



AUTOMOTIVE HOLDINGS GROUP

15 August 2013

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir / Madam,

APPENDIX 4E – PRELIMINARY FINAL REPORT AND 2013 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
- 2013 Full Year Results Announcement and Presentation

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'D Rowland', is written in a cursive, flowing style.

D ROWLAND
COMPANY SECRETARY

Enc.

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Report for the year ended 30 June 2013

This statement includes the results for Automotive Holdings Group Limited and its controlled entities, for the year ended 30 June 2013 (current period) compared with the year ended 30 June 2012 (prior period). The financial results 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	357,414	9.1% to	4,277,553
Profit after tax from ordinary activities attributable to members	Up	16,162	31.9% to	66,774
Net profit after tax from continuing operations attributable to members	Up	16,162	31.9% to	66,774

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	8 cents	8 cents
Final dividend	12 cents	12 cents
Record date for determining entitlement to the final dividend		16/09/2013
Date the final dividend is payable		2/10/2013

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Commentary on results for the year

Net profit after tax attributable to members for the year ended 30 June 2013 was \$66.77 million (2012: \$50.61 million). Net profit after tax excluding unusual items (costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties - detailed below) attributable to members for the year ended 30 June 2013 was \$72.73 million (2012: \$64.15 million).

	Consolidated	
	2013	2012
	\$'000	\$'000
Statutory IFRS Profit (net of tax) attributable to members	66,774	50,612
<u>Unusual items</u>		
Add-back:		
- Impairment of intangible assets	-	9,711
- Net costs in relation to integration and acquisition-related activities and asset divestments	5,960	3,827
Operating Non-IFRS Profit (net of tax) attributable to members	72,734	64,150
	Consolidated	
	2013	2012
	\$'000	\$'000
Statutory IFRS EBITDA attributable to members	156,998	138,329
<u>Unusual items</u>		
Add-back:		
- Impairment of intangible assets	-	9,711
- Net costs in relation to integration and acquisition-related activities and asset divestments	8,327	5,467
Operating Non-IFRS EBITDA attributable to members	165,325	153,506

2013:

The current statutory profit includes the following unusual item:

- Sale of Properties:

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. The sale of the properties was completed on 17 August 2012, comprising \$47.00 million for the five properties and \$19.00 million for development costs. Full disclosure of the properties was provided in Note 35 of AHG's FY12 Annual Report.

The financial effect of this property transaction was a one-off profit on sale of \$2.76 million (net of tax) on the disposal of these properties to API.

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

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In addition to the above unusual item, the Group incurred costs and fees (including stamp duty) totalling \$8.72 million (after tax) during the current year in relation to integration and acquisition-related activities and asset divestments. These activities included the business acquisitions of Toll Refrigerated, Coffey Ford, Newcastle and Brisbane Trucks, Bayside/Peninsula Group and McMillan Toyota, the divestment of the Gold Coast dealerships, final closure of the Coopers Plains parts distribution operation in Queensland and non-recurring integration-related costs in relation to the above acquisitions (e.g. redundancy, technology, occupancy related costs in transitioning acquisitions to AHG practices and procedures).

2012:

The prior year statutory profit included the following unusual item:

- Impairment:

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 \$9.71 million to franchise rights.

\$1.65 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 \$0.56 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 \$3.83 million (after tax) during the current year in relation to integration and acquisition-related activities. These activities included the business acquisitions of Cova, Harris Transport, Daimler Trucks and Wignall Group.

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Performance by Segment Overview

	Consolidated		
	2013	2012	Movement
	\$'000	\$'000	%
<u>Automotive Retail</u>			
Revenue	3,541,438	3,207,470	10.4%
Statutory IFRS Performance			
EBITDA	116,512	95,901	21.5%
EBITDA %	3.3%	3.0%	
EBIT	102,300	82,526	24.0%
Profit before Tax	80,081	61,180	30.9%
Operating* Non-IFRS Performance			
EBITDA	118,768	106,285	11.7%
EBITDA %	3.4%	3.3%	
EBIT	104,556	92,910	12.5%
Profit before Tax	82,337	71,564	15.1%
	2013	2012	Movement
	\$'000	\$'000	%
<u>Logistics</u>			
Revenue	735,627	712,062	3.3%
Statutory IFRS Performance			
EBITDA	38,414	41,493	-7.4%
EBITDA %	5.2%	5.8%	
EBIT	24,251	28,631	-15.3%
Profit before Tax	21,135	24,669	-14.3%
Operating* Non-IFRS Performance			
EBITDA	48,422	46,287	4.6%
EBITDA %	6.6%	6.5%	
EBIT	34,259	33,425	2.5%
Profit before Tax	31,143	29,462	5.7%

* excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties (refer to page 2 for a reconciliation of Non-IFRS profit to IFRS profit).

