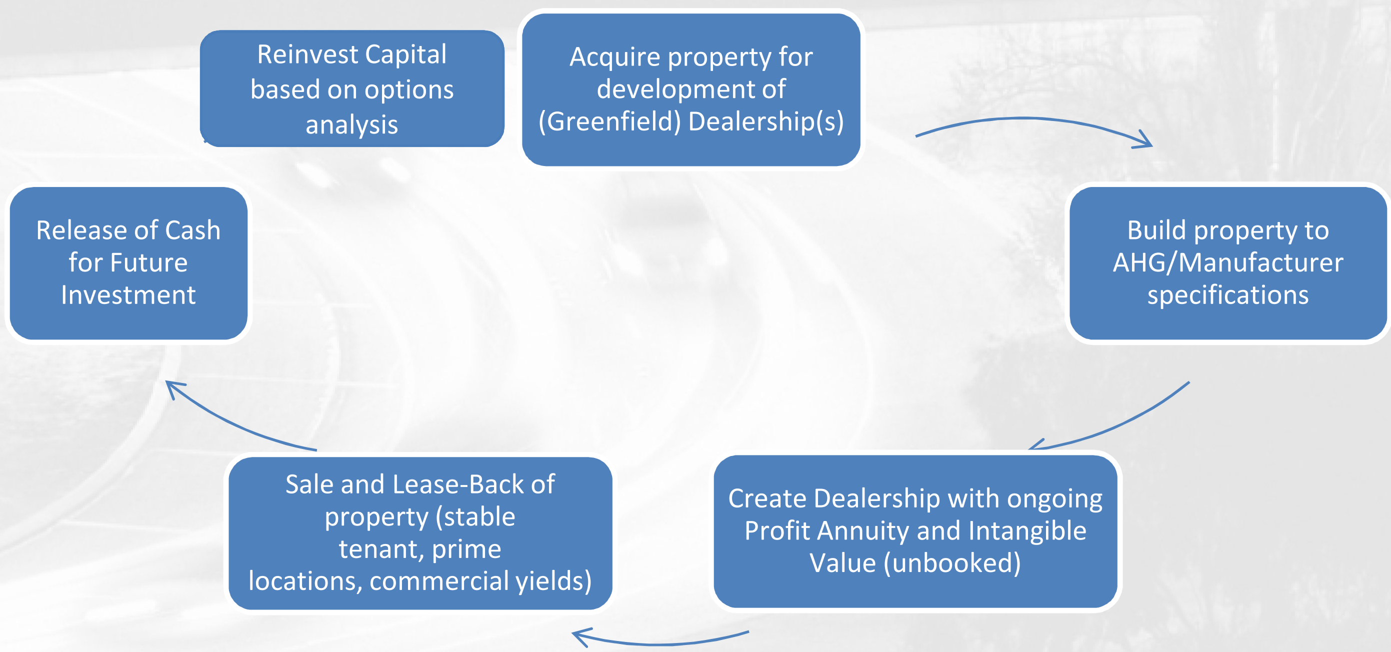
- Transaction expenditure in 2012 will be inclusive of stamp duty expensed in line with accounting standards
- Other integration expenditure associated with operational rationalisation of functions
- * 2012 Revenue, EBIT, PBT are based on 2011 forecast results previously provided
- 2013 – Anticipated that a further $1 million (Covs) and $0.6 million (Harris) integration costs will be incurred associated with relocation of warehouse to AMCAP and continued rationalisation of operations

	30/6/2011 Other Costs ($'000)	30 /6/2011 Covs / Harris ($'000)	30/6/2012 Covs ($'000) *	30/6/2012 Harris ($'000) *
Revenue			130,000	80,000
EBIT			2,700	4,100
Interest Expense			-	(1,500)
PBT			2,700	2,600
Integration Costs (est)			2,000	1,400
Stamp Duty (est)			300	1,750
Other transaction costs	814	1,126	-	-

Property Strategy

Property Strategy Delivering Value

- Property acquisitions (e.g. Castle Hill NSW) executed during FY11 as part of Property Strategy to create value for AHG, to add to existing Property assets held
- Capital Employed will include initial investment, development costs and related holding costs.
- Generate organic growth through portfolio of dealership assets and profit streams in parallel to dealership acquisition strategy.



Capex Outlook

Property Developments

- Development of Greenfield sites
- Recent Castle Hill NSW property acquisition is proposed to develop 4 dealerships (2 confirmed as Hyundai and Holden) over 24 month development timeframe, to create long-term value of ~$30 - $40 M over and above capital employed. Capital employed will include initial investment, development costs and related holding costs. (Total Investment ~$50 M approx)
- Other NSW developments of $5.8 M FY12 and $22.9 M FY13
- Opportunities to recycle property assets back into capital to support future growth options.

