



24 August 2012

AHG Delivers Record Operating¹ Profit

- Group revenue of \$3.92 billion (up 17.5% pcp)
- Record Operating¹ EBITDA of \$153.5 million (up 24.1% pcp)
- Increased Operating¹ EBITDA margin to 3.92% (up 3.71% pcp)
- Statutory NPAT of \$50.6 million (up 62.1% pcp)
- Impairment adjustment of \$9.7 million against specific Queensland dealerships
- Operating¹ NPAT of \$64.1 million (up 22.4% pcp)
- Operating¹ EPS of 24.6 cents (up 8.2% pcp)
- Final dividend of 11 cents per share; full year dividend 18 cents per share fully franked
- Successful acquisitions completed in FY2012 – Cova, Harris Transport, Daimler Trucks Perth and Wignall Group
- \$66.0 million automotive property trust announced (completed August 2012)

Automotive Holdings Group Limited (ASX: AHE), Australia's largest automotive retailer and specialised logistics group, announces a record Operating¹ EBITDA of \$153.5 million, up 24.1% on the previous corresponding period (pcp). The Operating¹ EBITDA margin of 3.92% was also an increase on the pcp with the Group delivering a record Operating¹ Net Profit After Tax (NPAT) of \$64.1 million, from revenue of \$3.92 billion.

Statutory NPAT was \$50.6 million after an impairment adjustment of \$9.7 million and acquisition-related costs of \$3.8 million (net of tax).

Operating¹ Earnings per Share were 24.7 cents (22.7 cents pcp) and the directors have declared a final dividend of 11 cents per share, bringing the full year dividend to 18 cents fully franked (17 cents pcp).

¹ Operating results exclude non-recurring items (FY2012: acquisition-related costs of \$3.8 million and impairment of \$9.7 million; FY2011: acquisition-related costs of \$1.3 million and impairment of \$19.9 million)

AHG Managing Director Bronte Howson said: "Both our Automotive and Logistics divisions delivered strong financial performances. This was driven by organic growth in our core businesses and successful acquisitions made during the year.

"We advised the market that FY2012 would be a year of consolidating the integration of the Covs and Harris acquisitions. I'm pleased to advise that Covs has delivered an Operating¹ EBIT of \$6.3 million (up from \$2.7 million pcpc) and Harris an Operating¹ EBIT of \$7.1 million (up from \$4.1 million pcpc) during the year. We expect further growth in FY2013 through continued focus on our integration strategies.

"This operating result combined with our strong financial position enables us to deliver a full year fully franked dividend of 18 cents and continue to assess growth opportunities that will deliver future value for shareholders."

Automotive

Revenue from the Automotive Retail division was up 9.7% to \$3.2 billion (\$2.9 billion pcpc) while the Operating¹ EBITDA margin improved to 3.92% (3.71% pcpc). This delivered an Operating¹ EBITDA of \$106.3 million (\$93.3 million pcpc).

AHG experienced strong growth across both our Car and Truck operations with Western Australia, Victoria and New Zealand delivering record profits. It was pleasing to note the continued strong performance of New South Wales and the significant improvement in profit contribution from Queensland.

FY2013 will benefit from the full-year contribution of Daimler Trucks Perth (November 2011), Wignall Group (May 2012) and the recently announced acquisitions of Coffey Ford, Hino Trucks Newcastle and Daimler Trucks Newcastle and Queensland.

The non-cash impairment adjustment of \$9.7 million (as required under the accounting standards) was isolated to the Mount Gravatt group of dealerships. All other continued Queensland operations performed in line with the Group's national performance levels. Of the total impairment, \$1.6 million related to the loss of the UD Nissan truck franchise due to the manufacturer restructuring its distribution model.

Logistics

AHG's Logistics division produced an outstanding result, increasing its contribution to earnings and benefiting from a number of significant acquisitions.

Revenue from Logistics rose 72.8% to \$712 million, while Operating¹ EBITDA rose by 59.7% to \$46.3 million.

Both the Covs and Harris transactions performed ahead of expectations at the time of acquisition, with the Harris business delivering a number of synergy benefits through operational rationalisation, increases in fleet utilization and integration into Rand.

Both AMCAP and KTM delivered record results off the back of strong demand for expanded product ranges and the strong Australian dollar.

The acquisition of Toll Refrigerated in July 2012 expands the scale and cold storage capacity of Rand. New cold storage facilities will be operational in Perth and Adelaide in FY2013, with plans for further expansion in Sydney and Brisbane.

¹ Operating results exclude non-recurring items (FY2012: acquisition-related costs of \$3.8 million and impairment of \$9.7 million; FY2011: acquisition-related costs of \$1.3 million and impairment of \$19.9 million)

Outlook

“AHG has strong momentum going into FY2013 in both Automotive and Logistics. With the motor industry forecasting record new vehicle sales, coupled with acquisitions completed in FY2012, and the opening of two new greenfield dealerships at Castle Hill and the commencement of a new greenfield hub in South Melbourne, the Automotive division will continue to deliver on its growth strategy,” Mr. Howson said.

“Our Logistics business continues to grow revenue and earnings through the strategic acquisitions in 2012 and 2013. The Rand business is continuing to benefit from the integration of Harris Transport and the acquisition of Toll Refrigerated. Cova and AMCAP are also expected to deliver further benefits through the IT integration and the completion of the new Distribution Centre facilities in October.”

Mr Howson said: “Across both Automotive and Logistics, AHG has considerable potential for growth, both organically and from the continued integration of our more recent acquisitions. Supported by our strong balance sheet, we remain confident that we can continue our track record of delivering profitable growth and solid shareholder returns in FY2013.”

-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 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).

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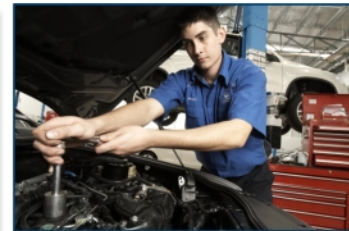


AUTOMOTIVE HOLDINGS GROUP

FY2012 Final Results

"A year of Delivery"

24 August 2012



Company Snapshot

Share Price Performance – Last 12 Months



21 August 11 – 20 August 12

Source: Bloomberg

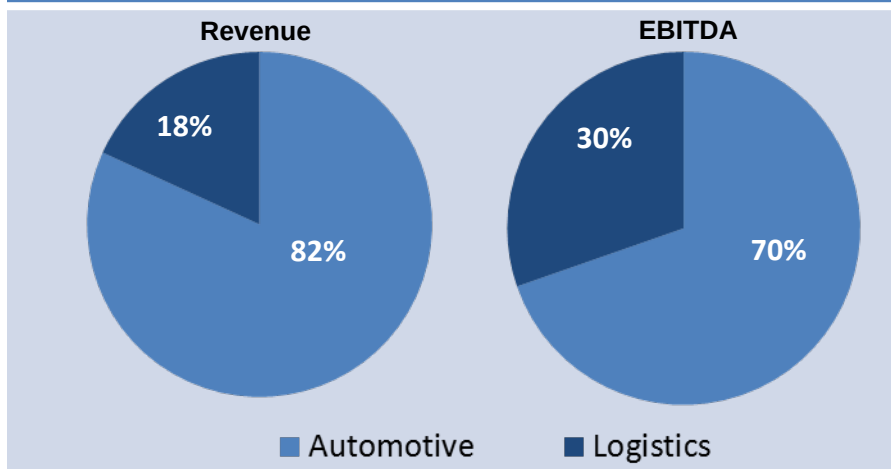
	AHE	ASX Small Ords Index
Share price (20-Aug-12)	\$2.80	2254.4
1-Yr TSR ¹	48.2%	(1.3%)
3-Yr TSR ¹	80.9%	0.7%

¹ Includes capital growth and reinvestment of dividends

Key Market Statistics (20-Aug 2012)

Ticker	ASX:AHE
Share Price (20 Aug 12)	\$2.80
Shares on Issue	260,683,178
Market Capitalisation	\$729.9m

Divisional Split (FY2012)



Group Financial Highlights

REVENUE	\$3.9b up 17.5%
OPERATING¹ EBITDA	\$153.5m up 24.1%
OPERATING¹ NPAT	\$64.1m up 22.4%
STATUTORY NPAT	\$50.6m up 62.1%
STATUTORY EPS	19.4c up 43.4%

DIVIDENDS PER SHARE (Full Year)	18c
NET DEBT TO TOTAL ASSETS²	15.65%
OPERATING CASHFLOW	\$86.9m
OPERATING¹ INTEREST COVER	4.14

- Record revenues and EBITDA
- Continued growth in Automotive
- Strong contribution from expanded Logistics business
- Continued balance sheet capacity
- \$3.8m (post tax) acquisition and integration costs
- \$9.7m impairment charge relating to specific automotive dealerships in Queensland

¹: Operating excludes impairment, stamp duty and other fees associated with acquisition related activities

²: Net Debt calculation excludes Inventory Finance (Floorplan) and Cash & Cash Equivalents from Total Assets

Summary Financial Performance

Consolidated Financial Performance	FY11 (\$m)	FY12 (\$m)	% change
Operating¹ Performance			
Revenue	3,336.8	3,920.1	17.5%
EBITDA	123.7	153.5	24.1%
EBITDA %	3.7%	3.9%	
EBIT	104.2	127.0	21.9%
EBIT %	3.1%	3.2%	
Net Profit after Tax	52.4	64.1	22.4%
Earnings Per Share (cps)	22.7	24.6	8.2%

- Strong growth in profitability and earnings
- Acquisition and integration costs reflect business expansion
- Strong EPS growth as company begins to deliver operating performance from acquisitions
- The impairment charge is isolated to the Mt Gravatt dealerships in Queensland performing below impairment thresholds, sale of Southport dealership and loss of UD Nissan truck franchise.
- Balance sheet strength supports ongoing growth strategy

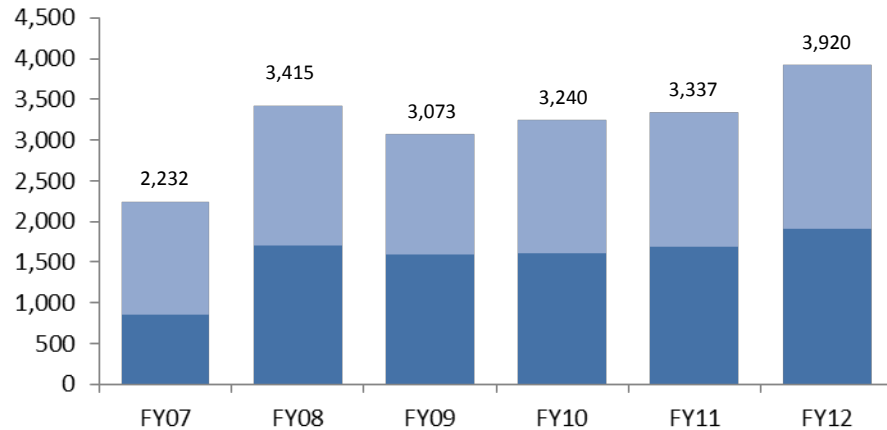
Statutory Reported Profit			
Acquisition & Integration Costs	(1.4)	(3.8)	(181.8%)
Impairment Charge	(19.8)	(9.7)	(51.0%)
Statutory Net Profit after Tax	31.2	50.6	62.1%
Earnings Per Share (cps)	13.5	19.4	43.4%

