



AUTOMOTIVE HOLDINGS GROUP

18 February 2013

The Manager

Company Announcements Office

Australian Securities Exchange

Dear Sir / Madam,

APPENDIX 4D – HALF-YEAR REPORT AND DECEMBER 2012 HALF-YEAR RESULTS

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

- Appendix 4D – Half-Year Report; and
- December 2012 Half-Year Results Announcement

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'D. Rowland', is written over a light grey rectangular background.

D. ROWLAND

COMPANY SECRETARY

Enc.

Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Report for the half-year ended 31 December 2012

This statement includes the results for Automotive Holdings Group Limited and its controlled entities, for the half-year ended 31 December 2012 (current period) compared with the half-year ended 31 December 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 are prepared in accordance with New Zealand International Financial Reporting Standards (NZIFRS).

This report is based on financial accounts which have been reviewed.

Results for Announcement to the Market

		\$A'000's		\$A'000's
Revenues from ordinary activities	Up	258,386	13.5% to	2,169,648
Profit from ordinary activities after tax attributable to members	Up	7,729	25.6% to	37,938
Net profit from continuing operations after tax attributable to members	Up	7,729	25.6% to	37,938

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	8 cents	8 cents
Record date for determining entitlement to the interim dividend		18/03/2013
Date the interim dividend is payable		3/04/2013

Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Commentary on results for the period

Statutory profit after tax attributable to members for the half-year ended 31 December 2012 was \$37.938 million compared with \$30.209 million in the corresponding period. Operating¹ profit after tax attributed to members for the half-year ended 31 December 2012 was \$38.542 million compared with \$32.623 million in the corresponding period. Statutory EPS is up 25.5% to 14.6 cents (2011: 11.6 cents).

Unusual items included in the current year result comprise professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments, and total \$0.604 million (after tax) (2011: \$2.414 million). These unusual items are associated with the business acquisitions of Wignall Group, Toll Refrigerated, Coffey Ford, Newcastle and Brisbane Mercedes Benz, Newcastle Hino and Newcastle Iveco, the divestment of AHG's Gold Coast operations and the divestment of AHG's properties to API.

Group revenue was \$2.170 billion representing a 13.5% increase on the previous year's revenue of \$1.911 billion.

The Automotive Retail division delivered a statutory profit before tax of \$36.816 million on \$1.775 billion of revenue compared with a prior half-year statutory profit before tax of \$32.965 million on \$1.538 billion of revenue. This represents an 11.7% increase in statutory profit before tax and 15.4% increase in revenue. Operating¹ profit before tax was \$38.678 million compared with prior half-year \$33.270 million, an increase of 16.3%.

The Logistics division delivered a statutory profit before tax of \$17.091 million on \$0.395 billion of revenue compared with a prior half-year statutory profit before tax of \$15.163 million on \$0.373 billion of revenue. This represents a 12.7% increase in statutory profit before tax and 5.9% increase in revenue. Operating¹ profit before tax was \$20.899 million compared with prior half-year \$18.058 million, an increase of 15.7%.

The Property division delivered a statutory profit before tax of \$0.971 million compared with a prior half-year statutory loss before tax of \$2.340 million. Operating¹ loss before tax was \$2.966 million after adjustment for the gain on sale of property to API.

¹ Operating profit is prior to deduction of unusual items (professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments).

Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

NTA Backing

	Half - Year	
	2012 Cents	2011 Cents
Net tangible asset backing per ordinary security	97.5	95.5

Dividends Paid and Proposed

	Date paid / payable	Amount per security (fully franked at 30%)
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
Declared and paid during the period ended December 2012		
Final franked dividend for 2012	02/10/12	10.0 cents
Proposed and not recognised as a liability		
Interim franked dividend for 2013	03/04/13	8.0 cents

Jointly Controlled Entities

	% Holding	
	Dec 2012	Dec 2011
Vehicle Parts (WA) Pty Ltd	50%	50%

Contribution to net profit attributable to members was immaterial for current and prior periods.



AUTOMOTIVE HOLDINGS GROUP

AUTOMOTIVE HOLDINGS GROUP LIMITED

ABN 35 111 470 038

Interim Financial Report for the half-year ended 31 December 2012

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly this document is to be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Automotive Holdings Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Your directors present their report on the consolidated entity consisting of Automotive Holdings Group Limited (AHG) and entities it controlled (the Group) at the end of, or during, the half-year ended 31 December 2012.

Directors

The following persons were directors of Automotive Holdings Group Limited during the whole of the half-year and up to the date of this report:

David Griffiths	Non Executive Chairman
Giovanni (John) Groppoli	Non Executive Director
Tracey Horton	Non Executive Director
Bronte Howson	Managing Director
Robert McEniry	Non Executive Director
Michael Smith	Non Executive Deputy Chairman
Peter Stancliffe	Non Executive Director

Hamish Williams was a director of Automotive Holdings Group Limited for part of the half-year until his retirement from his directorship on 16 November 2012.