Location	Property Assets Developed ($M)	Land Available for Development ($M)	Future Development Costs ($M)	Total ($M) Available for Sale
WA	20.0	-	-	20.0
NSW	-	49.0	58.0	107.0
Total	20.0	49.0	58.0	127.0

Capex Outlook

Operational Capex

- Logistics fleet expansion (Rand and Harris Refrigeration), containers, road trains to support growth and facility expansion
- Harris depreciation ~$6 million FY2012 (attributable to fleet assets acquired) within a FY 2012(F) ~ $27 - $28 million
- Facility refurbishments to meet manufacturer requirements
- Ongoing operational replacement capital expenditure
- Total Spend 2011-12 ~$25 - $30 million (Funded via HP, Finance Lease and internal cash flow)

Carsguide.com Update

Carsguide.com.au

- New online car sales listing website offering being developed with News Limited and a foundation consortium of motor dealers including AHG, AP Eagers and Trivett
- Dealer consortium will represent 50% of the joint venture with AHG having an interest of 7.5%, News Limited 50%
- Strong dealer support for the venture
- Dealer shares oversubscribed due to large interest by foundation dealers through Information Memorandum
- Virtually all brand and all major geographical areas represented by equity participating dealers
- Joint venture partners to work on delivering a range of innovative marketing concepts to deliver high traffic numbers.
- Partners committing management, time, influence, inventory, technical support, advertising leverage and cash.
- Binding agreements being completed now and the new carsguide is expected to be operational in 2H2012

Outlook

Trading Challenges

- Incurring property holding and development costs during a period of expansion creating future revenue streams
- Structured integration program in place with one-off costs to be incurred over FY12 – FY13 to achieve long term enduring benefits
- Costs Pressures – insurance, power (WA)

Outlook

Opportunities

Automotive

- Strong order bank leading into FY12
- Interest rate outlook has improved from AHG's perspective
- Improved Queensland outlook and resilience of vehicle volumes FY11 to date to spur growth in vehicle volumes going forward

Logistics

- Integration of Harris Refrigeration (Rand) and "Covs" (AMCAP), including utilisation of Cov's existing network
- KTM Performance to remain solid on the back of strong Australian dollar
- Truck market improvement will provide opportunities for VSE/GTB

Appendices

Recently Completed Acquisitions - update

Acquisition of Coventry Group Automotive Parts WA division

- Completion executed 1 July 2011
- Distributor of automotive parts and accessories in Western Australia
- Strategic acquisition providing material synergies with AHG's existing AMCAP business
- AMCAP now the sole distributor of genuine Ford and Holden parts in Western Australia
- Purchase price of $30 million

Acquisition of Harris Refrigerated Transport Group

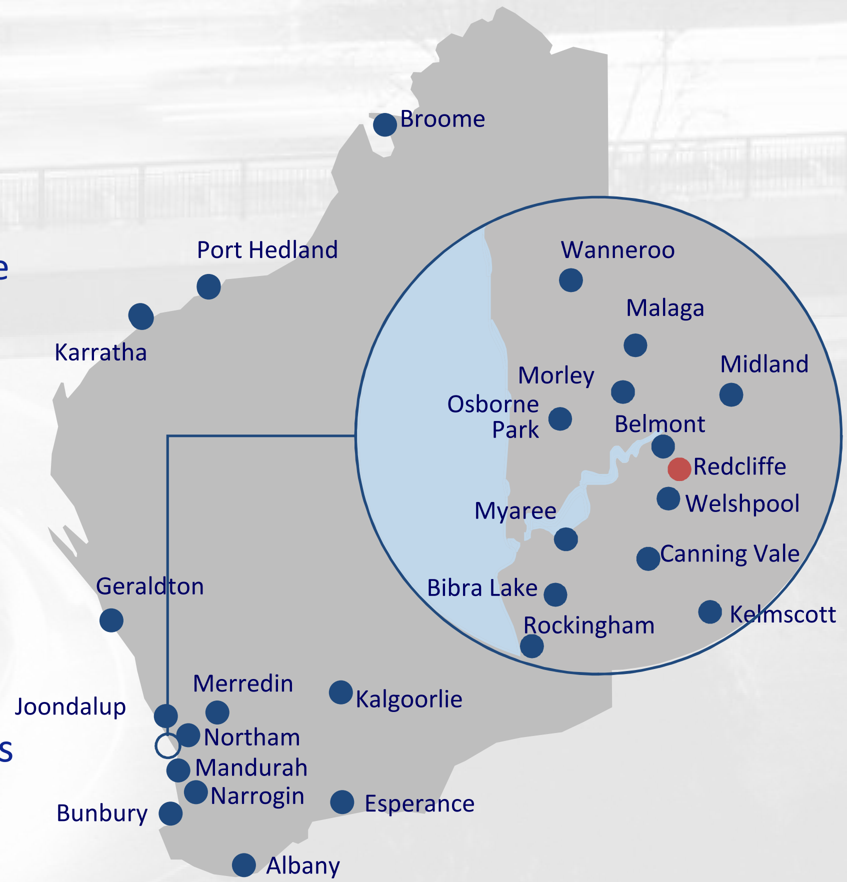
- Completion executed 1 July 2011
- Market leading, specialist temperature controlled transport business, with locations in all major Australian capital cities
- Material synergy and growth opportunities between Harris and Rand Transport
- Strategic expansion for Rand Transport
  - complementary corridor infrastructure
  - expanded customer service offering
- Enterprise value of $32 million, comprising cash payment to vendors ($15.8m) and assumption of HP and chattel mortgage facilities ($16.2m)