¹ : Operating excludes impairment, stamp duty and other fees associated with acquisition related activities

Track Record of Growth

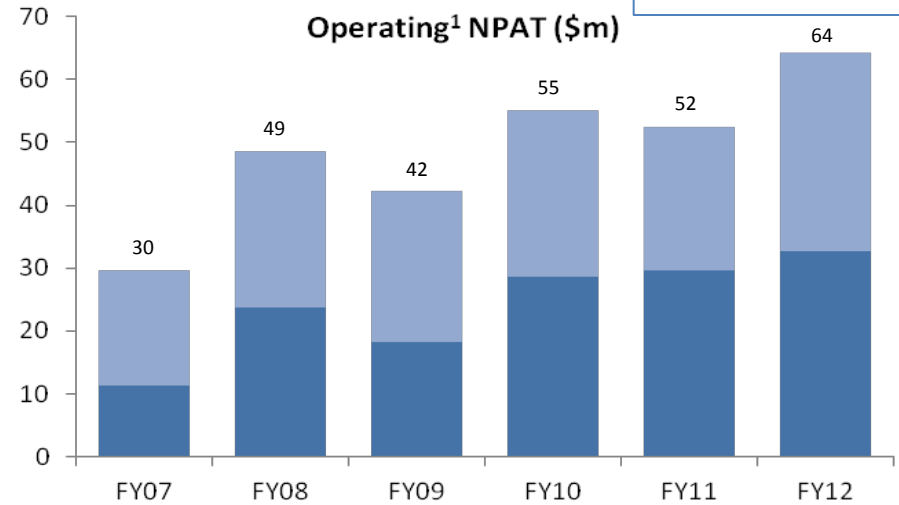
Revenue (\$m)

FY07-FY12 CAGR: 11.7%



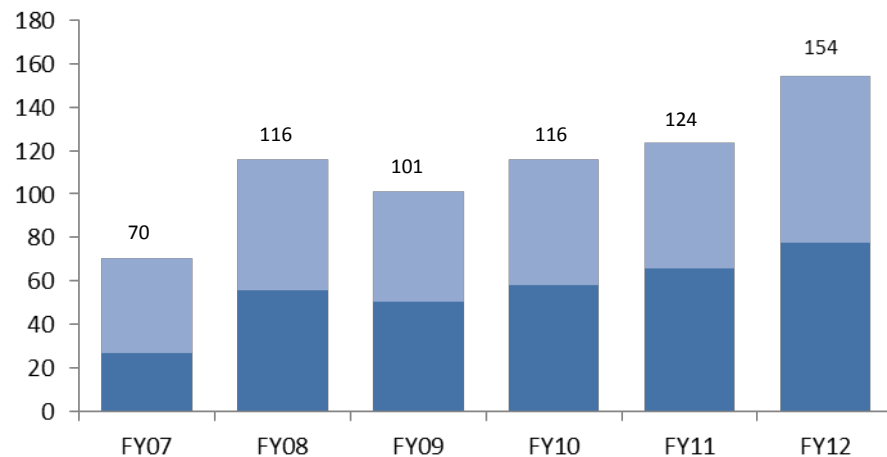
Operating¹ NPAT (\$m)

FY07-FY12 CAGR: 16.8%



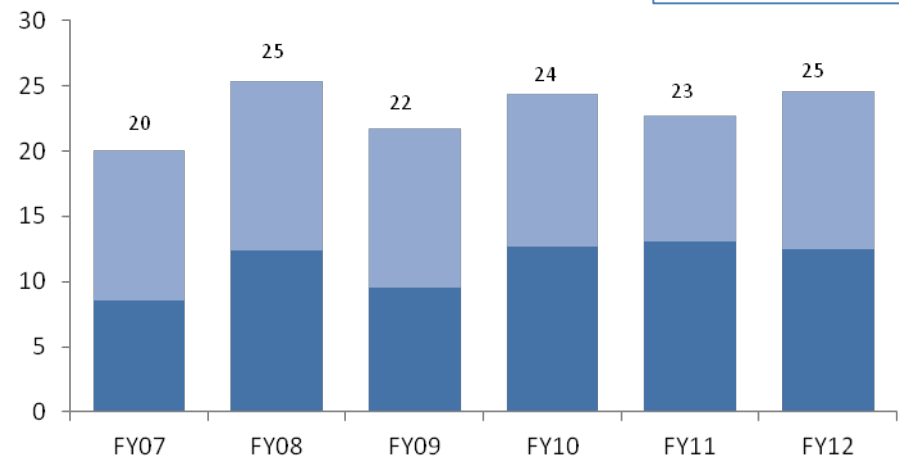
EBITDA (\$m)

FY07-FY12 CAGR: 17.0%



Operating¹ EPS (cents per share)

FY07-FY12 CAGR: 4.2%

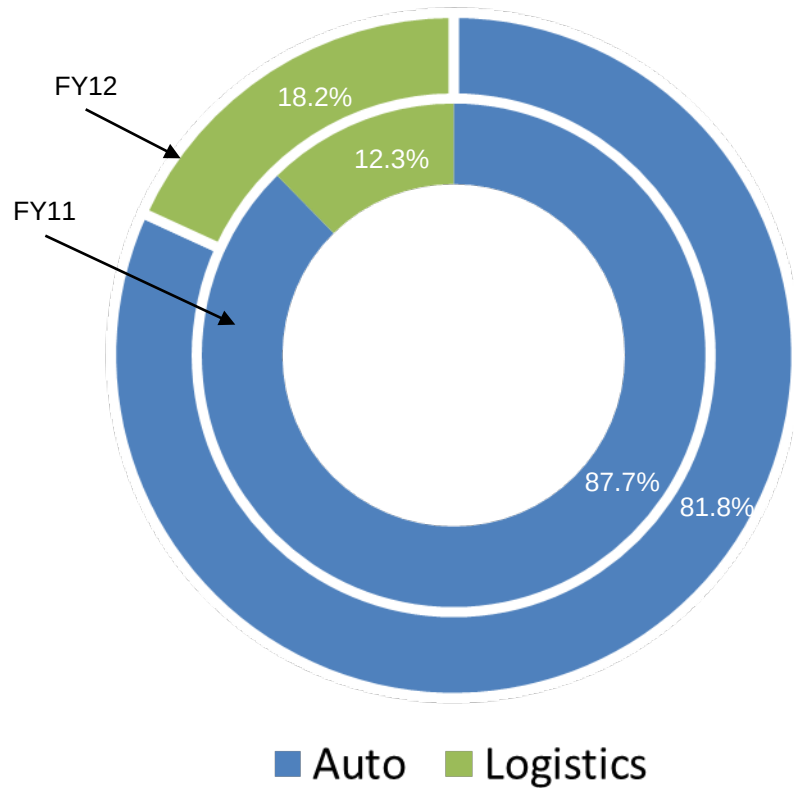


■ Interim ■ Full Year

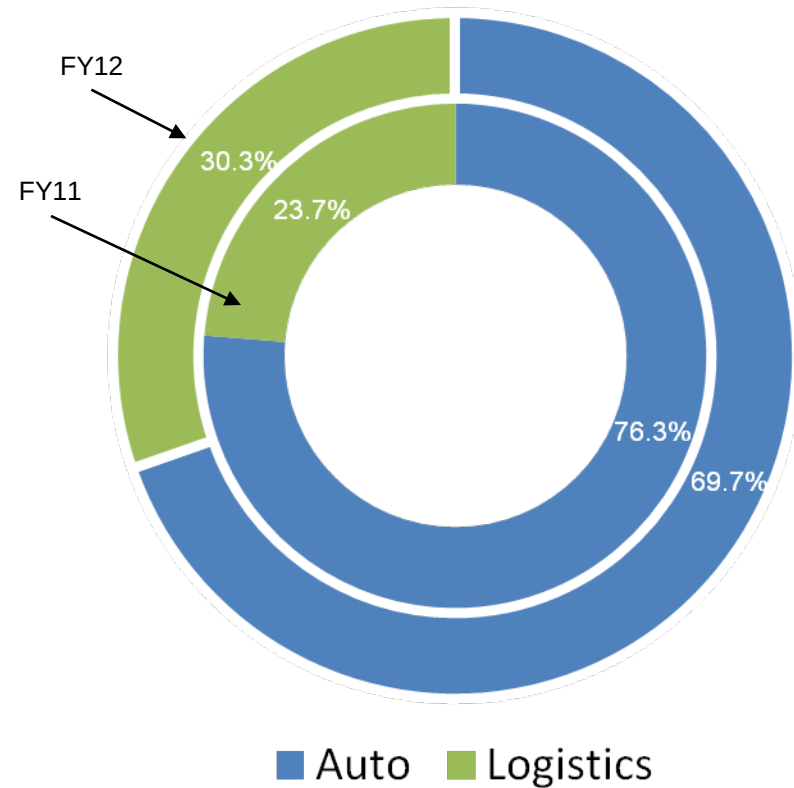
¹: Operating excludes impairment, stamp duty and other fees associated with acquisition related activities

Diversified Revenue and Profit

Revenue (\$m)



EBITDA (\$m)



Increased contribution from Logistics division

Automotive – FY12 Overview

Operating ¹ Performance	FY11 (\$m)	FY12 (\$m)	% change
Revenue	2,923.8	3,207.5	9.7%
EBITDA	93.3	106.3	13.9%
<i>EBITDA Margin (%)</i>	3.2%	3.3%	
EBIT	81.8	92.9	13.5%
<i>EBIT Margin (%)</i>	2.8%	2.9%	
Profit Before Tax	62.0	71.6	15.5%



Cars

- Strong organic sales growth with improvement in EBITDA margin
- Positive industry volume trend contributing to strong 4th quarter sales
- Acquisition of Wignall group completed in May 2012 to establish hub and expand scale in Victoria
- Queensland performance improving with divestment of non core dealerships to improve focus
- Greenfield developments nearing completion with contribution expected to increase in 2013