Appendix 4E – Preliminary Final Report

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Group revenues from continuing operations were \$4.28 billion (2012: \$3.92 billion), representing a 9.1% increase over the previous year's revenue.

The Automotive Retail division contributed revenues of \$3.54 billion (2012: \$3.21 billion) and an Operating EBITDA result of \$118.77 million (2012: \$106.29 million) before unusual items* totalling \$2.26 million before tax. These represented growth rates of 10.4% and 11.7% respectively. Operating profit before tax (before unusual items* of \$2.26 million before tax), was \$82.34 million (2012: \$71.56 million), an increase of 15.1%.

These Automotive Retail results were driven by strong organic growth across existing core operations. Acquisitions and Greenfield developments remain in early stages of integration and establishment respectively and provide upside to AHG's performance. The divestment of AHG's Gold Coast dealerships affirms AHG's focus on ensuring Group operations are the right fit across brand profile and diversification, geographical location and capacity of the Group's businesses to provide appropriate returns to shareholders. AHG's Queensland operations now form a more streamlined and concentrated structure to drive performance into FY14 and beyond.

The Logistics division contributed revenues of \$0.74 billion (2012: \$0.71 billion) and an Operating EBITDA result of \$48.42 million (2012: \$46.29 million) before unusual items* totalling \$10.01 million before tax. These represented growth rates of 3.3% and 4.6% respectively. Operating Profit before tax (before unusual items* of \$10.01 million before tax) was \$31.1 million (2012: \$29.5 million), an increase of 5.7%.

AHG's Logistics divisional focus in FY13 centred on bedding in the FY12 acquisitions of Harris and Cova Parts, supplemented by the acquisition of Toll Refrigerated. Rand Transport (including Harris and Toll) experienced a challenging second half to FY13 through a combination of natural disasters and weak industry volumes which materially reduced stock-turns and combined to negatively impact its performance during that period. The addition of Toll saw Rand's consolidated revenues rise over 20% year-on-year. An offset to the Logistics segment revenue growth was the closure of AHG's Coopers Plains operation during FY13 which had a negative \$20 million impact on revenues. Statutory Performance movement was impacted by costs associated with the integration and acquisition of Toll and closure of Coopers Plains.

**Unusual items: costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties (refer to page 2 for a reconciliation of Non-IFRS profit to IFRS profit).*

Statement of Profit and Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
		2013	2012
	Notes	\$'000	\$'000
Revenue from continuing operations	8	4,277,553	3,920,139
Profit on sale of assets	8	3,044	-
Raw materials and inventory expense		(3,307,564)	(3,068,866)
Employee benefits expense	8	(500,814)	(425,751)
Depreciation and amortisation expense	8	(28,375)	(26,466)
Finance costs	8	(35,224)	(36,177)
Advertising and promotion		(32,955)	(29,580)
Occupancy costs		(106,028)	(85,690)
Vehicle preparation and service		(35,139)	(31,303)
Supplies and outside services		(35,941)	(31,725)
Motor vehicle expense		(12,298)	(12,215)
Equipment rental	8	(15,212)	(9,592)
Professional services		(6,181)	(5,270)
Other expenses		(65,636)	(66,467)
Loss on sale of assets	8	-	(179)
Impairment of intangible assets	8	-	(9,711)
Profit before income tax		99,230	81,147
Income tax expense		(29,324)	(27,595)
Profit for the year before other comprehensive income		69,906	53,552
Profit attributable to:			
Owners of Automotive Holdings Group Limited	3	66,774	50,612
Non-controlling interest		3,132	2,940
		69,906	53,552
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Unrealised changes in the fair value of cash flow hedges		3,513	(1,715)
Exchange differences on translation of foreign operations		615	123
Total comprehensive income for the year (net of tax)		74,034	51,960
Total comprehensive income attributable to:			
Owners of Automotive Holdings Group Limited		70,902	49,020
Non-controlling interest		3,132	2,940
		74,034	51,960