Commentary on results for the period

Statutory profit after tax attributable to members for the half-year ended 31 December 2012 was \$37.938 million compared with \$30.209 million in the corresponding period. Operating¹ profit after tax attributed to members for the half-year ended 31 December 2012 was \$38.542 million compared with \$32.623 million in the corresponding period. Statutory EPS is up 25.5% to 14.6 cents (2011: 11.6 cents).

Unusual items included in the current year result comprise professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments, and total \$0.604 million (after tax) (2011: \$2.414 million). These unusual items are associated with the business acquisitions of Wignall Group, Toll Refrigerated, Coffey Ford, Newcastle and Brisbane Mercedes Benz, Newcastle Hino and Newcastle Iveco, the divestment of AHG's Gold Coast operations and the divestment of AHG's properties to API.

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The Property division delivered a statutory profit before tax of \$0.971 million compared with a prior half-year statutory loss before tax of \$2.340 million. Operating¹ loss before tax was \$2.966 million after adjustment for the gain on sale of property to API.

¹ Operating profit is prior to deduction of unusual items (professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments).

Consolidated revenue and results

Key Financial Data	Statutory Result Dec 2012	Unusual items *	Operating Result Dec 2012 (excluding Unusual items *)	Operating Result Dec 2011	Operating Variance
For the half-year ending 31 December					
\$'000					
Total revenue	2,169,648	-	2,169,648	1,911,262	13.5%
EBITDA	84,190	(1,733)	85,923	77,597	10.7%
EBITDA margin %	3.9%		4.0%	4.1%	(2.5%)
Depreciation & amortisation	(13,937)	-	(13,937)	(13,435)	(3.7%)
EBIT	70,253	(1,733)	71,986	64,163	12.2%
Interest (Net)	(15,375)	-	(15,375)	(15,174)	(1.3%)
Profit before tax	54,878	(1,733)	56,611	48,989	15.6%
Tax expense	(15,537)	1,129	(16,666)	(14,800)	(12.6%)
Profit after tax	39,341	(604)	39,945	34,188	16.8%
Non controlling interest	(1,403)	-	(1,403)	(1,566)	10.4%
Net profit after tax attributable to shareholders	37,938	(604)	38,542	32,623	18.1%
Basic EPS (cents per share)	14.55		14.79	12.51	18.1%

* **Unusual items** - professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments (API property, Gold Coast dealerships).

Dividends

The directors have declared the payment of an interim dividend of 8 cents per fully paid share compared to the previous corresponding interim dividend of 7 cents per fully paid share. Refer to note 4 for further information.

Auditor's Independence Declaration

The lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and follows the directors' report.

Rounding of Amounts

The Company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of the directors.



David C Griffiths

Chairman

Perth, 18 February 2013

**Automotive Holdings Group Limited
Auditor's Independence Declaration**
For the half-year ended 31 December 2012



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Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

18 February 2013

The Board of Directors
Automotive Holdings Group Limited
21 Old Aberdeen Place
WEST PERTH WA 6005

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF
AUTOMOTIVE HOLDINGS GROUP LIMITED**

As lead auditor for the review of Automotive Holdings Group Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Automotive Holdings Group Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a light blue horizontal line.

GLYN O'BRIEN
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO (Australia) Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO (Australia) Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

Automotive Holdings Group Limited
Consolidated Statement of Profit and Loss and Other Comprehensive Income
For the half-year ended 31 December 2012

		Half - Year	
		2012	2011
		\$'000	\$'000
	Notes		
Revenue from continuing operations		2,169,648	1,911,262
Profit on sale of assets and investments		3,789	-
Raw materials and inventory expense		(1,685,165)	(1,492,798)
Employee benefits expense		(247,065)	(206,099)
Depreciation and amortisation expense		(13,937)	(13,435)
Finance costs		(18,049)	(17,873)
Advertising and promotion		(16,009)	(14,742)
Occupancy costs		(51,746)	(43,031)
Vehicle preparation and service		(17,441)	(15,132)
Supplies and outside services		(16,231)	(15,329)
Motor vehicle expense		(6,446)	(6,026)
Equipment rental		(6,763)	(4,393)
Professional services		(4,186)	(2,637)
Other expense		(35,523)	(33,601)
Loss on sale of assets		-	(378)
Profit before income tax		54,878	45,788
Income tax expense		(15,537)	(14,013)
Profit from continuing operations		39,341	31,775
Profit for the half-year before other comprehensive income		39,341	31,775
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Unrealised changes in the fair value of cash flow hedges (net of tax)		1,618	(766)
Exchange differences on translation of foreign operations		(61)	(64)
<i>Items that will not be reclassified to profit or loss</i>			
Total comprehensive income for the half-year (net of tax)		40,898	30,944
Profit attributable to:			
Owners of Automotive Holdings Group Limited		37,938	30,209
Non-controlling interest		1,403	1,566
		39,341	31,775
Total comprehensive income attributable to:			
Owners of Automotive Holdings Group Limited		39,496	29,378
Non-controlling interest		1,403	1,566
		40,898	30,944
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	3	14.6	11.6
Diluted earnings per share		14.6	11.6
Earnings per share is calculated on a weighted average number of shares of:		260,683,178	260,679,363

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Automotive Holdings Group Limited
Consolidated Statement of Financial Position
As at 31 December 2012

