



18 October 2012

MERRILL LYNCH EMERGING STARS CONFERENCE

AHG is presenting at the Merrill Lynch Emerging Stars Conference in Melbourne today.

Attached are the presentation slides for the conference.

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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).

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Merrill Lynch Emerging Stars Conference

18 October 2012

AUTOMOTIVE HOLDINGS GROUP

Company Overview



AHG

- Largest automotive retailer by sales, profitability, market capitalisation and workforce
- More than 120 passenger vehicle, bus and truck dealer points
- Represents 11 of the 12 most popular passenger vehicle brands
- Logistics division has substantially grown and now represents >30% of AHG's EBITDA
- Largest refrigerated food transport and warehousing provider by volume

AUTOMOTIVE

PASSENGER CARS

- Dealerships in WA, NSW, VIC, QLD and NZ
- 11 of Australia's 12 most popular brands
- Long-standing relationships with manufacturers
- Expansion in VIC through recent acquisitions

TRUCKS

- Dealerships in WA, NSW, VIC and QLD
- Leading brands
- Long-standing relationships with manufacturers
- Expansion in NSW and Qld through recent acquisitions

LOGISTICS

TRANSPORT AND COLD STORAGE

- Largest provider of refrigerated interstate transport and warehousing
- Facilities in Perth, Adelaide, Melbourne, Sydney and Brisbane
- Key market brands RAND and HARRIS
- Road and Rail capability with modern fleet and state-of-the-art tracking systems

OTHER LOGISTICS

- AMCAP - Industry leading 3PL and 4PL services
- Expanded Distribution Centre
- Cows automotive parts and mining services
- KTM Sportmotorcycles and Husaberg national distribution
- VSE and GTB operations support dealerships and extend customer base

Company Snapshot



AUTOMOTIVE HOLDINGS GROUP

Share Price Performance – 12 Months



Source: Bloomberg

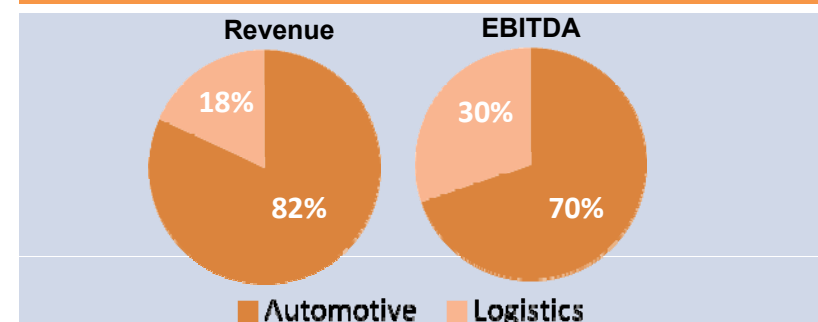
20 Aug 2012	AHE	ASX Small Ords Index
Share price	\$2.80	2254.4
1-Yr TSR ¹	48.2%	(1.3%)
3-Yr TSR ¹	80.9%	0.7%

¹ Includes capital growth and reinvestment of dividends

Key Market Statistics (17 Oct 2012)