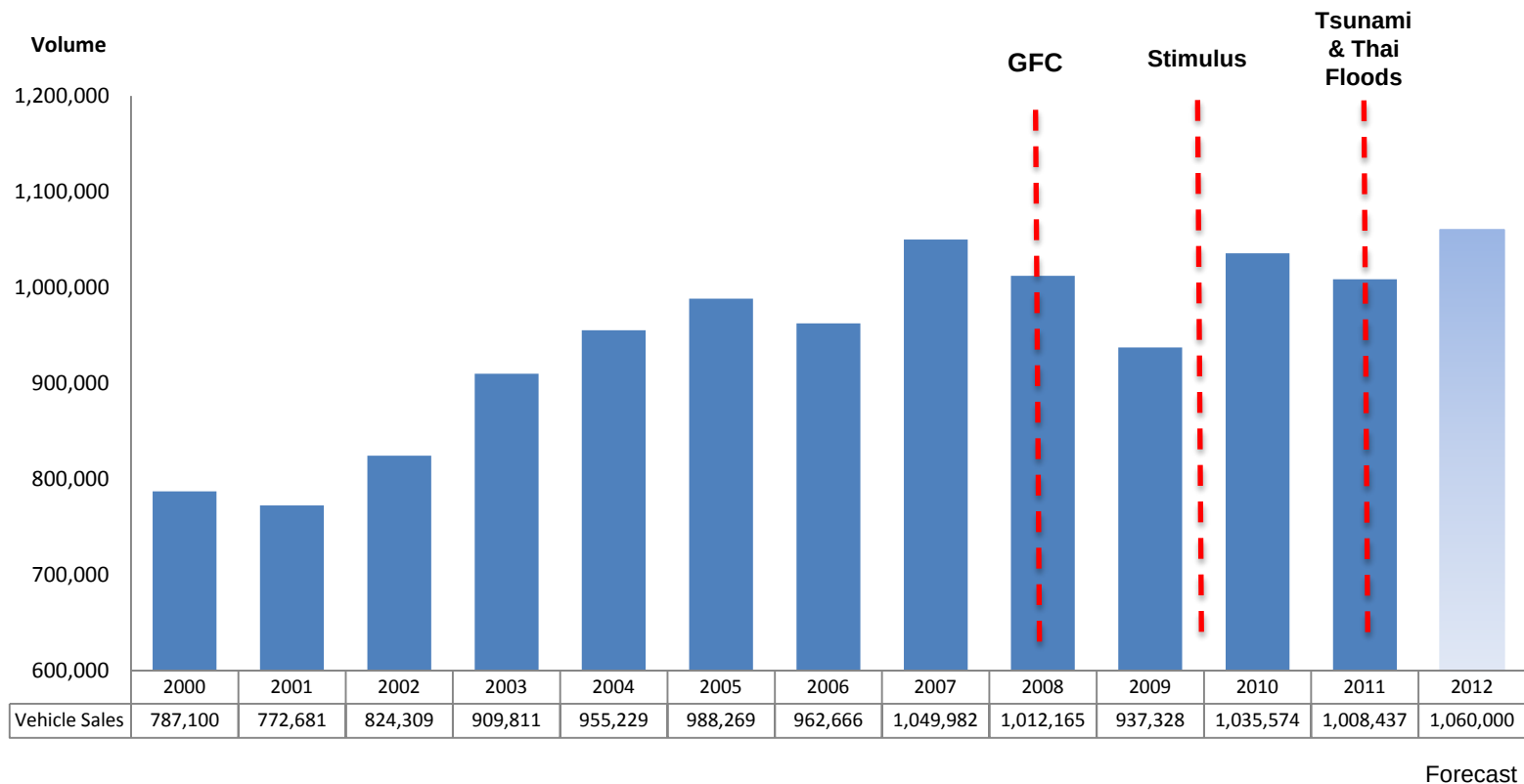
Trucks

- Strong demand driven by resource sector and product offerings
- Daimler Trucks Perth (acquired November 2011) performing above expectations
- Continuing to expand truck sales network nationally

¹: Operating excludes impairment, stamp duty and other fees associated with acquisition related activities

Automotive Retail – Australian New Vehicle Sales¹

- Car affordability at its best level in decades
- The CommSec measure of car affordability showed it takes 27.5 weeks of average wages to buy a Ford Falcon, the shortest period since 1977. (32 weeks only 18 months ago)
- Low interest rates and manufacturer incentives improving finance penetration
- Relatively strong Australian dollar lowering cost of imported brands
- Fixed price service offers are reducing ownership costs and improving service retention



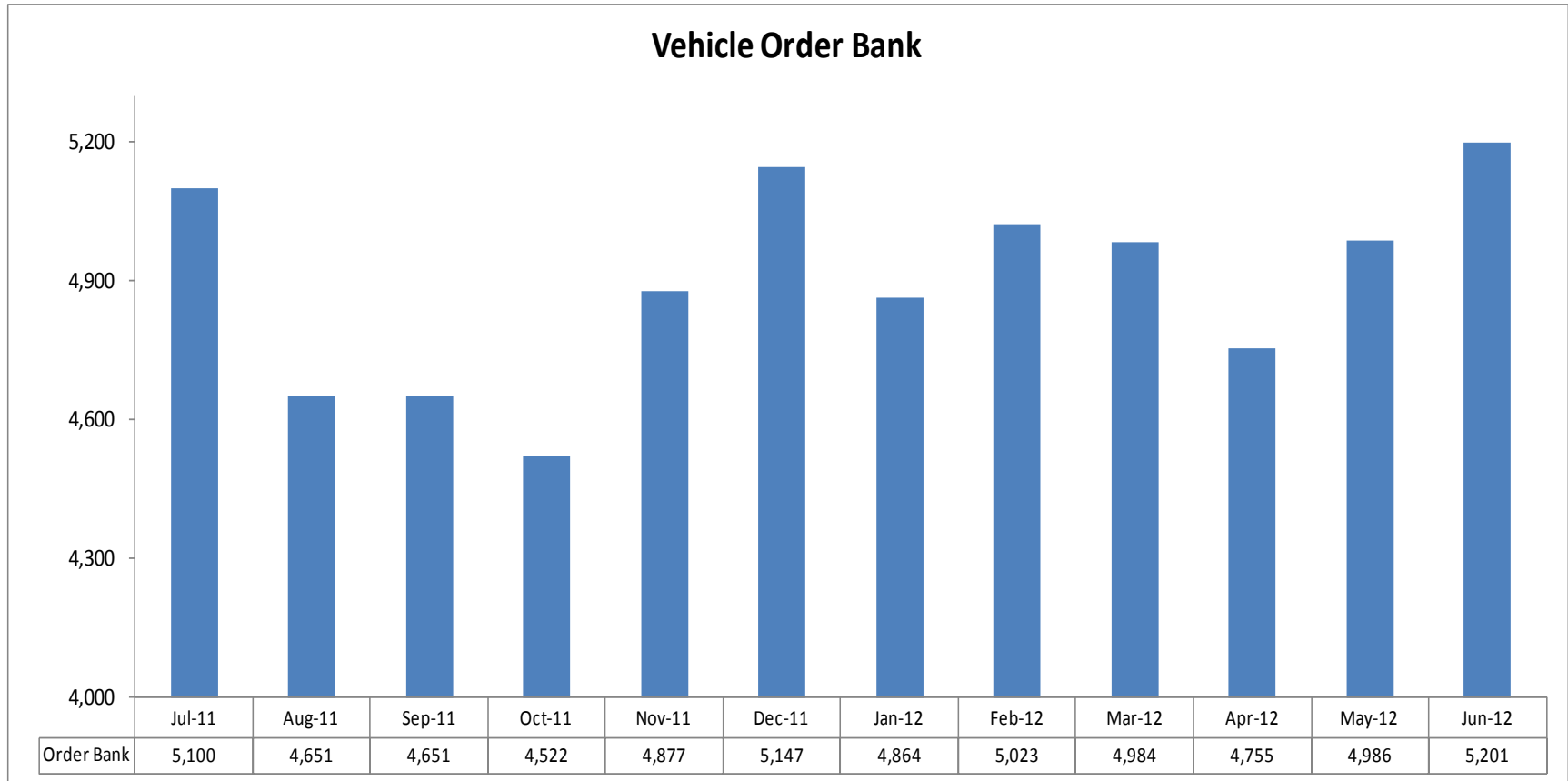
¹ Federal Chamber of Automotive Industries VFacts National Reports

Automotive Retail – Sales Remain Strong

	Jan-Jul CY09	Jan-Jul CY10	Jan-Jul CY11	Jan-Jul CY12	
Private	249,450	293,869	280,452	312,251	11.3%
Business	216,860	237,457	221,066	242,999	9.9%
Government	34,333	37,599	33,643	31,038	-7.7%
Rental	14,055	27,960	26,181	31,184	19.1%
Heavy Commercial	15,858	16,659	15,885	17,023	7.2%
	<u>530,556</u>	<u>613,544</u>	<u>577,227</u>	<u>634,495</u>	9.9%

- Strong consumer demand for vehicle sales continues

Strong Order Bank to Support FY13



- Automotive order bank at historical record levels
- Solid profit momentum for FY13 supported by increased order levels

¹ : Vehicle order bank is an internally generated record of our orders and not audited.

Logistics FY12 Overview

Operating ¹ Performance	FY11 (\$m)	FY12 (\$m)	% change
Revenue	412.0	712.1	72.8%
EBITDA	29.0	46.3	59.7%
<i>EBITDA Margin (%)</i>	<i>7.0%</i>	<i>6.5%</i>	
EBIT	21.3	33.4	56.8%
<i>EBIT Margin (%)</i>	<i>5.2%</i>	<i>4.7%</i>	
Profit Before Tax	17.9	29.5	64.7%

- Strong result, driven by both organic growth and acquisitions (Harris and Cova).
- Harris and Cova acquisitions have exceeded forecasts; synergies being realised from operational rationalisation, increased fleet utilisation and integration into Rand Transport
- AMCAP produced a record year, buoyed by synergies realised from Cova acquisition and expansion of mining product offerings
- KTM produced a record profit through strong demand for its products and supported by high Australian dollar



¹ : Operating excludes impairment, stamp duty and other fees associated with acquisition related activities

Logistics – FY12 Segment Reporting

	FY11 (\$m)	FY12 (\$m)	% change
Revenue			
Transport and Cold Storage	201.6	325.2	61.3%
Other ¹	210.4	386.9	83.9%
	412.0	712.1	72.8%
EBITDA			
Transport and Cold Storage	19.8	29.8	50.5%
<i>EBITDA Margin</i>	<i>9.8%</i>	<i>9.2%</i>	
Other ¹	9.2	16.5	79.3%
<i>EBITDA Margin</i>	<i>4.4%</i>	<i>4.3%</i>	
	29.0	46.3	59.7%

- Strong demand continuing for RAND and Harris
- Harris integration driving significant growth in Transport and Cold Storage
- Cova acquisition adding to growth in Other logistics
- Strong result in KTM with model range and pricing driving demand
- AMCAP continuing to perform well with expectations of improvements coming from new warehouse in 2013
- Negative performance in VSE/GTB and Zupps parts

