AUTOMOTIVE HOLDINGS GROUP

24 February 2017

The Manager

Company Announcements Office

Australian Securities Exchange

Dear Sir / Madam,

APPENDIX 4D – HALF-YEAR REPORT AND DECEMBER 2016 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 2016 Interim Financial Report

Yours faithfully,

D. ROWLAND

COMPANY SECRETARY

Enc.

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Automotive Holdings Group Limited ABN 35 111 470 038

Appendix 4D – Half-Year Report

FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 – AUTOMOTIVE HOLDINGS GROUP LIMITED AND ITS CONTROLLED ENTITIES

ABN 35 111 470 038

Report for the half-year ended 31 December 2016

This statement includes the results for Automotive Holdings Group Limited and its controlled entities, for the half-year ended 31 December 2016 (current period) compared with the half-year ended 31 December 2015 (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	208,426	7.6% to	**2,959,342**
Profit after tax from ordinary activities attributable to members	Down	(9,527)	-19.8% to	**38,652**
Net profit after tax from continuing operations attributable to members	Down	(9,527)	-19.8% to	**38,652**

DIVIDENDS	Amount per security	Franked amount per security
Interim dividend	9.5 cents	9.5 cents
Record date for determining entitlement to the interim dividend		17/03/2017
Date the interim dividend is payable		5/04/2017

Commentary on results for the period

Statutory IFRS profit after tax attributable to members for the half-year ended 31 December 2016 was $38.652 million compared with $48.179 million in the prior corresponding period, Operating[1] non-IFRS profit after tax attributable to members for the half-year ended 31 December 2016 was $43.859 million compared with $49.446 million in the prior corresponding period. Statutory IFRS EPS decreased to 12.0 cents (2015: 15.7 cents) due to the combination of a decrease in profit and increase in shares on issue. Refer to Note 2 for further details in relation to Operating and Statutory performance and movements.

Unusual items in the current half-year comprised costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of assets and operations, and asset impairment, and total $5.207 million (after tax) (2015: $1.267 million). These unusual items are primarily associated with one-off transformation costs related to AHG's Refrigerated Logistics operations ($3.578 million), personnel costs associated with CEO-MD transition in FY2017 in relation to John McConnell and Bronte Howson ($0.700 million), and costs associated with business acquisitions of Doncaster Autos, City Mazda, Laverton Trucks and Newcastle Audi-Skoda and other activities in progress or that did not proceed ($0.929 million).

Group revenue was $2.959 billion representing a 7.6% increase on prior year revenue of $2.751 billion.

The Automotive Retail division delivered a statutory IFRS profit before tax of $64.828 million on $2.529 billion of revenue compared with a prior half-year statutory IFRS profit before tax of $61.815 million on $2.262 billion of revenue. This represents a 4.9% increase in statutory IFRS profit before tax and 11.8% increase in revenue. Operating[1] non-IFRS profit before tax was $66.355 million compared with prior half-year $60.979 million, an increase of 8.8%. The above-noted business acquisitions of Doncaster Autos, City Mazda, Laverton Trucks and Newcastle Audi-Skoda contributed to this performance.

The Refrigerated Logistics division delivered a statutory IFRS loss before tax of $3.177 million on $285.858 million of revenue compared with a prior half-year statutory IFRS profit before tax of $12.921 million on $308.158 million of revenue. This represents a 124.6% decrease in statutory IFRS profit before tax and 7.2% decrease in revenue. Operating[1] non-IFRS profit before tax was $1.933 million compared with prior half-year $12.925 million, a decrease of 85.0%. The impact on performance in the reporting period is attributed to the ongoing transformation of these operations, and was in line with management's expectations.