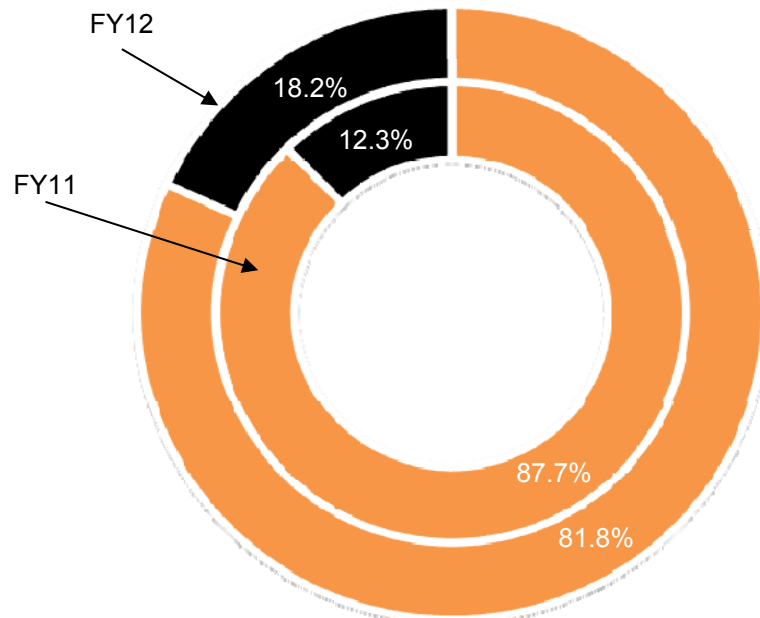
Ticker	ASX:AHE
Share Price (17 Oct 12)	\$3.27
Shares on Issue	260,683,178
Market Capitalisation	\$852.4m

Divisional Split (FY2012)



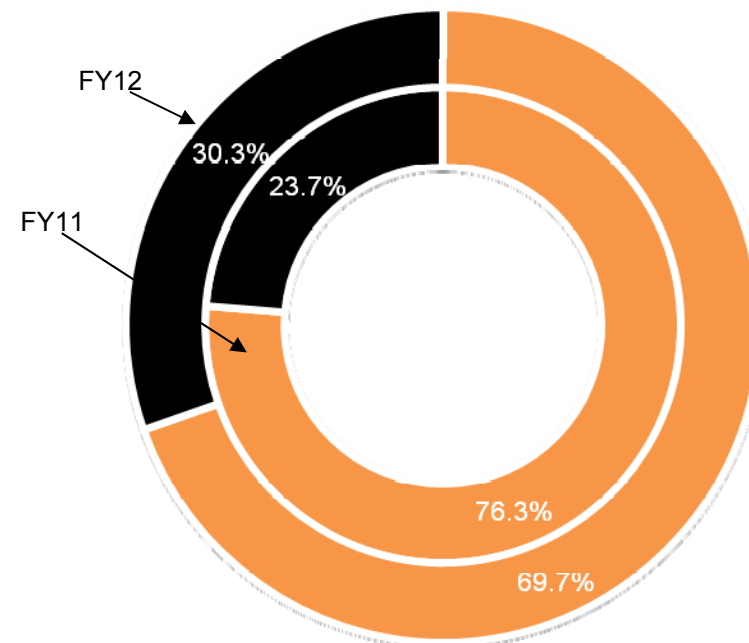
Diversified Revenue and Profitability

Revenue (\$m)



■ Auto

EBITDA (\$m)



■ Auto

Increased contribution from Logistics division

Summary Financial Performance in FY2012



AUTOMOTIVE HOLDINGS GROUP

- Strong revenue and profit growth with 22.4% growth in operating NPAT
- Increased margins with strong contributions from new acquisitions
- Strong organic growth in Automotive
- Acquisition of Daimler Truck Perth in November 2011
- Acquisition of Wignall Group will see full year contribution in FY2013
- Expansion of Logistics business contributing 30% of consolidated EBITDA
- Balance sheet strength supports ongoing growth strategy