¹: Includes AMCAP, Cova, KTM, VSE/GTB and Zupps Parts

Logistics – Acquisition Update

HARRIS TRANSPORT

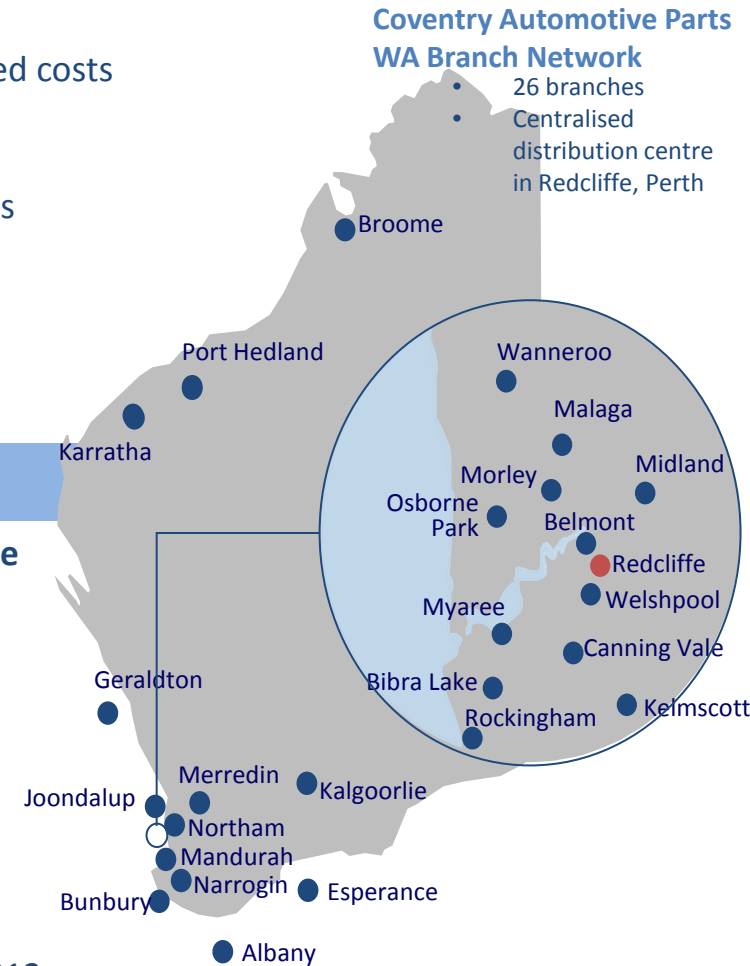


- **Harris performance to date has exceeded initial acquisition performance targets:**
 - Purchased on EBIT earnings of \$4.1m
 - Delivered \$7.0m EBIT pre acquisition related costs
- Synergy benefits delivering value through:
 - operational rationalisations and efficiencies
 - increase in fleet utilisation
 - integration into the Rand business

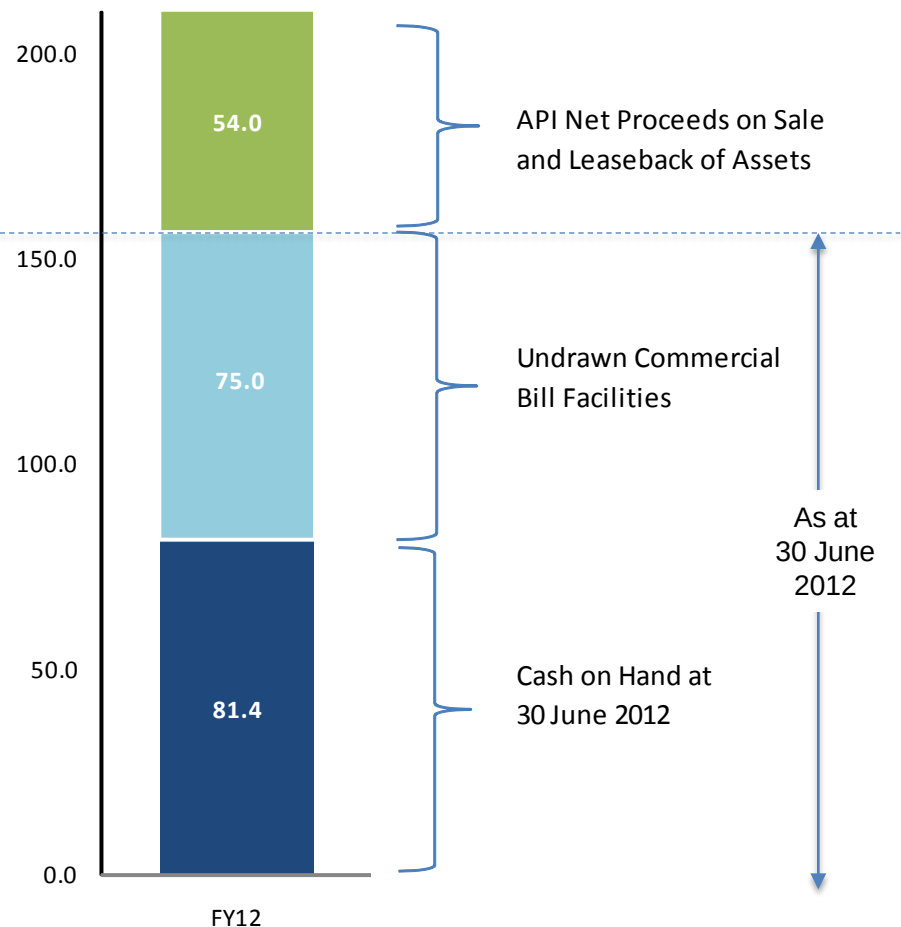
- Has extended Rand's market presence in road transport and introduces refrigerated fresh food logistics capability

COVS

- **Covs performance to date has exceeded initial acquisition performance targets:**
 - Purchased on EBIT earnings of \$2.7m
 - Delivered \$6.3m EBIT pre acquisition related costs
- Substantial integration activity in FY2012
 - IT integration successfully implemented in June 2012
 - Expanded product offering to mining sector
 - Sole distributor of genuine Ford and Holden parts in WA
- Occupation of new distribution centre delayed from June to October 2012



Capacity to Fund Growth



Balance Sheet

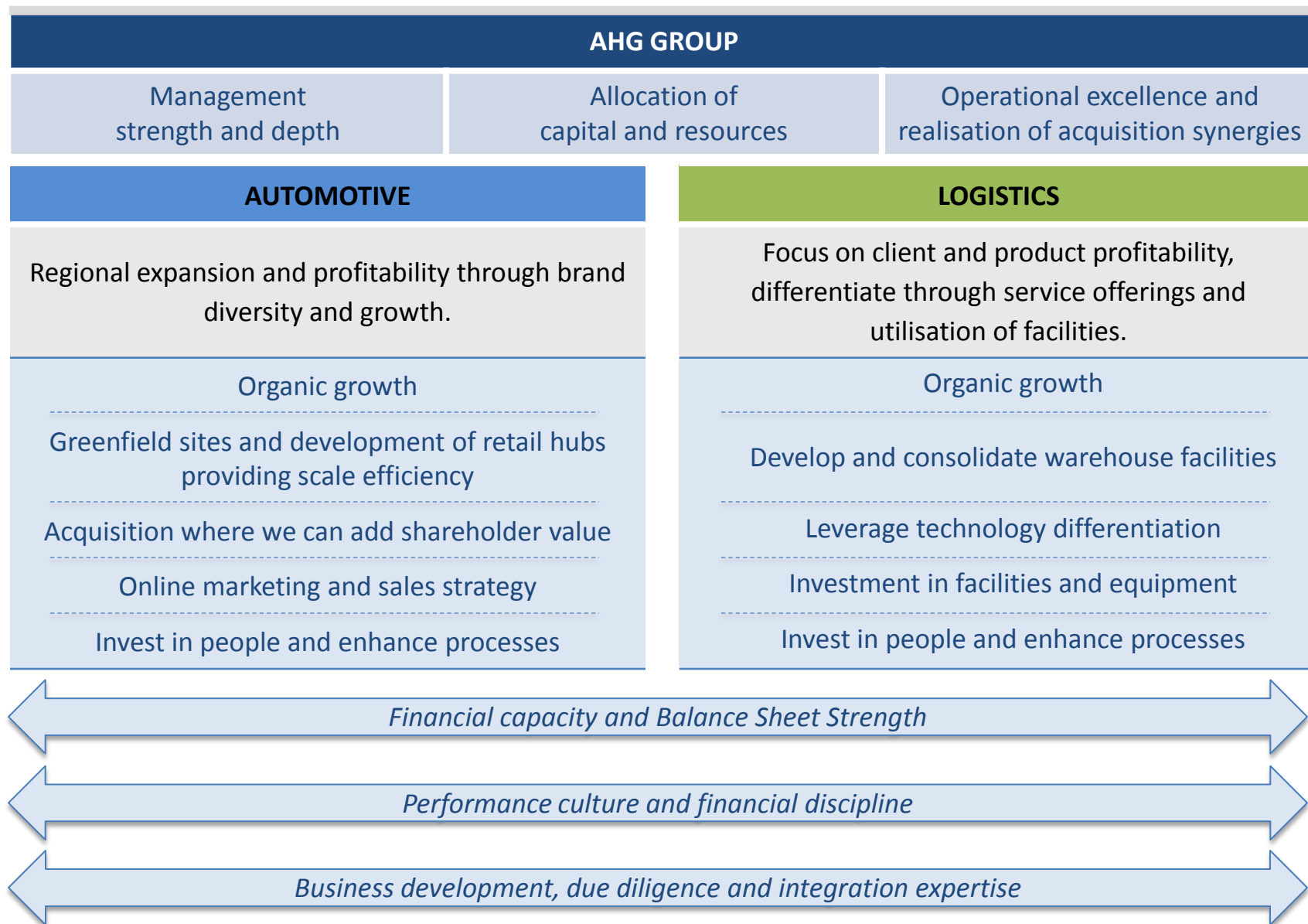
Net Debt

Total Borrowings	654.0
Inventory Finance (Floorplan)	(501.0)
Cash & Cash Equivalents	(81.4)
Net Debt	71.6

Net Debt to Total Assets (Total Assets excluding Floorplan and Cash)	15.65%
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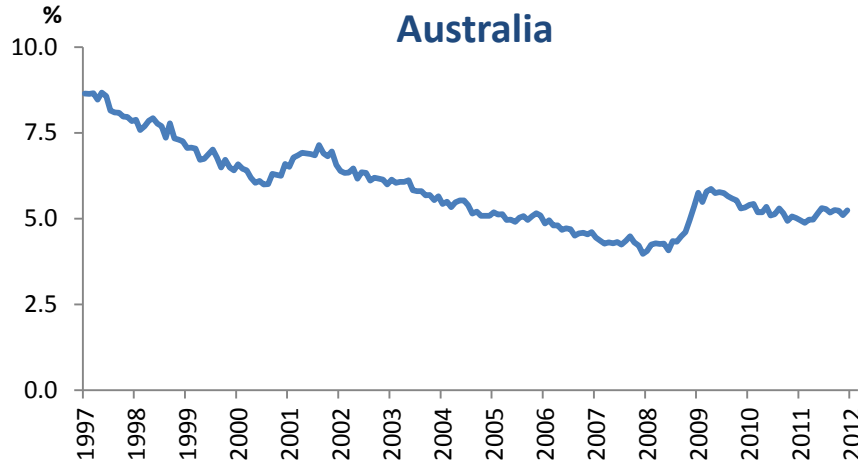
- \$156.4 million cash and undrawn commercial bill facilities at 30 June 2012
- \$41.0 million (net of investment in API) received on sale and leaseback of Dealership Properties (August 2012)
- Additional ~\$13 million to be receipted from API upon completion of Castle Hill dealership developments in FY2013
- Net outlay of ~\$12 million spent on acquisitions post 30 June 2012 (Toll, Coffey Ford, Brisbane/Newcastle Trucks) less divestments (Qld Gold Coast)