The Other Logistics division delivered a statutory IFRS profit before tax of $1.164 million on $143.810 million of revenue compared with a prior half-year statutory IFRS loss before tax of $1.923 million on $180.901 million of revenue. This represents a 160.5% increase in statutory IFRS profit before tax and 20.5% decrease in revenue. The decrease in revenue related to the divestment of Covs in March 2016. Operating[1] non-IFRS profit before tax was $1.682 million compared with prior half-year $0.719 million, an increase of 133.9%.

The Property division delivered a statutory IFRS loss before tax of $4.283 million compared with a prior half-year statutory IFRS loss before tax of $0.269 million. The prior year performance included benefits relating to the sale of properties to Charter Hall.

Net tangible asset backing per ordinary security increased to 92.8 cents at 31 December 2016 from 83.0 cents at 31 December 2015 as a consequence of the Capital Raising in August and September 2016.

[1]*Operating non-IFRS profit excludes costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of assets and operations, and asset impairment.*

NTA Backing

	Half - Year	
	2016 Cents	2015 Cents
Net tangible asset backing per ordinary security	**92.8**	83.0

Dividends Paid and Proposed

	Date paid / payable	Amount per security (fully franked at 30%)
Declared and paid during the period ended June 2016		
Final franked dividend for 2015	02/10/15	13.0 cents
Interim franked dividend for 2016	06/04/16	9.5 cents
Declared and paid during the period ended December 2016		
Final franked dividend for 2016	05/10/16	13.0 cents
Proposed and not recognised as a liability		
Interim franked dividend for 2017	05/04/17	9.5 cents

Equity Accounted Joint Venture Entity

	% Holding	
	Dec 2016	Dec 2015
Vehicle Parts (WA) Pty Ltd	**50%**	50%

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

AUTOMOTIVE HOLDINGS GROUP

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

AUTOMOTIVE HOLDINGS GROUP LIMITED

ABN 35 111 470 038

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 2016 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 2016.

Directors

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

David Griffiths	Non Executive Chairman
Howard Critchley	Non Executive Director
Greg Duncan	Non Executive Director
Giovanni (John) Groppoli	Non Executive Director
Bronte Howson	Managing Director (retired 31 December 2016)
John McConnell	Managing Director (appointed 1 January 2017)
Robert McEniry	Non Executive Director
Jane McKellar	Non Executive Director
Peter Stancliffe	Non Executive Director (retired by rotation on 18 November 2016)

Commentary on results for the period

Statutory IFRS profit after tax attributable to members for the half-year ended 31 December 2016 was $38.652 million compared with $48.179 million in the prior corresponding period, Operating[1] non-IFRS profit after tax attributable to members for the half-year ended 31 December 2016 was $43.859 million compared with $49.446 million in the prior corresponding period. Statutory IFRS EPS decreased to 12.0 cents (2015: 15.7 cents) due to the combination of a decrease in profit and increase in shares on issue. Refer to Note 2 for further details in relation to Operating and Statutory performance and movements.

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Consolidated Revenue and Results

Key Financial Data For the half-year ending 31 December	**Statutory IFRS Result Dec 2016**	**Unusual items**	**Operating[1] Result Dec 2016** (excluding Unusual items)	**Operating[1] Result Dec 2015** (excluding Unusual items)	**Operating Variance**
$'000					
Total revenue	2,959,342	-	2,959,342	2,750,915	7.6%
EBITDA	100,924	(7,155)	108,079	112,416	(3.9%)
EBITDA margin %	3.4%		3.7%	4.1%	(10.6%)
Depreciation & amortisation	(22,811)	-	(22,811)	(21,424)	(6.5%)
EBIT	78,113	(7,155)	85,268	90,992	(6.3%)
Interest (net)	(19,581)	-	(19,581)	(16,639)	(17.7%)
Profit before tax	58,532	(7,155)	65,687	74,353	(11.7%)
Tax expense	(16,845)	1,948	(18,793)	(21,291)	11.7%
Profit after tax	41,687	(5,207)	46,894	53,062	(11.6%)
Non controlling interest	(3,035)	-	(3,035)	(3,616)	16.1%
Net profit after tax attributable to shareholders	38,652	(5,207)	43,859	49,446	(11.3%)
Basic EPS (cents per share)	11.95		13.56	16.13	(15.9%)

[1]Operating non-IFRS profit excludes costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of assets and operations, and asset impairment.