Statement of Financial Position

AS AT 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
	Notes	2013 \$'000	2012 \$'000
CURRENT ASSETS			
Cash and cash equivalents	9	97,449	81,382
Trade and other receivables		300,287	248,774
Inventories	7	690,966	584,219
Other current assets		18,311	13,658
		1,107,013	928,033
Assets classified as held for sale		-	69,213
TOTAL CURRENT ASSETS		1,107,013	997,246
NON CURRENT ASSETS			
Available-for-sale financial assets		6,750	2,250
Property, plant and equipment		186,425	158,098
Intangible assets	7	249,047	211,781
Deferred tax assets		31,760	29,075
TOTAL NON CURRENT ASSETS		473,982	401,204
TOTAL ASSETS		1,580,995	1,398,450
CURRENT LIABILITIES			
Trade and other payables		251,319	202,509
Interest-bearing loans and borrowings	7	593,218	514,992
Income tax payable		8,986	11,195
Provisions		50,195	41,265
TOTAL CURRENT LIABILITIES		903,718	769,961
Liabilities directly associated with assets classified as held for sale		-	15,357
TOTAL CURRENT LIABILITIES		903,718	785,318
NON CURRENT LIABILITIES			
Interest-bearing loans and borrowings	7	175,588	139,000
Deferred tax liabilities		609	1,241
Provisions		14,604	14,970
TOTAL NON CURRENT LIABILITIES		190,801	155,211
TOTAL LIABILITIES		1,094,519	940,529
NET ASSETS		486,476	457,921
EQUITY			
Contributed equity	6	384,112	382,282
Reserves		2,210	(2,155)
Retained earnings	3	91,257	74,012
Capital and reserves attributable to the owners of Automotive Holdings Group Limited		477,579	454,139
Non-controlling interest		8,897	3,782
TOTAL EQUITY		486,476	457,921

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

		Consolidated	
		2013	2012
	Notes	\$'000	\$'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		4,668,540	4,240,445
Payments to suppliers and employees (inclusive of GST)		(4,514,350)	(4,094,171)
Interest paid and costs of finance		(35,224)	(36,598)
Interest received		5,832	5,462
Income tax paid		(32,085)	(28,283)
Net cash inflow from operating activities	9	92,712	86,855
Cash flow from investing activities			
Payment for purchase of business, net of cash acquired		(54,686)	(66,408)
Payment for property plant and equipment		(66,963)	(42,114)
Dividends and distributions received		428	-
Proceeds of sale of property, plant and equipment		9,026	6,103
Proceeds of sale of investments		64,688	(2,250)
Payment for purchase of investment (net)		(5,000)	-
Net cash outflow from investing activities		(52,507)	(104,669)
Cash flows from financing activities			
Net proceeds from borrowings		28,004	15,179
Proceeds from issue of shares, net of transaction costs		-	507
Dividends paid to members	3	(49,529)	(44,316)
Dividends paid to non-controlling interest		(2,613)	(2,170)
Net cash outflow from financing activities		(24,138)	(30,800)
Net increase / (decrease) in cash and cash equivalents		16,067	(48,614)
Cash and cash equivalents at the beginning of the year		81,382	129,997
Cash and cash equivalents at the end of the year		97,449	81,382

Non-cash financing and investing activities

During the period the consolidated entity acquired plant and equipment with a fair value of \$5,741,829 (2012: \$2,737,758) 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 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

	Contributed Equity	Reserves	Retained Earnings	Total	Non- Controlling Interest	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 July 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)	(2,170)	(46,790)
At 30 June 2012	382,282	(2,155)	74,012	454,139	3,782	457,921
At 1 July 2012	382,282	(2,155)	74,012	454,139	3,782	457,921
Profit for the year (after tax)	-	-	66,774	66,774	3,132	69,906
Changes in fair value of cash flow hedges	-	5,019	-	5,019	-	5,019
Exchange differences on translation of foreign operations	-	615	-	615	-	615
Income tax relating to components of other comprehensive income	-	(1,506)	-	(1,506)	-	(1,506)
Total comprehensive income for the year	-	4,128	66,774	70,902	3,132	74,034
Transactions with owners in their capacity as equity holders:						
Contributions of equity, net of transaction costs	1,830	-	-	1,830	4,596	6,426
Dividends provided for or paid	-	-	(49,529)	(49,529)	(2,613)	(52,142)
Employee share scheme	-	237	-	237	-	237
	1,830	237	(49,529)	(47,462)	1,983	(45,479)
At 30 June 2013	384,112	2,210	91,257	477,579	8,897	486,476