		Half - Year	
	Notes	31 Dec 2012 \$'000	30 Jun 2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents		82,710	81,382
Trade and other receivables		252,956	248,774
Inventories		626,480	584,219
Other current assets		17,663	13,658
		979,810	928,033
Assets classified as held for sale		-	69,213
TOTAL CURRENT ASSETS		979,810	997,246
NON CURRENT ASSETS			
Available-for-sale financial assets	5	7,250	2,250
Property, plant and equipment	6	181,266	158,098
Intangible assets	7	217,983	211,781
Deferred tax assets		35,125	29,075
TOTAL NON CURRENT ASSETS		441,624	401,204
TOTAL ASSETS		1,421,434	1,398,450
CURRENT LIABILITIES			
Trade and other payables		193,699	202,509
Interest-bearing loans and borrowings		517,367	514,992
Income tax payable		14,052	11,195
Provisions		49,637	41,265
		774,756	769,961
Liabilities directly associated with assets classified as held for sale		-	15,357
TOTAL CURRENT LIABILITIES		774,756	785,318
NON CURRENT LIABILITIES			
Interest-bearing loans and borrowings		155,810	139,000
Deferred tax liabilities		2,569	1,241
Provisions		16,205	14,970
TOTAL NON CURRENT LIABILITIES		174,584	155,211
TOTAL LIABILITIES		949,339	940,529
NET ASSETS		472,095	457,921
EQUITY			
Contributed equity	8	384,112	382,282
Reserves		(265)	(2,155)
Retained profits		83,275	74,012
Capital and reserves attributable to the owners of Automotive Holdings Group Limited		467,122	454,139
Non-controlling interest		4,973	3,783
TOTAL EQUITY		472,095	457,921

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Automotive Holdings Group Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2012

		Attributable to owners of Automotive Holdings Group Limited					
		Contributed Equity	Reserves	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2011		382,586	(563)	67,716	449,739	3,012	452,750
Profit for the half-year (after tax)		-	-	30,209	30,209	1,566	31,775
Changes in fair value of cash flow hedges		-	(1,095)	-	(1,095)	-	(1,095)
Exchange differences on translation of foreign operations		-	(64)	-	(64)	-	(64)
Income tax relating to components of other comprehensive income		-	328	-	328	-	328
Total comprehensive income for the half-year		-	(831)	30,209	29,378	1,566	30,944
Transactions with owners in their capacity as equity holders:							
Contributions of equity, net of transaction costs	8	(304)	-	-	(304)	-	(304)
Dividends provided for or paid	4	-	-	(26,068)	(26,068)	(2,170)	(28,238)
		(304)	-	(26,068)	(26,372)	(2,169)	(28,542)
At 31 December 2011		382,282	(1,394)	71,857	452,745	2,408	455,153

		Contributed Equity	Reserves	Retained Earnings	Total	Non- Controlling Interest	Total Equity
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 2012		382,282	(2,155)	74,012	454,138	3,782	457,921
Profit for the half-year (after tax)		-	-	-	-	-	-
Changes in fair value of cash flow hedges		-	-	37,938	37,938	1,403	39,341
Exchange differences on translation of foreign operations		-	2,238	-	2,238	-	2,238
Income tax relating to components of other comprehensive income		-	(61)	-	(61)	-	(61)
		-	(620)	-	(620)	-	(620)
Total comprehensive income for the half-year		-	1,557	37,938	39,495	1,403	40,898
Transactions with owners in their capacity as equity holders:							
Contributions of equity, net of transaction costs	8	1,830	-	-	1,830	2,400	4,230
Dividends provided for or paid	4	-	-	(28,675)	(28,675)	(2,613)	(31,288)
Employee share scheme	14	-	333	-	333	-	333
		1,830	333	(28,675)	(26,512)	(213)	(26,725)
At 31 December 2012		384,112	(265)	83,275	467,122	4,973	472,095

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Automotive Holdings Group Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2012

		Half - Year	
		2012	2011
		\$'000	\$'000
	Notes		
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		2,175,208	2,055,830
Payments to suppliers and employees (inclusive of GST)		(2,115,188)	(1,999,962)
Interest paid and costs of finance		(20,901)	(17,873)
Interest received		2,674	2,502
Income tax paid		(16,976)	(14,362)
Net cash inflow from operating activities	10	24,816	26,135
Cash flow from investing activities			
Payment for purchase of business, net of cash acquired	9	(23,938)	(48,496)
Payment for property plant and equipment		(34,972)	(18,276)
Dividends and distributions received		190	-
Proceeds of sale of property, plant and equipment		3,373	3,285
Proceeds from sale of / (payments for) investments		57,391	(2,250)
Payment for available-for-sale financial assets		(5,000)	-
Net cash outflow from investing activities		(2,956)	(65,737)
Cash flows from financing activities			
Net proceeds from borrowings		10,756	16,097
Proceeds from issue of shares, net of transaction costs		-	507
Dividends paid to members		(28,675)	(26,068)
Dividends paid to non-controlling interest		(2,613)	(2,170)
Net cash outflow from financing activities		(20,532)	(11,634)
Net increase (decrease) in cash and cash equivalents		1,328	(51,236)
Cash and cash equivalents at the beginning of the half-year		81,382	104,996
Cash and cash equivalents at the end of the half-year		82,710	53,760

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Non-cash financing and investing activities

During the half-year the Group acquired plant and equipment with a fair value of \$8,739,279 by means of finance leasing and hire purchase arrangement. These acquisitions are not reflected in the above Consolidated Statement of Cash Flows.