Strategy – Building Profitable Growth

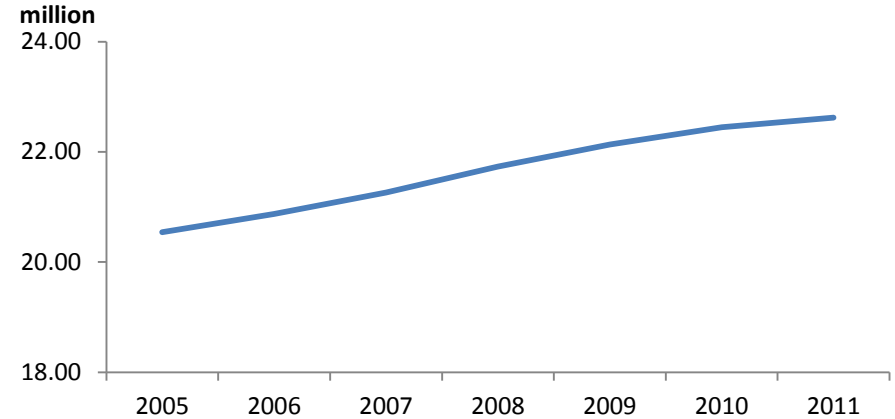


Positive Macro Climate

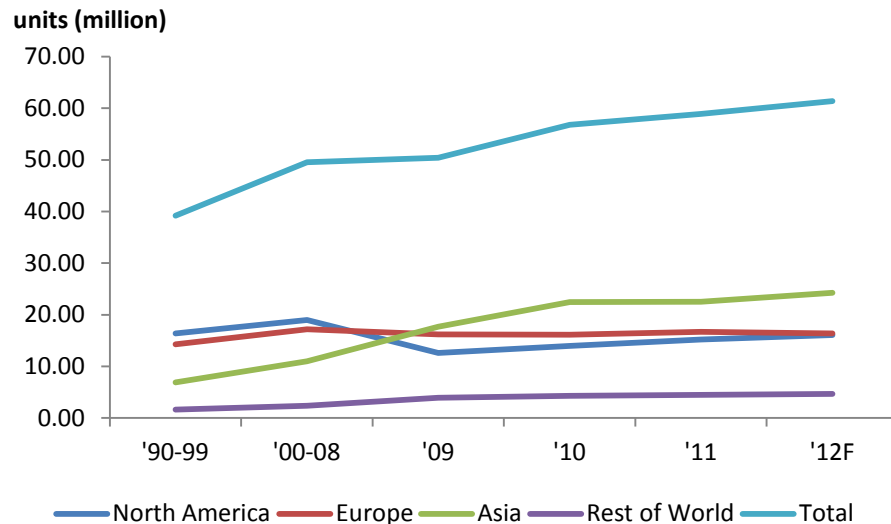
Low unemployment levels in Australia



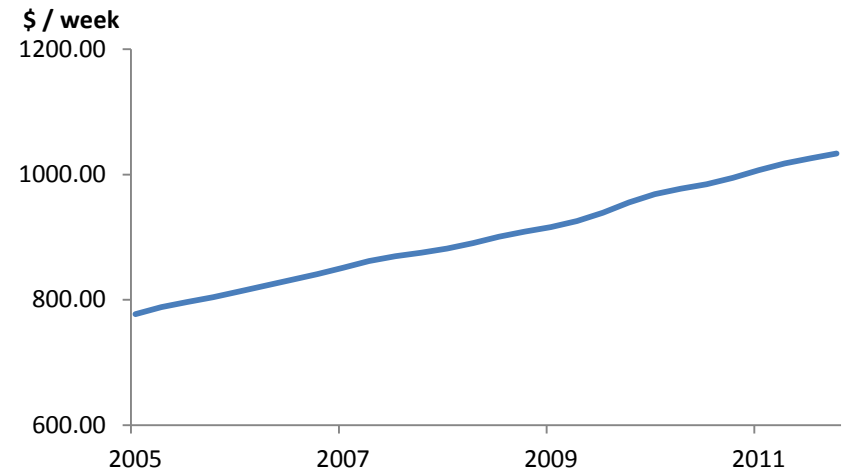
Rising Australian population



Global vehicle sales outlook positive



Australian weekly income continues to rise



Source: ABS

Automotive

- Favourable economic environment (Low interest rates, high \$A, greater disposable income)
- Car affordability at historic high supported by manufacturer incentives to increase volumes
- Flexible finance products and manufacturer deals creating further opportunities for consumer
- Full year contribution of acquisitions in 2013 (Daimler Trucks, Wignall and Coffey Ford)
- Addition of Newcastle and Brisbane truck dealerships announced August 2012
- Castle Hill contribution growing in 2013 and beyond
- New greenfield hub to be developed in South Melbourne during FY2013

Logistics

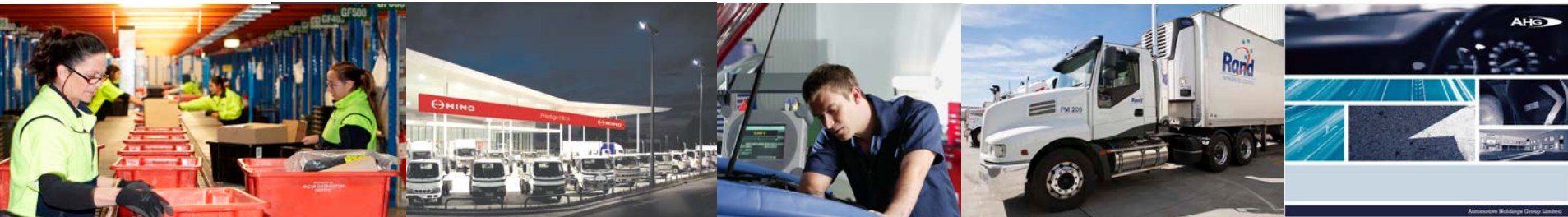
- Toll acquisition expands RAND/Harris scale and storage capacity with improvements in facility utilisation expected
- New cold storage facilities to be operational in Perth and Adelaide in 2013 with plans for further expansion in Sydney and Brisbane
- Completion of AMCAP/Covs warehouse in Welshpool expected in October 2012
- KTM demand continuing with favourable pricing and strong consumer demand for products
- Further synergies expected between AMCAP and Covs

AHG Group

- API transaction closed with initial funds received, balance for Castle Hill development to follow
- Further acquisition targets under review
- Balance sheet capacity remains strong to support greenfield developments and acquisitions

Investment Highlights

- Track record of consistent underlying net profit growth (CAGR of 17% from FY07-FY12)
- Diversified revenue and profit through Automotive and Logistics businesses
- Automotive continues to provide solid organic revenue and profit growth
- Significant growth upside and contribution from Logistics businesses
- Continued investment in strategic and accretive acquisitions that complement existing portfolio
- Experienced and proven management team focused on delivering shareholder value
- Strong balance sheet providing ample capacity to fund further growth opportunities





AUTOMOTIVE HOLDINGS GROUP

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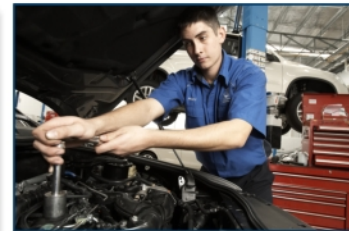
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Company Secretary

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AUTOMOTIVE HOLDINGS GROUP

24 August 2012

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir / Madam,

APPENDIX 4E – PRELIMINARY FINAL REPORT AND 2012 FULL YEAR RESULTS

In accordance with ASX Listing Rules, the following documents are attached for release to the market;

- Appendix 4E – Preliminary Final Report; and
- 2012 Full Year Results Announcement and Presentation

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'David Rowland', is written over a light blue horizontal line.

D ROWLAND
COMPANY SECRETARY

Enc.

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Report for the year ended 30 June 2012

This statement includes the results for Automotive Holdings Group Limited and its controlled entities, for the year ended 30 June 2012 (current period) compared with the year ended 30 June 2011 (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 local financial statements are prepared in accordance with New Zealand International Financial Reporting Standards (NZIFRS) and converted to AIFRS on consolidation.

This report is based on financial accounts which are in the process of being audited.

Results for Announcement to the Market

		\$A'000's		\$A'000's
Revenues from ordinary activities	Up	583,357	17.5%	to 3,920,139
Profit from ordinary activities after tax attributable to members	Up	19,394	62.1%	to 50,612
Net profit from continuing operations after tax attributable to members	Up	19,394	62.1%	to 50,612

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	7 cents	7 cents
Final dividend	11 cents	11 cents
Record date for determining entitlement to the final dividend		15/09/2012
Date the interim final is payable		28/09/2012

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2012 – 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 year ended 30 June 2012 was \$50.6 million (2011: \$31.2 million). Net profit after tax excluding unusual items and stamp duty and other fees associated with acquisition-related activities (detailed below) attributable to members for the year ended 30 June 2012 was \$64.1 million (2011: \$52.4 million).

	Consolidated	
	2012	2011
	\$'000	\$'000
Statutory Profit (net of tax) attributable to members	50,612	31,217
Add-back:		
- Impairment of intangible assets	9,711	19,854
- Stamp duty and other fees associated with acquisition-related activities	3,826	1,358
Operating Profit attributable to members (continuing operations)	64,149	52,429

The current year result includes the following unusual item:

- In accordance with the requirements of AASB 136 *Impairment of Assets*, the Group has undertaken an assessment for impairment of its assets on a cash generating unit basis. This has resulted in an impairment adjustment of \$9.711 million to franchise rights.

\$1.651 million of the impairment is attributed to the pending loss by AHG of a truck franchise in Queensland as a result of an international restructuring to their brand grouping. AHG will cease to trade the franchise in late 2012. A further \$0.556 million of the impairment relates to the disposal of AHG's Gold Coast dealerships post 30 June 2012.

The balance of the impairment is applicable to specific Automotive Retail operations located in Queensland.