Dividends

The directors have declared the payment of an interim dividend of 9.5 cents per fully paid share, consistent with the prior corresponding interim dividend of 9.5 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
24 February 2017

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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 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

2. 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.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 24 February 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

		Half - Year	
	Notes	**2016** **$'000**	2015 $'000
Revenue from continuing operations		**2,959,342**	2,750,915
Profit on sale of assets and investments		**-**	4,023
Raw materials and inventory expense		**(2,211,948)**	(2,032,367)
Employee benefits expense		**(385,886)**	(370,924)
Depreciation and amortisation expense		**(22,811)**	(21,424)
Finance costs		**(20,685)**	(18,804)
Advertising and promotion		**(24,928)**	(24,405)
Occupancy costs		**(88,210)**	(83,312)
Vehicle preparation and service		**(25,479)**	(22,847)
Supplies and outside services		**(39,530)**	(34,361)
Motor vehicle expense		**(6,391)**	(5,759)
Equipment rental		**(11,159)**	(9,310)
Professional services		**(9,268)**	(5,326)
Other expenses		**(54,431)**	(53,698)
Loss on sale of assets and investments		**(249)**	-
Share of profit of joint venture partnership accounted for using the equity method		**165**	142
Profit before income tax		**58,532**	72,543
Income tax expense		**(16,845)**	(20,748)
Profit for the half-year before other comprehensive income		**41,687**	51,795
Profit attributable to:			
Owners of Automotive Holdings Group Limited		**38,652**	48,179
Non-controlling interest		**3,035**	3,616
		41,687	51,795
Other Comprehensive Income			
Items that may be reclassified to profit or loss			
Unrealised changes in the fair value of cash flow hedges		**262**	(82)
Exchange differences on translation of foreign operations		**280**	1,247
Total comprehensive income for the half-year (net of tax)		**42,229**	52,960
Total comprehensive income attributable to:			
Owners of Automotive Holdings Group Limited		**39,194**	49,344
Non-controlling interest		**3,035**	3,616
		42,229	52,960

		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic earnings per share	3	**12.0**	15.7
Diluted earnings per share		**12.0**	15.7
Earnings per share is calculated on a weighted average number of shares of:		**323,446,870**	306,541,437

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

	Notes	Consolidated 31 Dec 2016 $'000	Consolidated 30 Jun 2016 $'000
CURRENT ASSETS			
Cash and cash equivalents		**84,346**	108,593
Trade and other receivables		**335,259**	333,614
Inventories		**855,879**	828,111
Other current assets		**57,960**	34,548
TOTAL CURRENT ASSETS		**1,333,444**	1,304,866
NON CURRENT ASSETS			
Investments accounted for using the equity method		**1,016**	1,048
Available-for-sale financial assets		**7,228**	4,028
Property, plant and equipment	5	**384,412**	359,041
Intangible assets	6	**507,397**	462,260
Deferred tax assets		**67,397**	60,192
TOTAL NON CURRENT ASSETS		**967,450**	886,569
TOTAL ASSETS		**2,300,894**	2,191,435
CURRENT LIABILITIES			
Trade and other payables		**232,119**	259,923
Interest-bearing loans and borrowings		**783,642**	759,873
Income tax payable		**2,176**	5,051
Provisions		**79,435**	74,494
TOTAL CURRENT LIABILITIES		**1,097,372**	1,099,341
NON CURRENT LIABILITIES			
Interest-bearing loans and borrowings		**349,310**	334,251
Deferred tax liabilities		**16,809**	15,800
Provisions		**22,111**	22,540
TOTAL NON CURRENT LIABILITIES		**388,230**	372,591
TOTAL LIABILITIES		**1,485,602**	1,471,932
NET ASSETS		**815,292**	719,503
EQUITY			
Contributed equity	7	**653,134**	541,532
Reserves		**3,849**	2,669
Retained earnings		**145,914**	150,374
Capital and reserves attributable to the owners of Automotive Holdings Group Limited		**802,897**	694,575
Non-controlling interest		**12,395**	24,928
TOTAL EQUITY		**815,292**	719,503