1. Basis of preparation of half-year report

This general purpose financial report for the interim half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standards *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in the annual financial report. Accordingly, this document is to be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Automotive Holdings Group Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Impact of standards issued but not yet applied by the entity

Other than AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle* there were no new standards issued since 30 June 2012 that have not been applied by AHG. The 30 June 2012 annual report disclosed that AHG anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of these standards issued but not yet applied, and this remains the assessment as at 31 December 2012.

2. Operating segments

The Board has determined that AHG's operating segments be divided between a single reportable automotive segment, two reportable logistics segments comprising of AHG's transport and cold storage operations and the balance of all of its other logistical operations, as well as a property segment. All segments operate within the geographical area of Australia and New Zealand. Operations in Australia and New Zealand are classified and managed as one geographical area, and therefore geographic disclosures have not been included.

Automotive Retail

The automotive segment has 132 dealerships franchise sites operating within the geographical areas of Australia and New Zealand.

AHG's automotive operations exhibit similar economic characteristics. They have similar product offerings and a consistency of customer base. The generic characteristics of these businesses allow AHG to consistently measure operating performance within this segment.

Transport and Cold Storage

It was determined that AHG's transport and cold storage operations be disclosed as a separate reportable segment given the unique characteristics attendant to these operations, vis-à-vis the Group's other logistical operations, as well as the proportion of AHG's profit generated by them.

Other Logistics

The other logistical operations segment comprises AHG's automotive parts warehousing and distribution businesses, motorcycle distribution and vehicle storage and engineering.

Property

The property segment comprises AHG's direct property interests in land and buildings.

Automotive Holdings Group Limited
Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

2. Operating segments (continued)

Segment Reporting December 2012	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	1,983,488	211,424	208,636	420,060	230	2,403,778
Less: intercompany sales	(210,709)	-	(26,095)	(26,095)	-	(236,804)
Segment revenue	1,772,779	211,424	182,541	393,965	230	2,166,974
Interest earned	1,953	34	687	721	-	2,674
Total revenue						2,169,648
EBITDA	55,526	18,922	6,653	25,575	3,089	84,190
Depreciation and amortisation	(6,991)	(5,842)	(1,104)	(6,945)	(1)	(13,937)
EBIT	48,535	13,080	5,549	18,629	3,088	70,253
Interest expense (net)	(11,719)	(2,034)	495	(1,539)	(2,117)	(15,375)
Profit before tax for the half-year						54,878
Income tax expense						(15,537)
Reportable segment profit after tax for the half-year						39,341
Total revenue	1,774,732	211,458	183,228	394,686	230	2,169,648
EBITDA before unusual items	57,388	20,059	9,324	29,383	(848)	85,923
EBIT before unusual items	50,397	14,218	8,220	22,438	(849)	71,986
Segment result before unusual items	38,678	12,184	8,715	20,899	(2,966)	56,611
Unusual items*	(1,862)	(1,137)	(2,671)	(3,809)	3,937	(1,733)
Profit before tax for the half-year	36,816	11,047	6,044	17,091	971	54,878
Segment Reporting December 2012	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	1,097,405	151,900	151,653	303,553	20,476	1,421,433
Total consolidated assets						1,421,433
Segment liabilities	647,382	134,778	140,075	274,853	27,104	949,339
Total consolidated liabilities						949,339
Acquisition of property, plant, equipment and intangibles	24,162	13,220	4,807	18,027	7,063	49,251

*Unusual items - professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments (API property, Gold Coast dealerships).

Automotive Holdings Group Limited
Notes to the Consolidated Financial Statements
For the half-year ended 31 December 2012

2. Operating segments (continued)

Segment Reporting December 2011	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross revenue	1,588,231	168,586	221,404	389,990	705	1,978,926
Less: intercompany sales	(52,074)	-	(17,939)	(17,939)	(350)	(70,363)
Segment revenue	1,536,157	168,586	203,465	372,051	355	1,908,563
Interest earned	2,199	93	406	499	-	2,699
Total revenue						1,911,262
EBITDA	49,624	17,859	6,380	24,239	534	74,397
Depreciation and amortisation	(6,492)	(5,782)	(1,012)	(6,794)	(149)	(13,435)
EBIT	43,131	12,077	5,368	17,445	386	60,962
Interest expense (net)	(10,167)	(2,430)	148	(2,282)	(2,726)	(15,174)
Profit before tax for the half-year						45,788
Income tax expense						(14,013)
Reportable segment profit after tax for the half-year						31,775
Total revenue	1,538,356	168,679	203,871	372,550	355	1,911,262
EBITDA before unusual items	49,929	19,152	7,982	27,134	534	77,597
EBIT before unusual items	43,437	13,370	6,971	20,340	386	64,163
Segment result before unusual items	33,270	10,940	7,119	18,058	(2,340)	48,989
Unusual items*	(306)	(1,293)	(1,602)	(2,895)		(3,201)
Profit before tax for the half-year	32,965	9,647	5,517	15,163	(2,340)	45,788
Segment Reporting June 2012	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Automotive 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 and intangibles	53,658	5,413	3,147	8,560	6,518	68,735