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

1. Segment Information

Segment Reporting June 2013	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory IFRS Financial Performance Analysis						
Gross revenue	3,950,580	389,905	396,795	786,700	488	4,737,768
Less: intercompany sales	(413,463)	-	(52,584)	(52,584)	-	(466,047)
Segment revenue	3,537,117	389,905	344,211	734,116	488	4,271,721
Interest earned	4,321	105	1,406	1,511	-	5,832
Total revenue						4,277,553
EBITDA	116,512	29,605	8,808	38,414	2,073	156,998
Depreciation and amortisation	(14,211)	(11,676)	(2,487)	(14,163)	(1)	(28,375)
EBIT	102,300	17,929	6,322	24,251	2,072	128,623
Interest expense (net)	(22,219)	(4,051)	935	(3,116)	(4,058)	(29,393)
Segment result before impairment						99,230
Impairment of intangibles						-
Profit before tax						99,230
Income tax expense						(29,324)
Reportable segment profit after tax						69,906

Operating Non-IFRS Financial Performance Analysis

Total revenue	3,541,438	390,010	345,617	735,627	488	4,277,553
EBITDA before unusual items*	118,768	31,872	16,550	48,422	(1,865)	165,325
EBIT before unusual items*	104,556	20,196	14,063	34,259	(1,865)	136,950
Segment result before unusual items*	82,337	16,145	14,998	31,143	(5,924)	107,557
Unusual items*	(2,256)	(2,267)	(7,741)	(10,008)	3,937	(8,327)
Profit before tax	80,081	13,878	7,257	21,135	(1,986)	99,230
Impairment of intangibles	-	-	-	-	-	-
Reportable segment result net unusual items,	80,081	13,878	7,257	21,135	(1,986)	99,230

Statutory Financial Position Analysis

Segment assets	1,267,721	145,605	154,364	299,969	13,305	1,580,995
Total consolidated assets						1,580,995
Segment liabilities	798,048	129,764	146,317	276,080	20,389	1,094,518
Total consolidated liabilities						1,094,518
Acquisition of property, plant, equipment and intangibles	81,262	16,589	7,837	24,426	7,249	112,937

*Unusual items - excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties (refer to page 2 for a reconciliation of Non-IFRS profit to IFRS profit).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

1. Segment Information (continued)

Segment Reporting June 2012	Automotive Retail	Transport and Cold Storage	Other Logistics	Logistics	Property	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Statutory IFRS Financial Performance Analysis						
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						3,920,139
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						81,147
Income tax expense						(27,595)
Reportable segment profit after tax						53,552

Operating Non-IFRS Financial Performance Analysis

Total revenue	3,207,470	325,179	386,883	712,062	607	3,920,139
EBITDA before unusual items*	106,285	29,826	16,461	46,287	934	153,506
EBIT before unusual items*	92,910	19,115	14,310	33,425	705	127,039
Segment result before unusual items*	71,564	14,577	14,886	29,462	(4,702)	96,324
Unusual items*	(673)	(1,796)	(2,998)	(4,793)	-	(5,467)
Profit before tax	70,891	12,781	11,888	24,669	(4,702)	90,858
Impairment of intangibles	(9,711)	-	-	-	-	(9,711)
Reportable segment result after unusual items	61,180	12,781	11,888	24,669	(4,702)	81,147

Statutory Financial Position Analysis

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 - excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties (refer to page 2 for a reconciliation of Non-IFRS profit to IFRS profit).

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

2. Earnings per Share

	Consolidated	
	2013	2012
	cents	cents
IFRS Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share	25.6	19.4
Diluted earnings per share	25.6	19.4
Non-IFRS Earnings per share for profit attributable before unusual items* attributable to the ordinary equity holders of the Company:		
Basic earnings per share	27.9	24.6
Diluted earnings per share	27.9	24.6

* Unusual items - excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, impairment and sale of properties (refer to page 2 for a reconciliation of Non-IFRS profit to IFRS profit).