Cov’s Automotive Parts division

Business overview

- Perth-based, automotive supply and distribution business
  - established in 1936
  - 430 employees
  - only other distributor of genuine Ford and Holden parts in WA besides AMCAP
  - comprehensive range of non-genuine automotive and associated brands supported by specialist staff
  - 26 branches across Perth and regional WA
  - centralised distribution centre in Redcliffe, Perth
- Supply and distribution of automotive parts, tools, equipment and consumables to the automotive repair, mining, transport and engineering industries
- Supply of an extensive range of replacement parts for commercial vehicles used in the transport industry

Cov’s Automotive Parts WA branch network



Cov's Automotive Parts division (cont.)

Financial overview

- FY2012F sales of ~ $130 million and EBIT of ~ $2.7 million based on FY2011F (prior to synergy cost/benefits and integration costs)

Acquisition overview

- $30 million cash consideration to acquire:
  - approximately $26 million of inventory
  - other operating assets, intangible assets and employee provisions
- Will require additional investment of ~ $8 million to fund a sustainable working capital position

Coventry Group's Automotive Parts division (cont.)

Strategic rationale

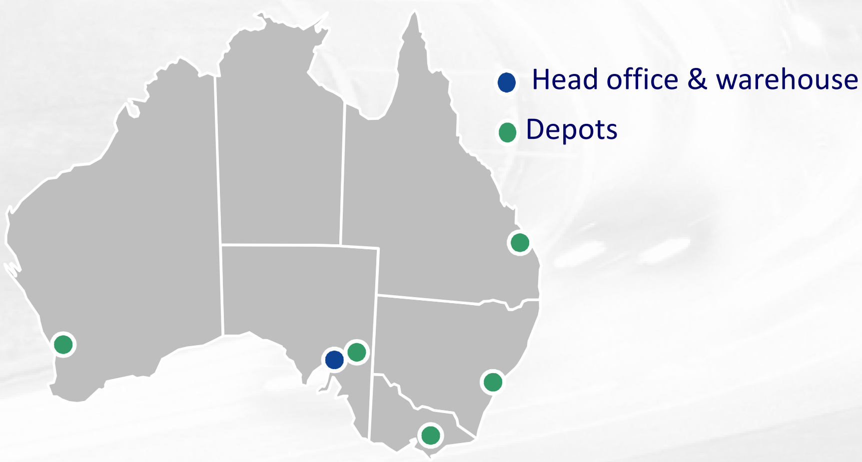
- Complements AHG's AMCAP business and provides AMCAP with significant scale
  - back office and supply chain integration with AMCAP commenced
  - branch network to be rebranded as "Covs"
- Combined AMCAP/Covs group is now the sole distributor of genuine Ford and Holden parts in Western Australia
- ~ $6 million reduction in operating cost base targeted to be fully achieved by FY2013
  - rationalisation of duplicated distribution centres and delivery routes
  - logistics and distribution efficiencies
  - back office, administration and IT savings
- ~ $3 million in one-off costs to achieve cost savings during FY2012 and FY2013
- Potential additional upside from:
  - expanded market opportunity for non-genuine parts
  - internal purchasing from AHG dealerships for used vehicle reconditioning (currently sourced elsewhere)
  - expanded customer base in truck and trailer parts
  - expansion of "Covs" model via existing distribution centres in other states

Harris Refrigerated Transport Group

Business overview

- National refrigerated freight service based in Adelaide connecting with Perth, Melbourne, Sydney and Brisbane
  - established in 1976
  - primary routes between Adelaide and other major Australian cities
  - 290 employees across 6 locations
- Substantial, modern vehicle fleet, including:
  - 78 prime movers and 155 refrigerated vans
  - 16 refrigerated rigid body vehicles
- Operates in niche markets
- Key customers include fresh produce growers and food manufacturers

Harris Refrigerated Transport locations



Harris Refrigerated Transport Group (cont.)

Financial overview

- FY2012F revenue > $80 million (Based on FY2011F)
- FY2012F EBIT $4.1 million (Based on FY2011F)

Acquisition overview

- Enterprise value of $32 million
  - cash payment to vendors of $15.8 million
  - assumption of HP and chattel mortgage facilities of $16.2 million

Harris Refrigerated Transport Group (cont.)

Strategic rationale

- Expansion of Rand Transport to meet customer demand
- Complementary geographic footprint and customer bases
  - greater flexibility between road / rail business
  - expanded routes in road transport
- ~ $3 million reduction in operating cost base targeted to be fully achieved by FY2013
  - rationalisation of premises and duplicated functions
  - scale benefits (e.g. IT solutions, funding options, transport costs, telecommunications etc)
- ~ $2 million one-off costs to achieve cost savings over FY2012 and FY2013
- Potential revenue synergies from
  - new customer capture from greater flexibility with road/rail solutions
  - utilisation of Rand Transport storage facilities by Harris customer base
  - ability of combined business to offer transport solutions for new product categories (e.g. fresh produce)
  - acquisition of vehicles through AHG dealership network and body building services from GTB