*Unusual items - professional fees, stamp duty, acquisition and integration costs associated with acquisition-related activities

3. Earnings per share

Basic earnings per share

	Half - Year	
	2012	2011
	cents	cents
Earnings per share for profit attributable to the ordinary equity holders of the Company excluding unusual items ¹	14.8	12.5
Earnings per share for profit / (loss) from unusual items ¹ attributable to the ordinary equity holders of the Company	(0.2)	(0.9)
Total earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company	14.6	11.6

Reconciliation of earnings used in calculating earnings per share

	Half - Year	
	2012	2011
	\$'000	\$'000
<i>Basic Earnings Per Share</i>		
Profit attributable to the ordinary equity holders of the Company from continuing operations excluding unusual items ¹	38,542	32,623
Profit / (loss) attributable to the ordinary equity holders of the Company from unusual items ¹	(604)	(2,414)
Profit attributable to the ordinary equity holders of the Company from continuing operations in calculating basic earnings per share	37,938	30,209

The Group has no instruments that have a dilutive affect on earnings per share.

Weighted average number of shares used as the denominator

	Number	
	2012	2011
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	260,683,178	260,679,363

¹ **Unusual items** - professional fees, stamp duty and acquisition and integration costs associated with acquisition-related activities and asset divestments (API property, Gold Coast dealerships). Unusual items included in statutory profit net of tax are \$0.604 million (2011: \$2.414 million).

4. Dividends paid and proposed

Dividends on ordinary shares:

Final dividend for the year ended 30 June 2012 of 10 cents per fully paid share paid on 2 October 2012 (30 June 2011 of 10 cents per fully paid share paid on 30 September 2011)

Interim dividend for the half-year ended 31 December 2012 of 8 cents per fully paid share payable on 3 April 2013 (31 December 2011 of 7 cents per fully paid share payable on 3 April 2012)

Parent	
2012	2011
\$'000	\$'000
26,068	26,068
20,855	18,248
46,923	44,316

5. Available-for-sale Financial Assets

Shares in unlisted company and trust

Consolidated	
31 Dec 2012	30 Jun 2012
\$'000	\$'000
7,250	2,250
7,250	2,250

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 invested \$6.0 million to close the offer. AHG subsequently divested \$1.0 million of this investment at cost in the current period.

6. Property, plant and equipment

		Consolidated	
		31 Dec 2012	30 Jun 2012
		\$'000	\$'000
Land and buildings		23,132	23,112
Accumulated depreciation		(18)	(15)
		23,115	23,097
Plant and equipment at cost		149,586	133,940
Accumulated depreciation		(76,559)	(67,063)
		73,027	66,877
Capitalised leased assets		30,589	29,621
Accumulated amortisation		(9,075)	(8,820)
		21,514	20,801
Leasehold improvements at cost		57,751	52,807
Accumulated amortisation		(15,214)	(13,214)
		42,538	39,593
Assets under construction		21,072	7,730
Total property, plant & equipment		181,266	158,098

Consolidated December 2012	Land and buildings	Plant and equipment	Capitalised leased assets	Leasehold improvements	Assets under construction	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2012	23,097	66,877	20,801	39,593	7,730	158,098
Translation adjustment	-	16	-	4	1	21
Additions	45	13,039	2,803	4,939	13,662	34,487
Acquisitions through business combinations	-	5,660	-	39	48	5,746
Disposals	2	(3,142)	-	(9)	-	(3,149)
Transfers	-	693	(377)	52	(368)	-
Depreciation / amortisation	(29)	(10,115)	(1,713)	(2,081)	-	(13,937)
Carrying amount at 31 Dec 2012	23,115	73,027	21,514	42,538	21,072	181,266

7. Intangible assets

	Goodwill	Franchise Rights & Distribution Agreements	Total
	\$'000	\$'000	\$'000
December 2012			
Carrying amount at 1 July 2012	79,845	131,936	211,781
Additions	5,994	3,507	9,502
Divestments		(3,300)	(3,300)
Carrying amount at 31 December 2012	85,839	132,144	217,983
	Goodwill	Franchise Rights & Distribution Agreements	Total
	\$'000	\$'000	\$'000
December 2012			
Automotive Retail	55,909	125,201	181,110
Transport and Cold Storage	19,145	-	19,145
Other Logistics	10,785	6,943	17,728
Carrying amount at 31 December 2012	85,839	132,144	217,983

Refer to Note 9 for further details on additions.