3. Retained Earnings

	Consolidated	
	2013	2012
	\$'000	\$'000
Opening balance at 1 July	74,012	67,716
Net profit for the year attributable to members	66,774	50,612
Dividends paid to members	(49,529)	(44,316)
Closing balance at 30 June	91,257	74,012

4. 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 June 2013		
Final franked dividend for 2012	02/10/12	10.0 cents
Interim franked dividend for 2013	03/04/13	8.0 cents
Proposed and not recognised as a liability		
Final franked dividend for 2013	02/10/13	12.0 cents

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

5. NTA Backing

	Consolidated	
	2013	2012
	Cents	Cents
Net tangible asset backing per ordinary security	91.1	94.4

6. Contributed Equity

Ordinary Shares

	No. of Shares	Issue Price	\$'000
01/07/2011 Balance at 1 July 2011	260,449,209		383,585
04/07/2011 Share Purchase Plan	233,969	\$ 2.44	571
Less: transaction costs arising on share issue			(64)
Deferred Tax Credit recognised directly in equity			19
30/06/2012 Balance at 30 June 2012	260,683,178		384,112
30/06/2013 Balance at 30 June 2013	260,683,178		384,112

Treasury Shares

	No. of Shares	Issue Price	\$'000
01/07/2011 Balance at 1 July 2011	(420,000)		(1,000)
29/09/2011 AHG Employee Share Plan Trust Acquisition	(423,882)	\$ 1.96	(830)
30/06/2012 Balance at 30 June 2012	(843,882)		(1,830)
16/11/2012 AHG Employee Share Plan Trust Distribution	843,882		1,830
30/06/2013 Balance at 30 June 2013	-		-

Total Contributed Equity

	No. of Shares	\$'000
30/06/2013 Balance at 30 June 2013	260,683,178	384,112

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

7. Business Combinations

A. 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 \$6.18 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 AHG 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 \$50.00 million and net profit before tax of \$1.00 million during the year ended 30 June 2013 before acquisition and integration costs. On this basis, it is expected that AHG would have reported \$4.33 billion in consolidated revenues and \$67.53 million consolidated statutory profit after tax attributable to members, for the year ended 30 June 2013, had this 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	85
Property, plant and equipment	1,244
Deferred tax assets	614
	<u>1,943</u>
Employee entitlements	(725)
Other provisions	(201)
	<u>(926)</u>
Net identifiable assets acquired	<u>1,017</u>
Add: goodwill	5,166
Net assets acquired	<u>6,183</u>

i. Goodwill

The goodwill is attributable to synergistic benefits through combined economies of scale of the acquired business with AHG's existing Rand Transport operations. It is only deductible for tax purposes upon any future sale of this business.

ii. Contingent consideration, contingent liabilities, non-controlling interests and acquisition costs

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

Integration-related costs of \$1.41 million (technology, personnel, occupancy) and acquisition-related costs of \$0.86 million (stamp duty, professional services) are included in the statement of profit and loss and other comprehensive income in the reporting year ended 30 June 2013.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

B. Coffey Ford

On 1 August 2012 AHG acquired certain business assets and liabilities of Coffey Ford, an automotive retail operation in Dandenong, Melbourne, for consideration of \$3.76 million. The acquisition expands AHG's automotive retail operations in Victoria.

The business contributed revenues of \$44.98 million and a net profit before tax of \$0.29 million for the year ended 30 June 2013 before acquisition and integration costs. It is expected that AHG would have reported \$4.33 billion in consolidated revenues and \$67.02 million consolidated profit after tax attributable to members, for the year ended 30 June 2013, had this acquisition occurred at the beginning of the reporting period.

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

	\$'000
Purchase consideration	
Cash paid	3,757
Less: balances acquired Cash	(2)
Net cash paid	<u>3,755</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	378
Deferred tax assets	292
	<u>6,622</u>
Trade and other payables	(64)
Bailment (vehicle inventories)	(4,104)
Employee entitlements	(892)
Other provisions	(79)
	<u>(5,139)</u>
Net identifiable assets acquired	<u>1,483</u>
Add: goodwill	758
Add: franchise rights	1,516
Net assets acquired	<u>3,757</u>

i. Goodwill

The goodwill is attributable to the workforce, profitability of the acquired business and the synergistic opportunities it offers with AHG's existing automotive retail operations. It is only deductible for tax purposes upon any future sale of this business.