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

		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 2015		**541,532**	**1,537**	**129,275**	**672,344**	**23,299**	**695,643**
Profit for the half-year (after tax)		-	-	48,179	48,179	3,616	51,795
Changes in fair value of cash flow hedges		-	(82)	-	(82)	-	(82)
Exchange differences on translation of foreign operations		-	1,247	-	1,247	-	1,247
Total comprehensive income for the half-year		**-**	**1,165**	**48,179**	**49,344**	**3,616**	**52,960**
Transactions with owners in their capacity as equity holders:							
Contributions of equity, net of transaction costs		-	-	-	-	(440)	(440)
Dividends provided for or paid	4	-	-	(39,850)	(39,850)	(5,945)	(45,795)
Employee share scheme	13	-	1,413	-	1,413	-	1,413
		-	**1,413**	**(39,850)**	**(38,437)**	**(6,385)**	**(44,822)**
At 31 December 2015		**541,532**	**4,115**	**137,604**	**683,251**	**20,530**	**703,781**
At 1 July 2016		**541,532**	**2,669**	**150,374**	**694,575**	**24,928**	**719,503**
Profit for the half-year (after tax)		-	-	38,652	38,652	3,035	41,687
Changes in fair value of cash flow hedges		-	262	-	262	-	262
Exchange differences on translation of foreign operations		-	280	-	280	-	280
Total comprehensive income for the half-year		**-**	**542**	**38,652**	**39,194**	**3,035**	**42,229**
Transactions with owners in their capacity as equity holders:							
Contributions of equity, net of transaction costs		111,602	-	-	111,602	7,700	119,302
Step acquisition of controlled entity		-	-	-	-	(16,425)	(16,425)
Dividends provided for or paid	4	-	-	(43,111)	(43,111)	(6,843)	(49,954)
Employee share scheme	13	-	638	-	638	-	638
		111,602	**638**	**(43,111)**	**69,129**	**(15,568)**	**53,561**
At 31 December 2016		**653,134**	**3,849**	**145,914**	**802,897**	**12,395**	**815,292**

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

	Notes	Half - Year 2016 $'000	2015 $'000
Cash flow from operating activities			
Receipts from customers (inclusive of GST)		**3,253,428**	3,032,756
Payments to suppliers and employees (inclusive of GST)		**(3,192,969)**	(2,981,036)
Interest paid and costs of finance		**(20,685)**	(18,804)
Interest received		**1,104**	2,165
Income tax paid		**(23,820)**	(19,701)
Net cash inflow from operating activities	9	**17,058**	15,380
Cash flow from investing activities			
Payment for purchase of business, net of cash acquired	8	**(52,550)**	(60,304)
Payment for step acquisition of controlled entity		**(12,144)**	(3,085)
Proceeds from sale of businesses		**5,584**	-
Payment for property plant and equipment		**(62,610)**	(70,715)
Proceeds of sale of property, plant and equipment		**8,564**	45,141
Dividends and distributions received		**84**	258
Proceeds of sale of investments		**-**	4,200
Payment for purchase of investment (net)		**(3,200)**	-
Net cash outflow from investing activities		**(116,272)**	(84,505)
Cash flows from financing activities			
Net proceeds from borrowings		**11,415**	88,015
Proceeds from issue of shares, net of transaction costs	7	**111,602**	-
Dividends paid to members		**(43,111)**	(39,850)
Dividends paid to non-controlling interest		**(4,939)**	(5,933)
Net cash inflow from financing activities		**74,967**	42,232
Net decrease in cash and cash equivalents		**(24,247)**	(26,893)
Cash and cash equivalents at the beginning of the half-year		**108,593**	69,862
Less: Cash included in assets held for sale		**-**	(3,151)
Cash and cash equivalents at the end of the half-year		**84,346**	39,818

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 $6,067,749 by means of finance leasing (excluding those acquired in acquisitions). 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 2016 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 2016 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 prior corresponding interim reporting period, as there are no new standards that are applicable to AHG that have been released since 1 July 2016.