8. Contributed equity

	Parent		Parent	
	2012 Shares	2011 Shares	2012 \$'000	2011 \$'000
Ordinary shares fully paid	260,683,178	260,683,178	384,112	384,112
Treasury shares	-	(843,882)	-	(1,830)
Total contributed equity	260,683,178	259,839,296	384,112	382,282

Ordinary Shares

		No. of Shares	Issue Price	\$'000
01/07/11	Balance at 1 July 2011	260,449,209		383,585
04/07/11	Share Purchase Plan (a)	233,969	\$ 2.44	571
	Less: transaction costs arising on share issue (a)			(64)
	Deferred Tax Credit recognised directly in equity			19
31/12/11	Balance at 31 December 2011	260,683,178		384,112
30/06/12	Balance at 30 June 2012	260,683,178		384,112
31/12/12	Balance at 31 December 2012	260,683,178		384,112

(a) Share Purchase Plan

On 4 July 2011 AHG completed a Share Purchase Plan issuing 233,969 shares. Existing shareholders participated in the opportunity to obtain additional shares at \$2.44 per share to raise gross proceeds of \$0.571 million. Transaction costs of this placement totalled \$0.064 million.

Treasury Shares

		No. of Shares	Issue Price	\$'000
01/07/11	Balance at 1 July 2011	(420,000)		(1,000)
29/09/11	AHG Employee Share Plan Trust Acquisition (b)	(423,882)	\$ 1.96	(830)
31/12/11	Balance at 31 December 2011	(843,882)		(1,830)
30/06/12	Balance at 30 June 2012	(843,882)		(1,830)
16/11/12	AHG Employee Share Plan Trust Distribution (b)	843,882		1,830
31/12/12	Balance at 31 December 2012	-		-

(b) Treasury Shares

Treasury Shares are shares in AHG Limited that are held by the AHG Employee Share Plan Trust for the purpose of issuing shares under the various AHG share-based payment plans. All Treasury shares were issued to employees during the current period.

9. Business Combinations

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 \$6.183 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 was fully integrated into AHG's existing Rand Transport operations at acquisition and, as such, distinct financial information is not recorded. AHG estimates it contributed indicative revenues of \$24.749 million and net profit before tax of \$0.619 million for the half year ended 31 December 2012 before acquisition and integration costs. On this basis, it is expected that this business would have contributed \$28.709 million in revenues and \$0.702 million net profit before tax, for the half year ended 31 December 2012, had the acquisition occurred at the beginning of the reporting period.

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

	\$'000
Purchase consideration	
Cash paid	6,183
Total purchase consideration	<u>6,183</u>
	Fair Value
	\$'000
Other current assets	84
Property, plant and equipment	2,366
Deferred tax assets	217
	<u>2,667</u>
Employee entitlements	(725)
	<u>(725)</u>
Net identifiable assets acquired	<u>1,943</u>
Add: goodwill	4,240
Net assets acquired	<u>6,183</u>

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 \$1.137 million are included in professional services and other expenses in the statement of profit and loss and other comprehensive income in the reporting half year ended 31 December 2012.

ii. Information not disclosed as not yet available

The Group has reported provisional amounts for goodwill and property plant and equipment acquired as part of the purchase of the Toll Refrigerated (see above).

9. Business Combinations (continued)

On 1 August 2012 AHG acquired certain business assets and liabilities of Coffey Ford, an automotive retail operation in Dandenong, Melbourne, for consideration of \$3.780 million. The acquisition expands AHG's automotive retail operations in Victoria.

The business contributed revenues of \$19.685 million and a net profit before tax of \$0.165 million for the half year ended 31 December 2012 before acquisition and integration costs. It is expected that this business would have contributed \$23.622 million in revenues and \$0.198 million net profit before tax, for the half year ended 31 December 2012, had the acquisition occurred at the beginning of the reporting period.

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

	\$'000
Purchase consideration	
Cash paid	3,780
Less: balances acquired Cash	(2)
Net cash paid	<u>3,778</u>
	Fair Value
	\$'000
Cash and cash equivalents	2
Vehicle inventories	5,307
Parts inventories	553
Other inventory	49
Other current assets	41
Property, plant and equipment	389
Deferred tax assets	284
	<u>6,624</u>
Trade and other payables	(64)
Bailment (vehicle inventories)	(4,105)
Employee entitlements	(875)
	<u>(5,044)</u>
Net identifiable assets acquired	<u>1,580</u>
Add: goodwill	733
Add: franchise rights	1,467
Net assets acquired	<u>3,780</u>

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 \$0.028 million are included in professional services in the statement of profit and loss and other comprehensive income in the reporting period ended 31 December 2012.

ii. Information not disclosed as not yet available

The Group has reported provisional amounts for goodwill, franchise rights and inventory acquired as part of the purchase of the Coffey Ford (see above). The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired.

9. Business Combinations (continued)

On 23 August 2012 AHG announced it was acquiring certain business assets and liabilities of Daimler Brisbane and Newcastle truck operations, followed on 12 October 2012 by the acquisition of the Newcastle Iveco truck operations. Total consideration for these acquisitions was approximately \$13.4 million. These acquisitions are complementary in nature and activities to 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 businesses contributed revenues of \$33.736 million and a net profit before tax of \$0.581 million for the half year ended 31 December 2012 before acquisition and integration costs. It is expected that these businesses would have contributed \$58.160 million in revenues and \$0.997 million net profit before tax, for the half year ended 31 December 2012, had the acquisition occurred at the beginning of the reporting period.