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%

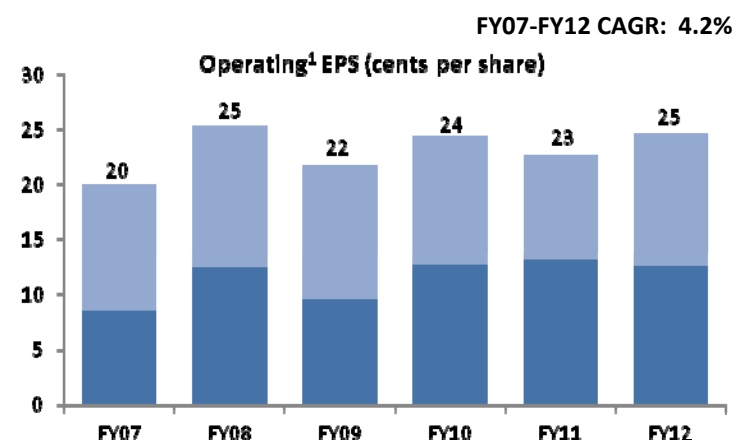
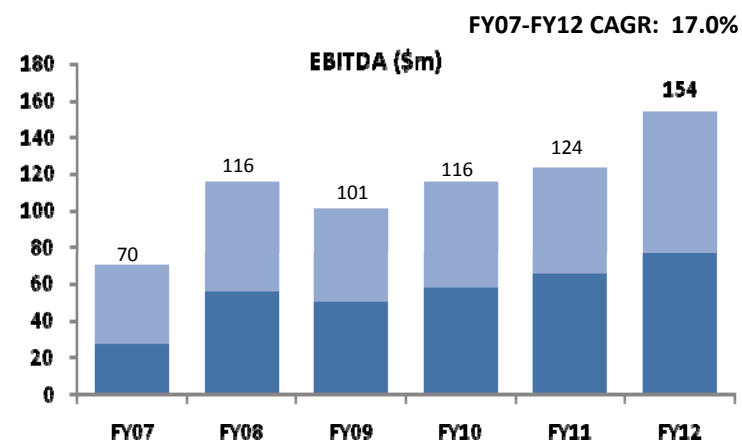
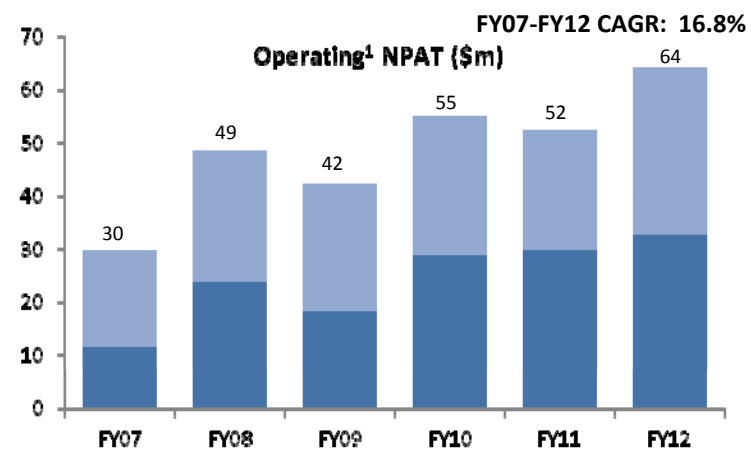
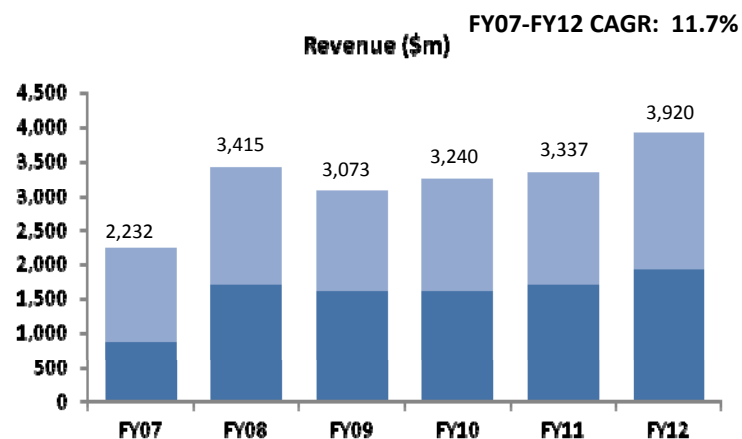
Statutory Reported Profit			
Acquisition & Integration Costs	(1.4)	(3.8)	(181.8%)
Impairment Charge	(19.8)	(9.7)	(51.0%)
Statutory Net Profit after Tax	31.2	50.6	62.1%
Earnings Per Share (cps)	13.5	19.4	43.4%

