AUTOMOTIVE HOLDINGS GROUP

18 September 2012

Dear Shareholder,

I am writing to extend a personal invitation for you to attend our Annual General Meeting in Perth on 16 November 2012 at Crown Perth (formerly Burswood Convention Centre).

This follows the release on 24 August of our FY2012 results, reflecting an outstanding financial year in which Automotive Holdings' management team successfully delivered on its growth strategy.

Revenue and earnings increase to record levels

The financial results for the year ended 30 June 2012 demonstrate that Automotive Holdings continues to move in a positive direction with balanced growth across the Group's Automotive and Logistics business units. Both Revenue at $3.920 billion and Operating[1] Net Profit after Tax at $64.1 million were at record levels as a result of organic growth and a number of successful acquisitions made during the year.

Earnings per share increased and the Board was pleased to declare a final dividend of 11 cents per share, which is scheduled for payment to shareholders on 2 October 2012, bringing the full-year dividend to 18 cents per share fully franked.

Diversified acquisitions drive profitability

Operating performance continued to benefit from the acquisitions made in recent years and from our diversified strategy across Automotive and Logistics. The Covs and Harris Refrigerated Transport businesses delivered combined Operating EBIT[1] of more than $13 million and further growth is expected in FY2013 as we continue their integration. In addition, a number of other successful acquisitions were completed during the year, including Daimler Trucks Perth and Wignall Group in Victoria.

Strong growth in Automotive sales and profits

The Group's Automotive Retail division experienced strong growth in both cars and trucks, with Western Australia, Victoria and New Zealand reporting record profit. New South Wales continued to perform very strongly even after absorbing the development costs of the new dealerships at Castle Hill. It was also pleasing to see a significant improvement in profit contribution from Queensland, where management has taken a number of proactive initiatives to boost performance, including divesting non-core dealerships. Overall, the Automotive Retail division reported a 9.7% increase in Revenue to $3.2 billion, and an Operating EBITDA[1] up 13.9% to $106.3 million.

Logistics revenue and earnings up to record highs

The Logistics division also had an outstanding FY2012, with a 72.8% increase in Revenue to $712.1 million and a 59.7% increase in Operating EBITDA[1] of $46.3 million. Both Covs and Harris performed well ahead of expectations, with the Harris business delivering a number of synergy benefits through operational rationalisation, increases in fleet utilisation and integration into Rand Transport. The overall contribution to earnings from Logistics increased, in line with management's strategy to diversify both revenue and profit, and Logistics is expected to be another significant contributor to growth in FY2013.

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Recent acquisitions expected to drive further cost synergies and earnings growth

Looking forward, I am pleased to report that this positive momentum has continued into FY2013 with a number of exciting strategic announcements since the start of the current period.

In Automotive Retail, the optimisation of our portfolio has continued with a number of dealerships on the Gold Coast divested and the acquisition of Hino Trucks Newcastle and Daimler Trucks Newcastle and Brisbane, to add to the purchase of Coffey Ford in Melbourne which was announced in late June 2012. These acquisitions, combined with motor industry forecasts for record new vehicle sales and our new dealership hubs in Castle Hill and South Melbourne, are expected to deliver further growth in Automotive in FY2013.

In July, the Logistics division announced the acquisition of the Toll Refrigerated business from Toll Holdings. This will be integrated with Rand Transport and is expected to be accretive on an earnings per share basis. This acquisition, together with further synergies from the acquisition of Covs and Harris, is expected to continue the Logistics growth story.

Corporate developments

At a corporate level, the successful launch of the API Automotive Trust in August has released capital to bolster the Group's balance sheet, which continues to provide a platform for further growth.

In July we noted a significant change to our share register with AP Eagers Limited acquiring a 16.3% stake. In announcing this acquisition, AP Eagers acknowledged the strong fundamentals of Automotive Holdings, and the Board sees this as further validation of our performance and strategy.

Conclusion

In summary, I would like to thank all of our shareholders for their support during another successful year for Automotive Holdings. We continue to believe that Automotive Holdings is a high-quality business with a strong, stable and proven executive leadership group and significant organic and acquisition-led growth opportunities, providing benefits to shareholders in the years ahead.

A Notice of Meeting will be sent to you in due course and we look forward to welcoming you to Automotive Holdings Group 2012 Annual General Meeting.

Yours faithfully,

David Griffiths,
Chairman, Automotive Holdings Group

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[1] *Excluding non-recurring items (FY2012 acquisition-related costs of $3.8 million and impairment of $9.7 million; FY2011 acquisition-related costs of $1.4 million and impairment of $19.8 million of goodwill and franchise rights)*