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

	\$'000
Purchase consideration	
Cash paid	13,396
Total purchase consideration	<u>13,396</u>
	Fair Value
	\$'000
Vehicle inventories	31,482
Parts inventories	5,448
Other inventory	191
Property, plant and equipment	1,849
Deferred tax assets	521
	<u>39,491</u>
Trade and other payables	(1,293)
Bailment (vehicle inventories)	(26,065)
Employee entitlements	(1,737)
	<u>(29,095)</u>
Net identifiable assets acquired	<u>10,396</u>
Add: goodwill	1,000
Add: franchise rights	2,000
Net assets acquired	<u>13,396</u>

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 \$0.656 million are included in professional services and other expenses in the statement of profit and loss and other comprehensive income in the reporting period ended 31 December 2012.

ii. Information not disclosed as not yet available

The Group has reported provisional amounts for goodwill, franchise rights and inventory acquired as part of the purchase of Brisbane and Newcastle Mercedes-Benz truck operations (see above). The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired.

10. Cash flow information

Reconciliation of Cash

	Half - Year	
	2012	2011
	\$'000	\$'000
Cash at bank and on hand	57,200	53,760
Deposits at call	25,510	25,000
	82,710	78,760
	Half - Year	
	2012	2011
	\$'000	\$'000
Profit for the half-year after tax	39,341	31,775
<i>Non Operating Activity Cash flow in profit</i>		
- Distributions received	(190)	-
- Profit on sale of assets	(314)	-
- Loss on sale of assets	-	378
- Profit on sale of investments	(3,476)	-
<i>Non Cash flow in profit</i>		
- Depreciation	10,143	9,542
- Amortisation	3,794	3,893
<i>Changes in operating assets and liabilities</i>		
Decrease / (increase) in trade debtors	5,509	(46,722)
(Increase) in inventories	(25,658)	(10,687)
(Increase) / decrease in prepayments	(3,912)	1,446
(Increase) in deferred tax assets	(5,001)	(4,233)
Decrease in current tax payable	2,237	3,036
(Increase) / decrease in trade creditors	(2,242)	16,811
(Increase) / decrease in accruals	(4,822)	15,549
Decrease in employee entitlements	4,528	3,189
Decrease in other provisions	3,550	1,312
Decrease in deferred tax liabilities	1,328	847
Net cash inflow from operating activities	24,816	26,135

11. Unsecured Contingent Liabilities and Contingent Assets

A liability exists for after sales service and finance rebates but the amount can not be quantified. In the opinion of the directors the amount is not material to the financial statements.

Unsecured guarantees, indemnities and undertakings have been given by AHG in the normal course of business in respect of banking and financial trade arrangements entered into by its controlled entities. The total of these guarantees is \$16,370,000. At 31 December 2012 no controlled entity was in default in respect of any arrangement guaranteed by AHG.

The Group has a contingent asset by virtue of it having lodged a claim for compensation under the *Land Administration Act (WA) 1997*. The claim is for potential loss of business and associated costs arising as a consequence of the state government's proposed taking of land by way of compulsory purchase order. The amount of any contingent asset cannot be quantified at this time.

At 31 December 2012, trusts within the Group had entered into sale and buyback agreements for a number of vehicles. At this date the directors of the trustee companies are of the opinion that the repurchase price of these vehicles, net of the relevant provision at 31 December 2012, is below their expected selling price.

12. Assets and liabilities classified as held for sale

Assets and directly associated liabilities classified as held for sale

	Consolidated	
	31 Dec 2012 \$'000	30 Jun 2012 \$'000
Non-current assets held for sale (i)		
Land and buildings		49,328
Disposal group - assets held for sale (ii)		
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
Disposal group - liabilities held for sale (ii)		
Payables		2,781
Provisions		1,264
Borrowings		11,312
Total liabilities directly associated with disposal group held for sale	-	15,357

12. Assets and liabilities classified as held for sale (continued)

(i) Non-current assets held for sale

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 settled on 17th 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 invested \$6.0 million to close the offer. These properties are part of the Property Segment in note 5. The gain on sale in respect of this transaction has been recognised in the 31 December 2012 financial statements.

(ii) Disposal group held for sale

On 5 July 2012, AHG announced it was divesting its automotive retail operations at the Gold Coast in Queensland. This transaction was completed in the current financial period.

13. Events Occurring After Reporting Date

On 15 February 2013, Automotive Holdings Group ('AHG') announced it had agreed to acquire certain business assets and liabilities of the Peninsula Group located on the Mornington Peninsula in Victoria. The acquisition expands AHG's automotive retail operations in Victoria.

The financial effects of this transaction have not been brought to account at 31 December 2012. The operating assets and liabilities will be consolidated from the date of settlement, anticipated to be during March 2013.

No other material events have occurred since 31 December 2012 requiring disclosure.

14. Share based payment plans

AHG Performance Rights Plan

The issue of Performance Rights under a Long Term Incentive scheme ('LTI') to AHG's Managing Director, Bronte Howson was approved by shareholders at the Group's AGM on 16 November 2012. These Performance Rights have been issued in accordance with AHG's existing Performance Rights Plan.