ii. Contingent consideration, contingent liabilities, non-controlling interests and acquisition costs

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

Acquisition-related costs of \$0.08 million (professional services) are included in the statement of profit and loss and other comprehensive income in the reporting year ended 30 June 2013.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

C. Newcastle and Brisbane Trucks

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 \$13.67 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 business contributed revenues of \$82.75 million and a net profit before tax of \$0.08 million (Brisbane: profit \$0.63 million; Newcastle: loss \$0.55 million, which reflects expected trading losses and restructure of sites) for the year ended 30 June 2013 before acquisition and integration costs. It is expected that AHG would have reported \$4.38 billion in consolidated revenues and \$66.90 million consolidated profit after tax attributable to members, for the year ended 30 June 2013, had this acquisition occurred at the beginning of the reporting period.

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

	\$'000
Purchase consideration	
Cash paid	13,670
Total purchase consideration	<u>13,670</u>
	Fair Value
	\$'000
Vehicle inventories	26,972
Parts inventories	5,577
Other inventory	157
Property, plant and equipment	1,810
Deferred tax assets	514
	<u>35,030</u>
Trade and other payables	(1,109)
Bailment (vehicle inventories)	(21,538)
Employee entitlements	(1,713)
	<u>(24,360)</u>
Net identifiable assets acquired	<u>10,670</u>
Add: goodwill	1,000
Add: franchise rights	2,000
Net assets acquired	<u>13,670</u>

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

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

Acquisition-related costs of \$0.67 million (stamp duty, professional services) are included in the statement of profit and loss and other comprehensive income in the reporting year ended 30 June 2013.

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 Newcastle and Brisbane Trucks (see above). The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

D. Bayside/Peninsula Group

On 25 May 2013 Automotive Holdings Group Limited acquired certain business assets and liabilities of the Bayside/Peninsula, a Victorian dealership group of 13 dealership points (Nissan, Chrysler, Jeep, Dodge, Fiat and Alfa Romeo) located in the Mornington Peninsula, for consideration of \$8.96 million.

The business contributed revenues of \$10.37 million and a net profit before tax of \$0.13 million for the year ended 30 June 2013 before acquisition and integration costs. It is expected that AHG would have reported \$4.38 billion in consolidated revenues and \$67.70 million consolidated profit after tax attributable to members, for the year ended 30 June 2013, had this acquisition occurred at the beginning of the reporting period.

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

	\$'000
Purchase consideration	
Cash paid	8,963
Total purchase consideration	<u>8,963</u>
	Fair Value
	\$'000
Vehicle inventories	560
Parts inventories	398
Other inventory	9
Property, plant and equipment	609
Deferred tax assets	<u>204</u>
	<u>1,780</u>
Trade and other payables	(181)
Employee entitlements	<u>(417)</u>
	<u>(598)</u>
Net identifiable assets acquired	<u>1,182</u>
Add: goodwill	2,594
Add: franchise rights	5,187
Net assets acquired	<u>8,963</u>

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

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

Acquisition-related costs of \$0.02 million (professional services) are included in the statement of profit and loss and other comprehensive income in the reporting year ended 30 June 2013.

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 Bayside/Peninsula Group (see above). The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

E. McMillan Toyota

On 26 June 2013 Automotive Holdings Group Limited acquired certain business assets and liabilities of the two Toyota dealerships - Gary McMillan Toyota and South Morang Toyota - located in Melbourne's Northern Suburbs for consideration of \$19.54 million.

The business traded for less than one week during the current financial year and accordingly no revenue or profit impact has been recognised in the current financial year.

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

	\$'000
Purchase consideration	
Cash paid	19,535
Total purchase consideration	<u>19,535</u>
	Fair Value
	\$'000
Vehicle inventories	1,325
Parts inventories	655
Other inventory	157
Property, plant and equipment	1,080
Deferred tax assets	298
	<u>3,515</u>
Trade and other payables	(235)
Employee entitlements	(995)
	<u>(1,230)</u>
Net identifiable assets acquired	<u>2,285</u>
Add: goodwill	5,750
Add: franchise rights	11,500
Net assets acquired	<u>19,535</u>

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

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

Acquisition-related costs of \$0.02 million (professional services) are included in the statement of profit and loss and other comprehensive income in the reporting year ended 30 June 2013.