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

Track Record of Growth



AUTOMOTIVE HOLDINGS GROUP



■ Interim ■ Full Year

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

Automotive – FY2012 Overview



AUTOMOTIVE HOLDINGS GROUP

Cars

- Strong organic sales growth with improved margins
- 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

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%

Trucks

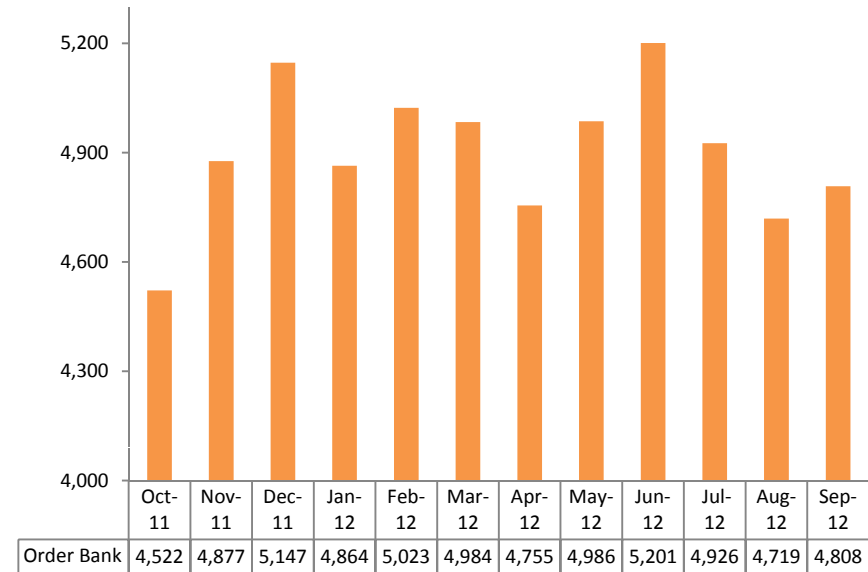
- Strong demand driven by resource sector and product offerings
- Daimler Trucks Perth (acquired November 2011) performing above expectations
- Continuing to expand truck sales network nationally

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

Automotive - Cars

- Encouraging start to FY2013 with automotive volumes up across the industry
- Consumer demand remains strong in Q1
- Manufacturer finance offerings continue to attract interest
- Order bank remains robust at similar levels to 30 June 2012
- Greater focus on investment in digital media with corresponding reduction in print media
- Greenfield developments on track
- Wignall group and Coffey Ford to contribute full year in 2013
- Further acquisitions anticipated during FY2013

Vehicle Order Bank



Industry volume remains strong



AUTOMOTIVE HOLDINGS GROUP

- CY2012 YTD sales up 9.4% nationally and 9.8% in states AHG operates
- Market forecasting 1.08 million to 1.10 million new car sales CY2012
- Previous Australian record was 1.05 million (CY2007)
- Strong increases across Private, Business and Heavy Commercial categories
- July-September sales above quarterly average YTD

YTD Sales Units Analysis History by State			
NEW VEHICLE SALES UNITS	Jan-Sep CY11	Jan-Sep CY12	Jan-Sep '12 V Jan-Sep '11
NSW	233,911	253,772	8.5%
VIC	199,797	216,722	8.5%
QLD	157,641	174,939	11.0%
WA	81,988	94,087	14.8%
SA/TAS/ACT/NT	78,791	83,154	5.5%
Total	752,128	822,674	9.4%

