



Automotive Holdings Group Limited | ABN 35 111 470 038 | 21 Old Aberdeen Place, West Perth WA 6005 | Tel: +61 8 9422 7676 | Fax: +61 8 9422 7686 | www.ahg.com.au



AUTOMOTIVE HOLDINGS GROUP

1 July 2012

API CLOSES AHG PROPERTY SYNDICATE No 1

Automotive Holdings Group (AHG or ASX: AHE) advises that Australasian Property Investments (API) has exercised its option to purchase five of AHG's automotive dealership sites located in Perth and Sydney.

AHG agreed in February 2012 to enter into an exclusive arrangement with API to launch a \$66m unlisted automotive property trust – AHG Property Syndicate No 1 – involving five automotive dealership sites. Of that total amount, \$47m was to be paid to AHG as the purchase price for the five properties and \$19m is for development costs.

This is the first syndicate of size to focus exclusively on Australian automotive properties and API has achieved considerable success in attracting sophisticated and wholesale investors to the trust. AHG expects to invest approximately \$6m to close the offer.

AHG managing director Bronte Howson said that while AHG had not originally intended to invest in the fund he regarded AHG's participation as a sound investment which was made to support API and complete the tail end of the raising.

"Property development is not AHG's core focus, and the sale and leaseback allows us to release the value of the properties and future development costs to assist in funding future growth. In that context investing \$6m in the trust to complete the transaction was an easy decision" said Mr Howson.

The sale of the properties is scheduled to complete in mid August. The syndicated properties are:

- Midway Ford dealership, Midland WA
- Rockingham Hyundai and Suzuki, Rockingham WA
- Challenger Ford (new vehicle dealership), Rockingham WA
- Challenger Ford (used vehicle dealership), Rockingham WA
- Castle Hill Holden and Hyundai (plus two dealerships to be constructed), Castle Hill NSW

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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 and Harris Refrigerated Transport (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), and KTM Sportmotorcycles (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
Corporate Communications Consultant
Mobile: 0418 959 817
Email: dchristison@ahg.com.au