LTI

This is the monetary value of performance rights to be issued on the following basis:

- Subject to shareholder approval at the AGM.
- Issued under the rules of the AHG Performance Rights Plan.
- Based on performance assessed over a three year vesting period against measures approved by the Board with no subsequent re-testing.
- Performance rights granted prior to departure can be retained post departure subject to compliance with service agreement terms including non-compete restrictions.
- For FY2013 the performance rights will vest subject to performance achieved against a relative Total Shareholder Return (TSR) hurdle (50% weighting) and an Earnings per Share (EPS) compound annual growth rate (50% weighting), the details of which are outlined below.

Relative TSR

- AHG's TSR performance over the relevant performance period will be assessed against a defined peer group of companies (refer page 47 of the 2012 Annual Report). This is subject to changes as may be approved by the Board in consultation with an independent party if that is appropriate given changes to the peer group companies.
- Vesting of the TSR portion of the grant will occur on the following basis:

TSR ranking in the comparator group	Vesting outcome of TSR portion of grant
Below 50 th percentile	Nil
At 50 th percentile	25% vesting
50 th percentile up to 75 th percentile	Progressive/pro-rata from 25-100%
At or above 75 th percentile	100% vesting

Operating EPS compound annual growth rate

- Baseline operating EPS for assessment of performance over the relevant performance period is set at FY2012 operating EPS (24.6 cents)
- Vesting of the EPS portion of the grant will occur on the following basis:

Compound annual EPS growth performance	Vesting outcome of EPS portion of grant
Below 7% pa	Nil
At 7% pa	25% vesting
7% pa up to 10% pa	Progressive/pro-rata from 25-100%
At or above 10% pa	100% vesting

14. Share based payment plans (continued)

Cap

The aggregate number of shares subject to outstanding Rights (that is, Rights that have not yet been exercised and that have not lapsed) that have been awarded under all of the Company's equity incentive plans will not exceed 5% of the issued share capital.

LTI Issue Value

Vesting of the MD's FY2013 Performance Rights (as approved by shareholders at the 2012 AGM) is based on achievement of performance criteria measured across the three financial years to 30 June 2015. Those rights that do vest will be issued during the year ended 30 June 2016. The value of the MD's LTI for 2013 is \$0.667 million. This amount is represented by the issue of 336,700 performance rights at an issue value of \$1.98 per right. This issue value was calculated by independent consultants PricewaterhouseCoopers ("PwC") using a Black-Scholes option pricing model and is based around AHG's share price at 1 July 2012. This and other model inputs to this valuation methodology are disclosed below.

Accounting Fair Value of Performance Rights

Accounting standards require that Performance Rights are expensed based on the market price at the date the rights are formally granted (being AHG's AGM on 16 November 2012). This is different to the issue value, which is determined at the commencement of the performance period (1 July 2012). The assessed fair value for accounting purposes is \$2.13 cents per share. That fair value is determined using separate valuation models for the difference performance criteria. The outcomes from these models are weighted 50:50 between TSR-related and EPS-related criteria reflecting the performance weighting.

The TSR-related shares have been valued using a Monte Carlo option pricing model that takes into account the issue price, the vesting term of the shares, the impact of dilution, the share price at grant date, the expected volatility, the expected dividend yield and the risk free interest rate. The EPS-related shares have been valued using a Black-Scholes option pricing model that takes into account the vesting term of the shares, the impact of dilution, the share price at grant date and the expected dividend yield.

The model inputs for the Performance Rights granted during the half-year ended 31 December 2012 are:

- (a) Rights are granted for no consideration and vest 50:50 based on i) AHG's TSR ranking within a peer group of 20 selected companies over a three year period; and ii) AHG's EPS growth rate.
- (b) Performance assessment start date: 1 July 2012
- (c) Issue value (1 July 2012, calculated by PwC): \$1.98
- (d) Grant date: 16 November 2012 (AGM)
- (e) Expiry date: 30 June 2015
- (f) Share price at AGM grant date: \$3.25
- (g) Expected price volatility of the company's shares: 42%
- (h) Expected dividend yield: 7.5%
- (i) Risk-free interest rate: 3.50%

The expected price volatility is based on the historic volatility of the Company.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefits expense were \$0.333 million (2011: \$Nil) related to the above Performance Rights.

The directors of the company declare that:

1. The financial statements, comprising; the statement of profit and loss and other comprehensive income; statement of financial position; statement of cash flows; statement of changes in equity; and accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards *AASB 134 Interim Financial Reporting* and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



David C Griffiths

Chairman

Perth

18 February 2013

Automotive Holdings Group Limited
Independent Auditor's Review Report to the Members
For the half-year ended 31 December 2012



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AUTOMOTIVE HOLDINGS GROUP LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Automotive Holdings Group Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Automotive Holdings Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Automotive Holdings Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Automotive Holdings Group Limited
Independent Auditor's Review Report to the Members
For the half-year ended 31 December 2012



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Automotive Holdings Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO


Glyn O'Brien
Director

Perth, Western Australia
Dated this 18th of February 2013