In addition to the above unusual item, the Group incurred stamp duty and other fees of \$3.826 million (after tax) during the current year in relation to acquisition-related activities. These activities included the business acquisitions of Cov's, Harris Transport, Daimler Trucks and Wignall Group, plus due diligence on other prospective opportunities that did not materialise into agreements during the financial year.

The prior year result included the following unusual item:

- In accordance with the requirements of AASB 136 *Impairment of Assets*, the Group has undertaken an assessment for impairment of its assets on a cash generating unit basis. This has resulted in an impairment adjustment of \$19.854 million applicable to operations all located in Queensland. \$13.175 million related to the Parts Distribution operation and \$6.679 to four of the Group's seventeen Automotive Retail dealerships in Queensland.

In addition to the above unusual item, the Group incurred stamp duty and other fees of \$1.358 million (after tax) during the prior year in relation to acquisition-related activities. These activities included the business acquisitions of Ferntree Gully, Cov's and Harris Transport and due diligence on other prospective opportunities that did not materialise into agreements during the financial year.

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

	Consolidated		
	2012	2011	Movement
Performance by Segment Overview	\$'000	\$'000	\$'000
<u>Automotive Retail</u>			
Revenue	3,207,470	2,923,781	109.7%
Statutory Performance <i>[net impairment, stamp duty and other fees]:</i>			
EBITDA	95,901	85,936	111.6%
EBITDA %	3.0%	2.9%	
EBIT	82,526	74,461	110.8%
Profit before Tax	61,180	54,596	112.1%
Operating Performance <i>[gross impairment, stamp duty and other fees]:</i>			
EBITDA	106,285	93,311	113.9%
EBITDA %	3.3%	3.2%	
EBIT	92,910	81,836	113.5%
Profit before Tax	71,564	61,972	115.5%
<u>Logistics</u>			
Revenue	712,062	411,960	172.8%
Statutory Performance <i>[net impairment, stamp duty and other fees]:</i>			
EBITDA	41,493	14,570	284.8%
EBITDA %	5.8%	3.5%	
EBIT	28,631	6,897	415.1%
Profit before Tax	24,669	3,465	711.9%
Operating Performance <i>[gross impairment, stamp duty and other fees]:</i>			
EBITDA	46,287	28,989	159.7%
EBITDA %	6.5%	7.0%	
EBIT	33,425	21,315	156.8%
Profit before Tax	29,462	17,884	164.7%

Group revenues from continuing operations were \$3.920 billion (2011: \$3.337 billion), representing a 17.5% increase over the previous year's revenue.

The Automotive Retail division contributed revenues of \$3.207 billion (2011: \$2.924 billion) and an Operating EBITDA result (before impairment, stamp duty and other fees linked to acquisition-related activities) of \$106.3 million (2011: \$93.3 million) representing growth rates of 9.7% and 13.9% respectively. Operating profit before tax, was \$71.6 million (2011: \$62.0 million), an increase of 15.5%. AHG experienced strong growth across both our Car and Truck operations with Western Australia, Victoria and New Zealand delivering record profits.

The Logistics division contributed revenues of \$0.712 billion (2011: \$0.412 billion) and an Operating EBITDA result (before impairment, stamp duty and other fees linked to acquisition-related activities) of \$46.3 million (2011: \$29.0 million) representing growth rates of 72.8% and 59.7% respectively. Operating Profit before tax, impairment, stamp duty and other fees linked to acquisition-related activities was \$29.5 million (2011: \$17.9 million), an increase of 64.7%. AHG's Logistics division produced an outstanding result, increasing its contribution to earnings and benefiting from a number of significant acquisitions.

Statement of Financial Performance

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
	Notes	2012 \$'000	2011 \$'000
Revenue from continuing operations	8	3,920,139	3,336,782
Other Income	8	-	148
Raw materials and inventory expense		(3,068,866)	(2,661,912)
Employee benefits expense	8	(425,751)	(331,715)
Depreciation and amortisation expense	8	(26,466)	(19,468)
Finance costs	8	(36,177)	(32,750)
Advertising and promotion		(29,580)	(28,935)
Occupancy costs		(85,690)	(72,225)
Vehicle preparation and service		(31,303)	(27,106)
Supplies and outside services		(31,725)	(27,997)
Motor vehicle expense		(12,215)	(8,627)
Equipment rental	8	(9,592)	(6,825)
Professional services		(5,270)	(4,596)
Other expense		(66,467)	(39,650)
Loss on sale of assets	8	(179)	-
Impairment of intangible assets		(9,711)	(19,854)
Profit before income tax		81,147	55,270
Income tax expense		(27,595)	(22,117)
Profit from continuing operations		53,552	33,153
Profit for the year before other comprehensive income		53,552	33,153
Other comprehensive income			
Available-for-sale financial assets		-	(127)
Unrealised changes in the fair value of cash flow hedges		(1,715)	(41)
Exchange differences on translation of foreign operations		123	(161)
Total comprehensive income for the year (net of tax)		51,960	32,824
Profit attributable to:			
Owners of Automotive Holdings Group Limited	3	50,611	31,218
Non-controlling interest		2,940	1,935
		53,552	33,153
Total comprehensive income attributable to:			
Owners of Automotive Holdings Group Limited		49,020	30,889
Non-controlling interest		2,940	1,934
		51,960	32,824

Statement of Financial Position

AS AT 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
	Notes	2012 \$'000	2011 \$'000
CURRENT ASSETS			
Cash and cash equivalents	9	81,382	129,996
Trade and other receivables		248,774	172,466
Inventories		584,219	443,827
Other current assets		13,658	16,493
		928,033	762,782
Assets classified as held for sale	12	69,213	-
TOTAL CURRENT ASSETS		997,246	762,782
NON CURRENT ASSETS			
Available-for-sale financial assets		2,250	-
Property, plant and equipment		158,098	175,909
Intangible assets		211,781	189,797
Deferred tax assets		29,075	18,979
TOTAL NON CURRENT ASSETS		401,204	384,685
TOTAL ASSETS		1,398,450	1,147,467
CURRENT LIABILITIES			
Trade and other payables		202,509	143,383
Interest-bearing loans and borrowings		514,992	394,258
Income tax payable		11,195	7,927
Provisions		41,265	31,347
		769,961	576,915
Liabilities directly associated with assets classified as held for sale	12	15,357	-
TOTAL CURRENT LIABILITIES		785,318	576,915
NON CURRENT LIABILITIES			
Interest-bearing loans and borrowings		139,000	106,868
Deferred tax liabilities		1,241	285
Provisions		14,970	10,649
TOTAL NON CURRENT LIABILITIES		155,211	117,802
TOTAL LIABILITIES		940,529	694,717
NET ASSETS		457,921	452,750
EQUITY			
Contributed equity	6	382,282	382,586
Reserves		(2,155)	(563)
Retained profits	3	74,012	67,716
Capital and reserves attributable to the owners of Automotive Holdings Group Limited		454,139	449,739
Non-controlling interest		3,782	3,012
TOTAL EQUITY		457,921	452,750

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
	Notes	2012 \$'000	2011 \$'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		3,848,432	3,328,549
Payments to suppliers and employees (inclusive of GST)		(3,702,157)	(3,198,680)
Interest paid and costs of finance		(36,598)	(32,750)
Interest received		5,462	5,080
Income tax paid		(28,283)	(28,554)
Net cash inflow from operating activities	9	86,856	73,645
Cash flow from investing activities			
Payment for purchase of business, net of cash acquired		(66,408)	(12,516)
Deposits on purchases of businesses		-	(1,500)
Payment for property plant and equipment		(42,114)	(68,164)
Proceeds of sale of property, plant and equipment		6,103	3,278
Payment for purchase of investment		(2,250)	-
Net cash outflow from investing activities		(104,669)	(78,902)
Cash flows from financing activities			
Net proceeds from borrowings		15,179	(6,454)
Proceeds from issue of shares, net of transaction costs		507	80,292
Dividends paid to members	3	(44,316)	(38,493)
Dividends paid to non-controlling interest		(2,170)	(1,870)
Net cash (outflow) / inflow from financing activities		(30,800)	33,475
Net (decrease) / increase in cash and cash equivalents		(48,613)	28,218
Cash and cash equivalents at the beginning of the year		129,996	101,778
Cash and cash equivalents at the end of the year		81,383	129,996

Non-cash financing and investing activities

During the period the consolidated entity acquired plant and equipment with a fair value of \$2,737,758 (2011: \$12,982,613) by means of finance lease and hire purchase (excluding those assumed in acquisitions – refer note 7). These acquisitions are not reflected in the Statement of Cash Flows.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non- Controlling Interest \$'000	Total Equity \$'000
At 1 July 2010	302,106	(235)	74,992	376,863	2,748	379,610
Profit for the year (after tax)	-	-	31,217	31,217	1,935	33,153
Changes in fair value of available-for-sale financial assets	-	(181)	-	(181)	-	(181)
Changes in fair value of cash flow hedges	-	(59)	-	(59)	-	(59)
Exchange differences on translation of foreign operations	-	(160)	-	(160)	(1)	(161)
Income tax relating to components of other comprehensive income	-	72	-	72	-	72
Total comprehensive income for the year	-	(328)	31,217	30,889	1,934	32,824
Transactions with owners in their capacity as equity holders:						
Contributions of equity, net of transaction costs	80,480	-	-	80,480	200	80,680
Dividends provided for or paid	-	-	(38,493)	(38,493)	(1,870)	(40,363)
	80,480	-	(38,493)	41,987	(1,670)	40,316
At 30 June 2011	382,586	(563)	67,716	449,739	3,012	452,750
Profit for the year (after tax)	-	-	50,612	50,612	2,940	53,552
Changes in fair value of cash flow hedges	-	(2,450)	-	(2,450)	-	(2,450)
Exchange differences on translation of foreign operations	-	123	-	123	-	123
Income tax relating to components of other comprehensive income	-	735	-	735	-	735
Total comprehensive income for the year	-	(1,592)	50,612	49,020	2,940	51,960
Transactions with owners in their capacity as equity holders:						
Contributions of equity, net of transaction costs	(304)	-	-	(304)	-	(304)
Dividends provided for or paid	-	-	(44,316)	(44,316)	(2,170)	(46,486)
	(304)	-	(44,316)	(44,620)	(2,169)	(46,790)
At 30 June 2012	382,282	(2,155)	74,012	454,138	3,782	457,921