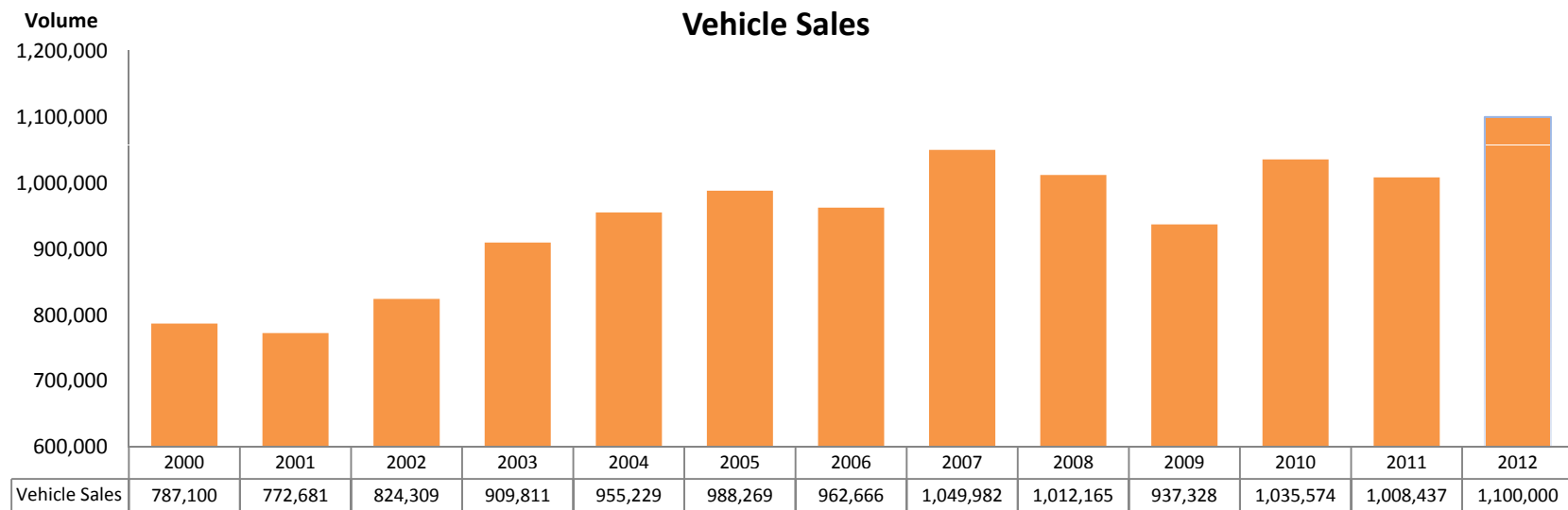
Forecast CY 12 by State	
Forecast 1 Extrapolation	Forecast 2 YTD + Prior MTH
338,363	334,437
288,963	285,119
233,252	228,197
125,449	121,591
110,872	109,639
1,096,899	1,078,983

YTD Sales Units Analysis History by Buyer Type			
NEW VEHICLE SALES UNITS	Jan-Sep CY11	Jan-Sep CY12	Jan-Sep '12 V Jan-Sep '11
Private	360,348	400,773	11.2%
Business	288,307	317,237	10.0%
Government	43,989	39,316	-10.6%
Rental	38,755	42,897	10.7%
Heavy Commercial	20,729	22,451	8.3%
Total	752,128	822,674	9.4%

Forecast CY 12 by Buyer Type	
Forecast 1 Extrapolation	Forecast 2 YTD + Prior MTH
534,364	518,961
422,983	418,615
52,421	49,405
57,196	62,233
29,935	29,769
1,096,899	1,078,983