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 Gary McMillan Toyota and South Morang Toyota (see above). The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group's treatment of like amounts previously acquired.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

8. Revenue and Expenses

	Consolidated	
	2013	2012
	\$'000	\$'000
Sales revenue		
Sale of goods	3,593,446	3,341,304
Rendering of services	668,252	557,172
	4,261,698	3,898,476
Other revenue		
Interest	5,832	5,462
Dividends	-	-
Other revenue	10,023	16,201
	15,855	21,663
Total Revenue	4,277,553	3,920,139

	Consolidated	
	2013	2012
	\$'000	\$'000
Other Income		
Net gain on disposal of assets	3,044	-
	3,044	-

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

8. Revenue and Expenses (continuing)

	Consolidated	
	2013	2012
	\$'000	\$'000
Depreciation		
Vehicles, plant, furniture and equipment	20,663	18,373
Buildings	29	371
	20,692	18,744
Amortisation		
Capitalised leased assets	3,510	4,016
Leasehold improvements	4,173	3,706
	7,683	7,722
Finance costs (for financial liabilities not at fair value through profit and loss)		
Interest paid - other	6,676	6,233
Interest paid - finance leases	1,657	1,865
Interest paid - hire purchase	2,346	2,860
Interest paid - floor plan	24,545	25,219
	35,224	36,177
Lease payments		
Rental expenses relating to property operating leases	82,397	67,756
Rental expenses relating to equipment operating leases	15,212	9,592
	97,609	77,348
Employee benefits expense		
Wages, salaries and employee benefits	469,080	398,080
Superannuation	31,497	27,671
Share-based payments expense	237	-
	500,814	425,751
Other expenses		
Bad debts written off	565	802
Net loss on sale of assets	-	179
	565	981
Unusual items		
Impairment of intangibles	-	9,711
	-	9,711

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

9. Reconciliation to Statement of Cash Flows

	Consolidated	
	2013	2012
	\$'000	\$'000
Cash at bank and on hand	71,929	55,872
Deposits at call	25,520	25,510
	97,449	81,382
	Consolidated	
	2013	2012
	\$'000	\$'000
Profit for the year after tax	69,906	53,552
<i>Add-back: Non operating activity cash flow in profit</i>		
- Distributions received	(428)	-
- Profit on sale of assets	(232)	-
- Loss on sale of assets	-	179
- Profit on sale of investments	(3,472)	-
- Direct costs relating to acquisition	(6)	-
<i>Add-back: Non cash flow in profit</i>		
- Depreciation	20,670	18,744
- Amortisation	7,705	7,722
- Impairment of intangibles	-	9,711
<i>Changes in operating assets and liabilities</i>		
(Increase) / decrease in trade debtors	(32,097)	(71,298)
(Increase) / decrease in inventories	(15,051)	5,977
(Increase) / decrease in prepayments	(4,559)	3,851
(Increase) / decrease in deferred tax assets	(445)	(5,759)
Increase / (decrease) in current tax payable	(3,783)	4,117
Increase / (decrease) in trade creditors	37,983	23,224
Increase / (decrease) in accruals	11,022	31,122
Increase / (decrease) in employee entitlements	4,333	3,506
Increase / (decrease) in other provisions	1,797	1,251
Increase / (decrease) in deferred tax liabilities	(631)	955
Net cash inflow from operating activities	92,712	86,856

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2013 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

10. Jointly Controlled Entities

	% Holding	
	2013	2012
Vehicle Parts (WA) Pty Ltd	50%	50%
	Consolidated	
	2013	2012
	\$'000	\$'000
Profit from ordinary activities before tax	446	491
Income tax expense	(134)	(147)
Profit contribution to Group net profit	313	343

11. Events after the Balance Date

On 26 July 2013 Automotive Holdings Group ('AHG') announced it had completed the acquisition of certain business assets and liabilities of Jason Mazda located in Osborne Park in Western Australia. The acquisition expands AHG's automotive retail operations in Western Australia.

On 31 July 2013 Automotive Holdings Group ('AHG') announced it had agreed to acquire certain business assets and liabilities of Davie Motors Holden located in Manukau in New Zealand. The acquisition expands AHG's automotive retail operations in New Zealand.

The financial effects of these transactions have not been brought to account at 30 June 2013. The operating assets and liabilities will be consolidated from their respective dates of settlement.

No other material events have occurred since 30 June 2013 requiring disclosure.