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

1. Segment Information

Segment Reporting June 2012	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	3,567,277	335,711	426,300	762,011	607	4,329,895
Less: intercompany sales	(363,771)	(10,786)	(40,661)	(51,447)	-	(415,218)
Segment revenue	3,203,506	324,925	385,639	710,563	607	3,914,677
Interest earned	3,964	255	1,244	1,498	-	5,462
				-		-
Total revenue	3,207,470	325,179	386,883	712,062	607	3,920,139
Total revenue						3,920,139
EBITDA	105,612	28,031	13,463	41,493	934	148,039
Depreciation and amortisation	(13,375)	(10,712)	(2,150)	(12,862)	(229)	(26,466)
EBIT	92,236	17,319	11,312	28,631	705	121,573
Interest expense (net)	(21,346)	(4,538)	576	(3,962)	(5,407)	(30,715)
Segment result before impairment						90,858
Impairment of Intangibles						(9,711)
Profit before tax for the year						81,147
Income tax expense						(27,595)
Reportable segment profit after tax for the year						53,552
Total revenue	3,207,470	325,179	386,883	712,062	607	3,920,139
EBITDA before impairment, stamp duty and other fees	106,285	29,826	16,461	46,287	934	153,506
EBIT before impairment, stamp duty and other fees	92,910	19,115	14,310	33,425	705	127,039
Segment result before impairment, stamp duty and other fees	71,564	14,577	14,886	29,462	(4,702)	96,324
Acquisition-related stamp duty and other fees	(673)	(1,796)	(2,998)	(4,793)	-	(5,467)
Segment result before impairment	70,891	12,781	11,888	24,669	(4,702)	90,858
Impairment of intangible assets	(9,711)	-	-	-	-	(9,711)
Reportable segment result	61,180	12,781	11,888	24,669	(4,702)	81,147
Segment Reporting June 2012	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	1,072,116	123,506	148,246	271,752	54,582	1,398,450
Total consolidated assets						1,398,450
Segment liabilities	643,494	108,206	131,596	239,802	57,233	940,529
Total consolidated liabilities						940,529
Acquisition of property, plant, equipment, intangibles and other non current segment assets	53,658	5,413	3,147	8,560	6,518	68,735

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

1. Segment Information (continued)

Segment Reporting June 2011	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	2,986,412	201,621	246,538	448,159	1,558	3,436,129
Less: intercompany sales	(67,681)	(235)	(36,467)	(36,702)	(529)	(104,912)
Segment revenue	2,918,730	201,386	210,071	411,458	1,029	3,331,217
Interest earned	5,051	165	337	502	11	5,564
Total revenue						3,336,782
EBITDA	92,615	19,787	7,959	27,745	1,416	121,777
Depreciation and amortisation	(11,475)	(6,009)	(1,665)	(7,674)	(319)	(19,468)
EBIT	81,140	13,778	6,294	20,072	1,097	102,309
Interest expense (net)	(19,864)	(2,364)	(1,068)	(3,431)	(3,890)	(27,185)
Segment result before impairment						75,123
Impairment of Intangibles						(19,854)
Profit before tax						55,269
Income tax expense						(22,117)
Reportable segment profit after tax						33,153
Total revenue	2,923,781	201,551	210,409	411,960	1,041	3,336,782
EBITDA before impairment, stamp duty and other fees	93,311	19,787	9,202	28,989	1,416	123,717
EBIT before impairment, stamp duty and other fees	81,836	13,778	7,538	21,315	1,097	104,249
Segment result before impairment, stamp duty and other fees	61,972	11,414	6,470	17,884	(2,792)	77,063
Acquisition-related stamp duty and other fees	(696)		(1,244)	(1,244)		(1,940)
Segment result before impairment	61,275	11,414	5,226	16,640	(2,792)	75,123
Impairment of intangible assets	(6,679)	-	(13,175)	(13,175)	-	(19,854)
Reportable segment result	54,596	11,414	(7,949)	3,465	(2,792)	55,269
Segment Reporting June 2011	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	907,890	79,076	87,611	166,687	72,890	1,147,467
Total consolidated assets						1,147,467
Segment liabilities	484,029	66,321	71,509	137,830	72,857	694,717
Total consolidated liabilities						694,717
Acquisition of property, plant, equipment, intangibles and other non current segment assets	31,282	8,517	1,031	9,548	55,037	95,867

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

2. Earnings per Share

	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:	2012	2011
Basic earnings per share	19.4	13.5
Diluted earnings per share	19.4	13.5

	Cents	Cents
Earnings per share for profit attributable from continuing operations¹ attributable to the ordinary equity holders of the company:	2012	2011
Basic earnings per share	24.6	22.7
Diluted earnings per share	24.6	22.7

¹ excludes impairment, stamp duty and other fees associated with acquisition-related activities (refer page 2 for reconciliation with statutory profit).

3. Retained Earnings

	Consolidated	
	2012	2011
	\$'000	\$'000
Opening balance at 1 July	67,716	74,992
Net profit for the year attributable to members	50,612	31,217
Dividends paid to members	(44,316)	(38,493)
Closing balance at 30 June	74,012	67,716

4. Dividends Paid and Proposed

	Date paid / payable	Amount per security (fully franked at 30%)
Declared and paid during the period ended June 2011		
Final franked dividend for 2010	01/10/10	10.0 cents
Interim franked dividend for 2011	01/04/11	7.0 cents
Declared and paid during the period ended June 2012		
Final franked dividend for 2011	30/09/11	10.0 cents
Interim franked dividend for 2012	03/04/12	7.0 cents
Proposed and not recognised as a liability		
Final franked dividend for 2012	28/09/12	11.0 cents

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

5. NTA Backing

Net tangible asset backing per ordinary security

Consolidated	
2012 Cents	2011 Cents
94.4	101.0

6. Contributed Equity

Ordinary Shares

	No. of Shares	Issue Price	\$'000
Opening Balance at 1 July 2010	226,491,073		302,106
Institutional Placement	33,958,136	\$ 2.44	82,858
Less: transaction costs arising on share issue			(2,565)
Deferred Tax Credit recognised directly in equity			1,187
Balance at 30 June 2011	260,449,209		383,585
Share Purchase Plan	233,969	\$ 2.44	571
Less: transaction costs arising on share issue			(64)
Deferred Tax Credit recognised directly in equity			19
Balance at 30 June 2012	260,683,178		384,112

Treasury Shares

	No. of Shares	Issue Price	\$'000
Opening Balance at 1 July 2010	-		-
AHG Employee Share Plan Trust Acquisition	(420,000)	\$ 2.38	(1,000)
Balance at 30 June 2011	(420,000)		(1,000)
AHG Employee Share Plan Trust Acquisition	(423,882)	\$ 1.96	(830)
Balance at 30 June 2012	(843,882)		(1,830)

Total Contributed Equity

	No. of Shares	\$'000
Net Balance at 30 June 2012	259,839,296	382,282

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

7. Business Combination

A. Cova

On 1 July 2011 Automotive Holdings Group Limited acquired certain business assets and liabilities of Coventry's Automotive Parts WA, an automotive parts distributing and retailing company throughout Western Australia, for consideration of \$28.964 million. The acquisition operates similar activities to those undertaken by AHG's existing parts distribution subsidiaries through other states in Australia and will provide the Group with access to new markets and suppliers as well as synergistic benefits through economies of scale in inventory holding and distribution costs.

The business contributed revenues of \$139.440 million and a profit before tax of \$3.595 million (\$6.260 million gross of acquisition-related costs) for the full year ended 30 June 2012. Costs of \$2.665 million directly associated with the acquisition of the business are included across employee benefits expense, professional services and other expenses in the consolidated statement of comprehensive income and operating cash flows in the statement of cash flows.

Details of the purchase consideration, the net assets acquired and intangible assets identified are as follows:

	\$'000
Purchase consideration	
Cash paid	28,964
Less: cash balance acquired	(21)
Net cash paid	<u>28,943</u>
	Fair Value
	\$'000
Cash and cash equivalents	21
Parts inventories	24,868
Other current assets	386
Property, plant and equipment	1,505
Deferred tax	1,152
	<u>27,932</u>
Trade and other payables	(72)
Employee entitlements	(3,205)
Other provisions	(635)
	<u>(3,912)</u>
Net identifiable assets acquired	<u>24,020</u>
Add: Goodwill	4,441
Add: Distribution Agreements	503
Net assets acquired	<u>28,964</u>

The goodwill is attributed to the profitability of the business and the synergistic benefits to be achieved with other parts distribution activities within AHG. It and the distribution agreements are only deductible for tax purposes upon any future sale of this business or loss of the agreements.

There was no contingent consideration and no receivables were acquired in the transaction.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

B. Harris

On 1 July 2011 Automotive Holdings Group Limited acquired the business assets and liabilities of Harris Refrigerated Transport Pty Ltd (including associated entities), a temperature sensitive freight logistics company, for consideration of \$32.120 million. The acquisition provides logistical services throughout mainland Australia, is complementary in nature and activities to those undertaken by AHG's existing Rand Transport subsidiary and will provide the Group with a greater market share in this sector together with synergistic benefits through combined economies of scale.

The business contributed revenues of \$100.076 million and a profit before tax of \$5.311 million (\$7.107 million gross of acquisition-related costs) for the full year ended 30 June 2012. Costs of \$1.796 million directly associated with the acquisition of the business are included across employee benefits expense, professional services and other expenses in the consolidated statement of comprehensive income and operating cash flows in the statement of cash flows.

Details of the purchase consideration, the net assets acquired and intangible assets identified are as follows:

	\$'000
Purchase consideration	
Cash paid	16,324
Hire purchase liabilities assumed	15,796
Total purchase consideration	<u>32,120</u>
	Fair Value
	\$'000
Receivables	9,533
Other inventory	269
Other current assets	641
Property, plant and equipment	18,523
Deferred tax	2,688
	<u>31,654</u>
Trade and other payables	(4,349)
Employee entitlements	(2,393)
Other provisions	(2,697)
	<u>(9,439)</u>
Net identifiable assets acquired	<u>22,215</u>
Add: Goodwill	9,905
Net assets acquired	<u>32,120</u>

The goodwill is attributed to the profitability of the business and the synergistic benefits to be achieved with other logistical services provided within AHG. It is only deductible for tax purposes upon any future sale of this business.

There was no contingent consideration and no receivables were acquired in the transaction.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

C. Daimler Trucks

On 18 November 2011 Automotive Holdings Group Limited acquired certain business assets and liabilities of Diesel Motors Trucks, a truck automotive retail operation in Perth, for consideration of \$5.486 million.

The business contributed revenues of \$72.204 million and a net profit before tax of \$1.358 million (\$1.702 million gross of acquisition-related costs) for the year ended 30 June 2012. If the acquisition had occurred on 1 July 2011, consolidated revenue and profit for the year ended 30 June 2012 would have been \$4.054 billion and \$55.4 million respectively.

Costs of \$0.344 million directly associated with the acquisition of the business are included across employee benefits expense, professional services and other expenses in the consolidated statement of comprehensive income and operating cash flows in the statement of cash flows.