Australia new vehicle sales

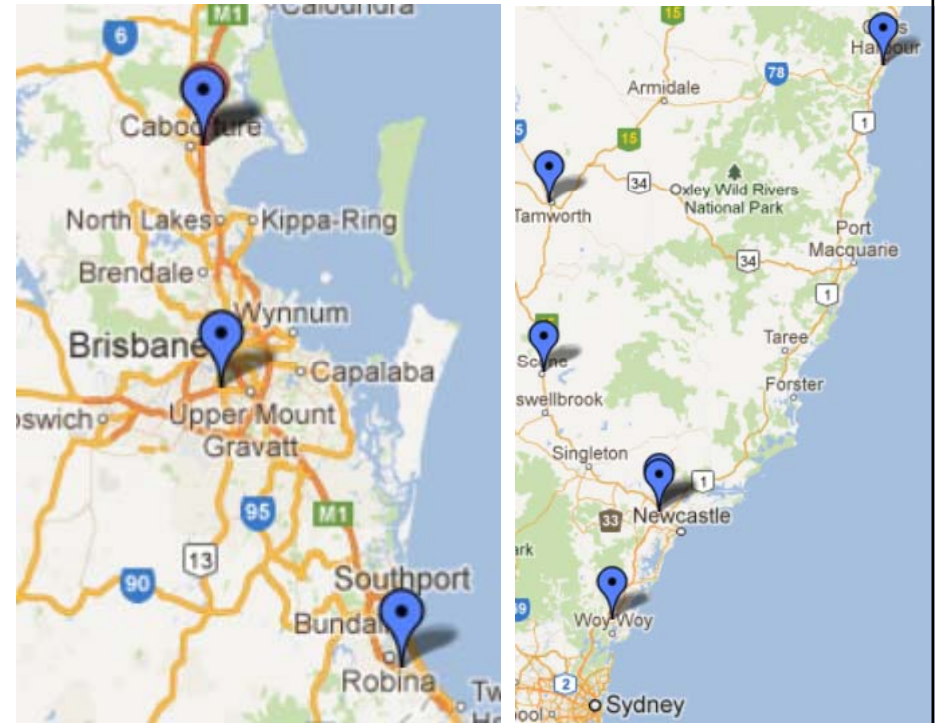
- Car affordability at its best level in decades
- The CommSec measure of car affordability showed it takes 27.5 weeks of average wages to buy a Ford Falcon, the shortest period since 1977. (32 weeks only 18 months ago)
- Low interest rates and manufacturer incentives improving finance penetration
- 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 - Trucks

- Solid demand in WA for trucks across all dealerships
- Strong brand representation
- Recent acquisition of Daimler Trucks Newcastle and Brisbane to expand reach in eastern states
- Daimler Trucks Brisbane acquisition completed October 2012 (Caboolture, Rocklea and Burleigh)
- Development of Newcastle Truck Hub (Freightliner, Mercedes, Fuso, Hino and Iveco)
- Perth, Newcastle and Brisbane provide broad exposure to mining and energy sectors and service industries