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 30 June 2016 that has not been applied by AHG. The 30 June 2016 annual report disclosed that AHG was undertaking impact studies in relation to the initial application of those standards issued but not yet applied, with particular focus on AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. These impact studies remain in progress as at 31 December 2016. The first application date for AHG of these two particular standards will be 30 June 2019 and 30 June 2020 respectively, plus comparative data for 30 June 2018 and 30 June 2019. Further updates will be provided in AHG's 30 June 2017 Annual Report.

2. Operating segments

The Board has determined that AHG's operating segments be divided between a single reportable automotive retail segment, two reportable logistics segments comprising of AHG's refrigerated logistics 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 retail segment has 182 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.

Refrigerated Logistics

The refrigerated logistics operations segment comprises AHG's cold storage and transport operations.

Other Logistics

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

Property

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

Sales between segments are eliminated on consolidation, as noted in the tables below. There is no significant reliance on any individual major customers within the segment revenues.

2. Operating segments (continued)

Segment Reporting December 2016	Automotive Retail	Refrigerated Logistics	Other Logistics	Logistics	Property	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Gross revenue	2,842,426	312,656	162,443	475,100	187	3,317,713
Less: intercompany sales	(313,990)	(26,812)	(18,673)	(45,485)	-	(359,475)
Segment revenue	2,528,437	285,844	143,770	429,614	187	2,958,238
Interest earned	1,051	13	39	53	-	1,104
EBITDA	**87,063**	**12,851**	**2,525**	**15,376**	**(1,515)**	**100,924**
Depreciation and amortisation	(10,053)	(11,642)	(1,117)	(12,758)	-	(22,811)
EBIT	**77,010**	**1,209**	**1,408**	**2,618**	**(1,515)**	**78,113**
Interest expense (net)	(12,182)	(4,387)	(244)	(4,631)	(2,768)	(19,581)
Profit before tax for the half-year						**58,532**
Income tax expense						(16,845)
Reportable segment profit after tax for the half-year						**41,687**
Detailed Segment Trading Analysis						
Total revenue	**2,529,488**	**285,858**	**143,810**	**429,667**	**187**	**2,959,342**
EBITDA before unusual items	**88,591**	**17,961**	**3,042**	**21,003**	**(1,515)**	**108,079**
EBIT before unusual items	**78,538**	**6,319**	**1,926**	**8,245**	**(1,515)**	**85,268**
Non-IFRS Segment result before unusual items	**66,356**	**1,933**	**1,682**	**3,614**	**(4,283)**	**65,687**
Unusual items*	(1,528)	(5,110)	(517)	(5,627)	-	(7,155)
Reportable segment result after unusual items	**64,828**	**(3,177)**	**1,164**	**(2,013)**	**(4,283)**	**58,532**

Segment Reporting December 2016	Automotive Retail	Refrigerated Logistics	Other Logistics	Logistics	Property	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Segment assets	1,727,568	400,153	151,247	551,400	21,926	2,300,894
Total consolidated assets						**2,300,894**
Segment liabilities	908,664	396,513	138,487	535,000	41,938	1,485,602
Total consolidated liabilities						**1,485,602**
Acquisition of property, plant, equipment and intangibles	27,133	63,948	8,025	71,973	(992)	**98,114**

*Unusual items - revenues, costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of asset and operations, and asset impairment.