Details of the purchase consideration, the net assets acquired and intangible assets identified are as follows:

	\$'000
Purchase consideration	
Cash paid	5,486
Total purchase consideration	<u>5,486</u>
	Fair Value
	\$'000
Vehicle inventories	4,818
Parts inventories	932
Other inventory	284
Property, plant and equipment	211
Deferred tax	209
	<u>6,454</u>
Trade and other payables	(40)
Bailment (vehicle inventories)	(4,098)
Employee entitlements	(479)
Current Tax Adjustment	144
	<u>(4,473)</u>
Net identifiable assets acquired	<u>1,981</u>
Add: Goodwill	1,168
Add: Franchise Rights	2,337
Net assets acquired	<u>5,486</u>

The Group has reported provisional amounts for goodwill and franchise rights (Mercedes and Freightliner) as part of the acquisition of this business. The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired. They are only deductible for tax purposes upon any future sale of this business.

There was no contingent consideration and no receivables were acquired in the transaction.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

D. Wignall Group

On 1 May 2012 Automotive Holdings Group Limited acquired certain business assets and liabilities of the Jeff Wignall Group (JWG) (excluding Southern Mitsubishi), a Victorian dealership group of 9 dealership points (Ford, Mitsubishi and Kia) located in the Mornington Peninsula, for consideration of \$15.014 million.

The business contributed revenues of \$18.008 million and a net profit before tax of \$0.380 million (\$0.700 million gross of acquisition-related costs) for the year ended 30 June 2012. If the acquisition had occurred on 1 July 2011, consolidated revenue and profit for the year ended 30 June 2012 would have been \$4.029 billion and \$55.3 million respectively.

Costs of \$0.320 million directly associated with the acquisition of the business are included across employee benefits expense, professional services and other expenses in the consolidated statement of comprehensive income and operating cash flows in the statement of cash flows.

Details of the purchase consideration, the net assets acquired and intangible assets identified are as follows:

	\$'000
Purchase consideration	
Cash paid	15,014
Less: balances acquired Cash	(1)
Total purchase consideration	<u>15,013</u>
	Fair Value
	\$'000
Cash and cash equivalents	1
Vehicle inventories	10,787
Parts inventories	314
Other inventory	65
Other current assets	17
Property, plant and equipment	907
Deferred tax	219
	<u>12,310</u>
Trade and other payables	(54)
Bailment (vehicle inventories)	(9,600)
Employee entitlements	(732)
	<u>(10,386)</u>
Net identifiable assets acquired	<u>1,924</u>
Add: Goodwill	4,363
Add: Franchise Rights	8,727
Net assets acquired	<u>15,014</u>

The Group has reported provisional amounts for goodwill and franchise rights (Ford, Mitsubishi and Kia) as part of the acquisition of this business. The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired. They are only deductible for tax purposes upon any future sale of this business.

There was no contingent consideration and no receivables were acquired in the transaction.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

8. Revenue and Expenses

Sales revenue

Sale of goods

Rendering of services

Other revenue

Interest

Other revenue

Total Revenue

Consolidated	
2012	2011
\$'000	\$'000
3,341,304	2,914,473
557,172	401,723
3,898,476	3,316,195
5,462	5,564
16,201	15,022
21,663	20,586
3,920,139	3,336,782

Other Income

Net gain on disposal of property, plant and equipment

Consolidated	
2012	2011
\$'000	\$'000
-	148
-	148

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

8. Revenue and Expenses (continued)

	Consolidated	
	2012	2011
	\$'000	\$'000
Depreciation		
Vehicles, plant, furniture and equipment	18,373	12,581
Buildings	371	369
	18,744	12,951
Amortisation		
Capitalised leased assets	4,016	3,980
Leasehold improvements	3,706	2,538
	7,722	6,517
Finance costs (for financial liabilities not at fair value through profit and loss)		
Interest paid - other	6,233	5,473
Interest paid - finance leases	1,865	1,990
Interest paid - hire purchase	2,860	1,605
Interest paid - floor plan	25,219	23,682
	36,177	32,750
Lease payments		
Rental expenses relating to property operating leases	67,756	57,900
Rental expenses relating to equipment operating leases	9,592	6,825
	77,348	64,725
Employee benefits expense		
Wages, salaries and employee benefits	398,080	310,631
Superannuation	27,671	21,084
	425,751	331,715
Other expenses		
Bad debts written off	802	494
Net loss on sale of plant and equipment	179	-
	981	494

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

9. Reconciliation to Statement of Cash Flows

	Consolidated	
	2012	2011
	\$'000	\$'000
Profit for the year after tax	53,552	33,153
<i>Non operating activity cash flow in profit</i>		
- Profit on sale of assets	-	(148)
- Loss on sale of assets	179	-
<i>Non cash flow in profit</i>		
- Depreciation	18,744	12,951
- Amortisation	7,722	6,517
- Impairment of intangibles	9,711	19,854
<i>Changes in operating assets and liabilities</i>		
Increase in trade debtors	(71,298)	(8,576)
Decrease in inventories (net of finance company loans)	5,978	16,237
Decrease / (increase) in prepayments	3,851	(5,319)
Increase in deferred tax assets	(5,759)	(855)
Increase / (decrease) in current tax payable	4,117	(5,944)
Increase / (decrease) in trade creditors	23,224	(7,005)
Increase in accruals	31,122	12,105
Increase in employee entitlements	3,506	2,530
Increase / (decrease) in other provisions	1,252	(1,932)
Increase in deferred tax liabilities	955	79
Net cash inflow from operating activities	86,856	73,645

	Consolidated	
	2012	2011
	\$'000	\$'000
Cash at bank and on hand	80,872	129,456
Deposits at call	510	540
	81,382	129,996

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

10. Jointly Controlled Entities

	% Holding	
	2012	2011
Vehicle Parts (WA) Pty Ltd	50%	50%
	Consolidated	
	2012	2011
	\$'000	\$'000
Profit from ordinary activities before tax	490	624
Income tax expense	(147)	(187)
Profit contribution to Group net profit	343	437

11. Events after the Balance Date

(a) API transaction

On 1 July 2012 Australasian Property Investments (API) 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.

The sale of the properties was completed on 17 August 2012. 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

AHG will invest \$6.0 million to close the offer.

The financial effects of these transactions have not been brought to account at 30 June 2012, other than to re-classify the relevant assets as current assets held for sale.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

11. Events after the Balance Date (continued)

(b) Acquisition of Coffey Ford

On 1 August 2012 Automotive Holdings Group Limited ('AHG') acquired certain business assets and liabilities of Coffey Ford, an automotive retail operation in Dandenong, Melbourne, for consideration of approximately \$2.0 million. The acquisition expands AHG's automotive retail operations in Victoria, focused on the South East growth corridor.

The financial effects of this transaction have not been brought to account at 30 June 2012. The operating results, assets and liabilities will be consolidated from 1 August 2012.

i. Contingent consideration, non-controlling interests and acquisition costs

There is no contingent consideration associated with the acquisition, nor any non-controlling interests to be accounted for.

Acquisition-related costs of \$0.085 million will be included in professional services in profit or loss in the reporting year ended 30 June 2012.

ii. Information not disclosed as not yet available

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Coffey Ford. In particular, the fair values of the assets and liabilities have only been determined provisionally as the independent valuations have not been finalised.

(c) Acquisition of Toll Refrigerated

On 30 July 2012 Automotive Holdings Group Limited ('AHG') acquired from Toll Holding Limited certain business assets and liabilities of Toll Refrigerated, a temperature sensitive freight logistics company, for consideration of \$6.5 million. The acquisition provides logistical services throughout Australia, is complementary in nature and activities to those undertaken by AHG's existing Rand Transport subsidiary and will provide the Group with a greater market share in this sector together with synergistic benefits through combined economies of scale.

The financial effects of this transaction have not been brought to account at 30 June 2012. The operating results, assets and liabilities will be consolidated from 30 July 2012.

i. Contingent consideration, non-controlling interests and acquisition costs

There is no contingent consideration associated with the acquisition, nor any non-controlling interests to be accounted for.

Acquisition-related costs of \$0.110 million will be included in professional services in profit or loss in the reporting year ended 30 June 2012.

ii. Information not disclosed as not yet available

At the time the financial statements were authorised for issue, the group had not yet completed the accounting for the acquisition of Toll Refrigerated. In particular, the fair values of the assets and liabilities have only been determined provisionally as the independent valuations have not been finalised.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

11. Events after the Balance Date (continued)

(d) Divestment of AHG Queensland Gold Coast Operations

On 5 July 2012 Automotive Holdings Group Limited ('AHG') announced it was divesting to the Von Bibra Group the business assets and liabilities of its passenger car retail operations on the Gold Coast (Southport, Helensvale and Burleigh), for consideration of \$4.5 million, comprising goodwill of \$3.3 million and net assets of \$1.2 million. The divestment is part of the restructure of AHG's Queensland operations and will allow management to focus on the Group's Brisbane dealerships.

The financial effects of these transactions have not been brought to account at 30 June 2012, other than to re-classify all assets and liabilities associated with these dealerships as current assets and liabilities held for sale.

The operating results, assets and liabilities will be derecognised from the dates of their disposal.

i. Contingent consideration

There is no contingent consideration associated with the divestment.

(e) Acquisition of Brisbane and Newcastle Mercedes-Benz Truck Operations

On 23 August 2012 Automotive Holdings Group Limited ('AHG') announced it was acquiring certain business assets and liabilities of Brisbane and Newcastle Mercedes-Benz truck operations for ~\$8.0 million, comprising net assets and goodwill. The acquisition is complementary in nature and activities to those undertaken by AHG's existing truck retail operations across Australia and will provide the Group with a greater market share in this sector together with synergistic benefits through combined economies of scale.

The financial effects of this transaction have not been brought to account at 30 June 2012. The operating results, assets and liabilities will be consolidated from the date of settlement.

i. Contingent consideration, non-controlling interests and acquisition costs

There is no contingent consideration associated with the acquisition, nor any non-controlling interests to be accounted for.

Acquisition-related costs of \$0.213 million will be included in professional services in profit or loss in the reporting year ended 30 June 2012.

ii. Information not disclosed as not yet available

At the time the financial statements were authorised for issue, the group had not yet settled the acquisition of the Brisbane and Newcastle Mercedes-Benz truck operations.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

12. Assets and Liabilities classified as held for sale

(a) Assets classified as held for sale

	Consolidated	
	2012 \$'000	2011 \$'000
Non-current assets held for sale		
Land and buildings	49,328	-
Disposal group held for sale		
Receivables	4,297	-
Inventory	13,469	-
Property, plant and equipment	2,119	-
Total assets of disposal group held for sale	19,885	-
Total assets classified as held for sale	69,213	-

(i) Non-current assets held for sale

Refer to note 11(a) above in relation to the API transaction.

(ii) Disposal group held for sale

In July 2012, AHG announced it was divesting its automotive retail operations at the Gold Coast in Queensland (refer to note 11(d) above). The financial year-end asset and liability balances associated with these operations are disclosed in the above and below tables respectively.

(b) Liabilities directly associated with assets classified as held for sale

	Consolidated	
	2012 \$'000	2011 \$'000
Disposal group held for sale		
Payables	2,781	-
Provisions	1,264	-
Borrowings	11,312	-
Total liabilities directly associated with disposal group held for sale	15,357	-