Logistics – Overview FY2012



AUTOMOTIVE HOLDINGS GROUP

- 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

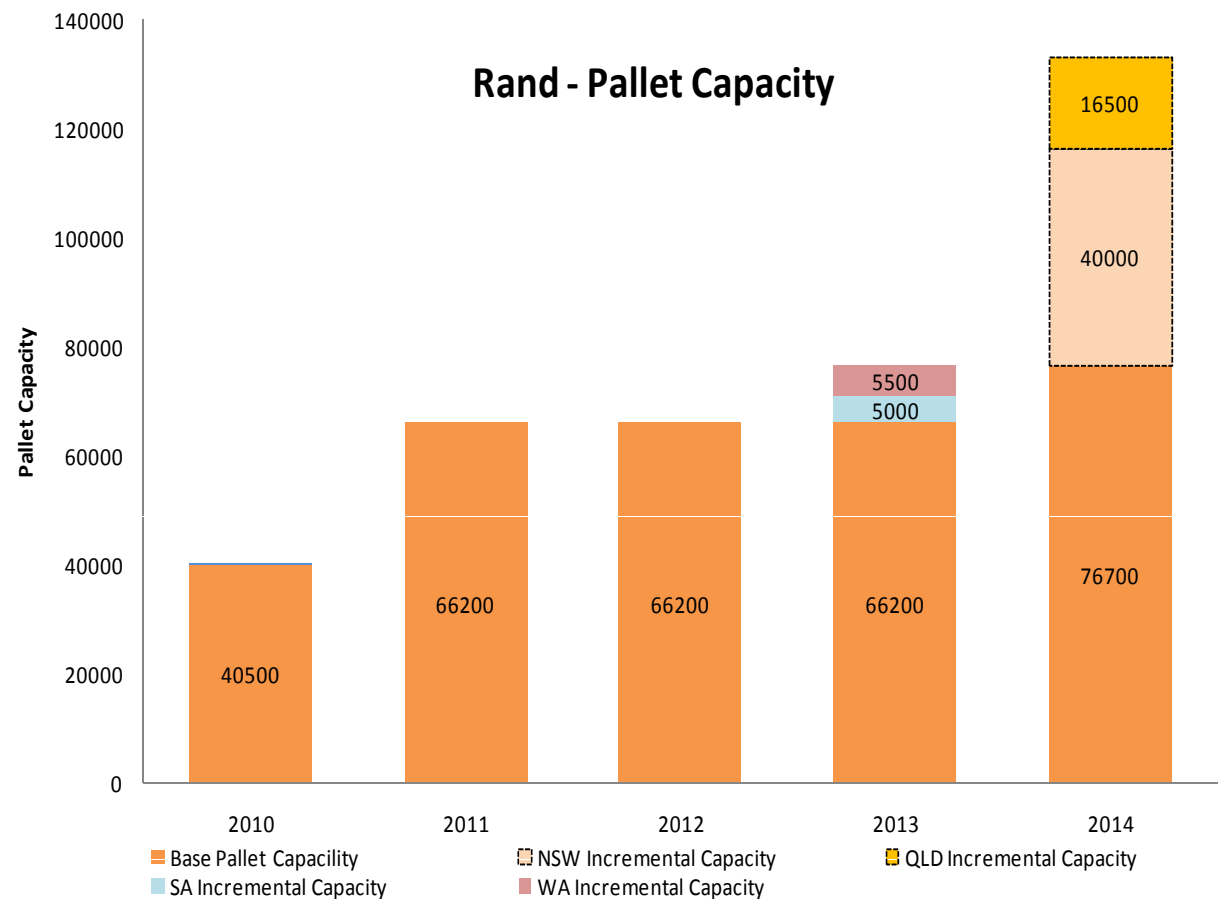
	FY11 (\$m)	FY12 (\$m)	% change
Revenue			
Transport and Cold Storage	201.6	325.2	61.3%
Other ¹	210.4	386.9	83.9%
	412.0	712.1	72.8%
EBITDA			
Transport and Cold Storage	19.8	29.8	50.5%
EBITDA Margin	9.8%	9.2%	
Other ¹	9.2	16.5	79.3%
EBITDA Margin	4.4%	4.3%	
	29.0	46.3	59.7%

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



Rand/Harris Capacity

- Current utilisation across all cold stores close to 100%
- Proposed growth in warehouse capacity 2013/2014
 - NSW: former Toll Refrigerated customers (20,000) and growth (20,000)
 - QLD: former Toll Refrigerated customers (16,500)
- Current access to TOLL warehouses (2 year lease with 6 month break)



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

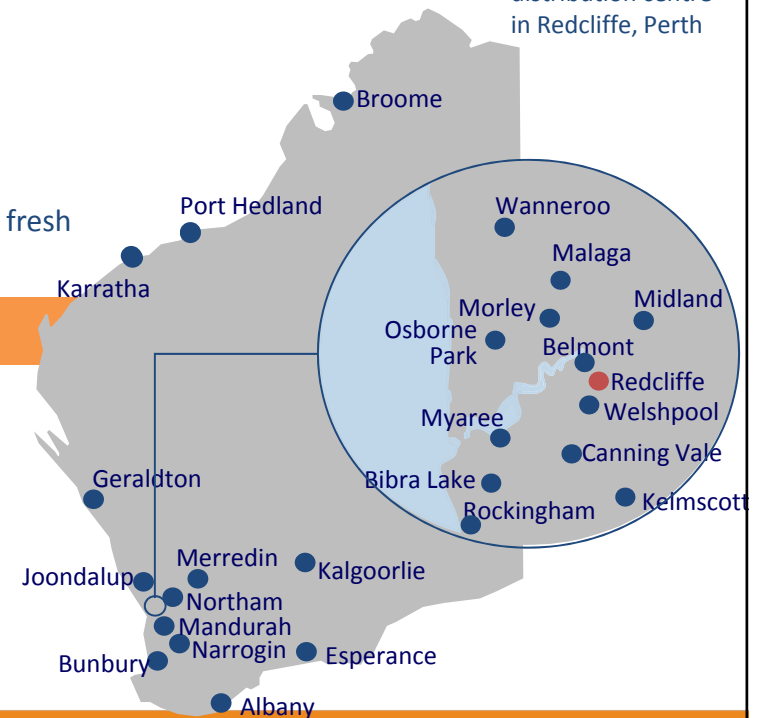
- Has extended Rand's market presence in road transport and introduces refrigerated fresh food logistics capability

Covs Automotive Parts WA Branch Network

- 26 branches
- Centralised distribution centre in Redcliffe, Perth

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
 - Relocation from Redcliffe to Welshpool on track
 - Expanded product offering to mining sector
 - Sole distributor of genuine Ford and Holden parts in WA

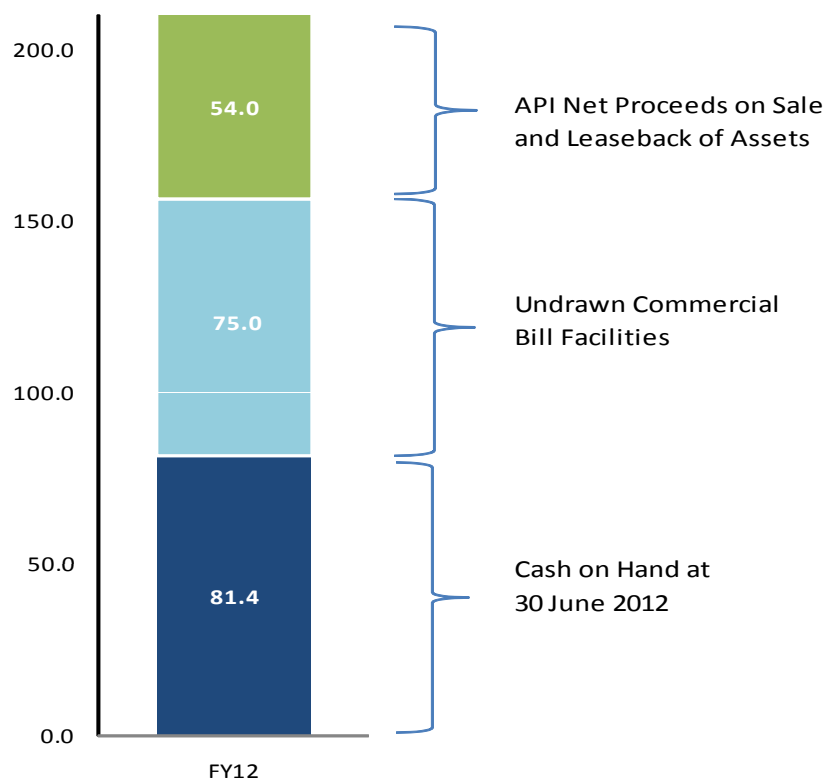


Balance Sheet to support growth



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As at 30 June 2012



Balance Sheet

Net Debt

Total Borrowings	654.0
Inventory Finance (Floorplan)	(501.9)
Cash & Cash Equivalents	(81.4)
Net Debt	70.7

Net Debt to Total Assets (excluding Floorplan and Cash)	8.7%
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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)

Acquisition Update



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 consumers
- Full year contribution of acquisitions in 2013 (Daimler Trucks, Wignall and Coffey Ford)
- Newcastle and Brisbane truck dealerships acquired in 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

- ✓ **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**



AHG

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