2. Operating segments (continued)

Segment Reporting December 2015	Automotive Retail	Refrigerated Logistics	Other Logistics	Logistics	Property	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Gross revenue	2,555,159	326,192	211,123	537,315	179	3,092,653
Less: intercompany sales	(295,390)	(18,011)	(30,501)	(48,512)	-	(343,902)
Segment revenue	2,259,769	308,181	180,622	488,803	179	2,748,751
Interest earned	1,908	(23)	279	256	-	2,164
EBITDA	**81,140**	**27,037**	**861**	**27,898**	**1,568**	**110,606**
Depreciation and amortisation	(9,256)	(10,442)	(1,726)	(12,168)	-	(21,424)
EBIT	**71,884**	**16,595**	**(865)**	**15,730**	**1,568**	**89,182**
Interest expense (net)	(10,070)	(3,674)	(1,059)	(4,733)	(1,836)	(16,639)
Profit before tax for the half-year						**72,543**
Income tax expense						(20,748)
Reportable segment profit after tax for the half-year						**51,795**
Detailed Segment Trading Analysis						
Total revenue	**2,261,677**	**308,158**	**180,901**	**489,059**	**179**	**2,750,915**
EBITDA before unusual items	**80,306**	**27,041**	**3,503**	**30,544**	**1,568**	**112,416**
EBIT before unusual items	**71,050**	**16,599**	**1,777**	**18,376**	**1,568**	**90,992**
Non-IFRS Segment result before unusual items	**60,979**	**12,925**	**719**	**13,643**	**(269)**	**74,353**
Unusual items*	836	(4)	(2,642)	(2,646)	-	(1,810)
Reportable segment result after unusual items	**61,815**	**12,921**	**(1,923)**	**10,997**	**(269)**	**72,543**

Segment Reporting December 2015	Automotive Retail	Refrigerated Logistics	Other Logistics	Logistics	Property	Consolidated
	$'000	$'000	$'000	$'000	$'000	$'000
Segment assets	1,521,981	345,624	187,435	533,059	19,904	2,074,944
Total consolidated assets						**2,074,944**
Segment liabilities	835,939	325,017	174,371	499,388	35,836	1,371,163
Total consolidated liabilities						**1,371,163**
Acquisition of property, plant, equipment and intangibles	98,006	32,616	1,286	33,902	2,814	**134,722**

*Unusual items - revenues, costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of asset and operations, and asset impairment.

3. Earnings per share

Basic earnings per share

	Half - Year	
	2016 **cents**	2015 cents
Non-IFRS Earnings per share for profit attributable to the ordinary equity holders of the Company excluding unusual items[1]	**13.6**	16.1
Earnings per share for profit / (loss) from unusual items[1] attributable to the ordinary equity holders of the Company	**(1.6)**	(0.4)
IFRS earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company	**12.0**	15.7

Reconciliation of earnings used in calculating earnings per share

	Half - Year	
	2016 **$'000**	2015 $'000
Basic Earnings Per Share		
Operating Non-IFRS Profit attributable to the ordinary equity holders of the Company from continuing operations excluding unusual items[1]	**43,859**	49,446
Profit / (loss) attributable to the ordinary equity holders of the Company from unusual items[1]	**(5,207)**	(1,267)
Statutory Profit attributable to the ordinary equity holders of the Company from continuing operations in calculating basic earnings per share	**38,652**	48,179

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

Weighted average number of shares used as the denominator

	Number	
	2016	2015
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**323,446,870**	306,541,437

[1] **Unusual items** - Operating non-IFRS profit excludes costs and fees in relation to integration and acquisition-related activities, CEO-MD transition, profit/loss on sale of assets and operations, and asset impairment. Unusual items included in statutory profit net of tax are $5.207 million (2015: $1.267 million).

4. Dividends paid and proposed

	Parent	
	2016	2015
Dividends on ordinary shares:	**$'000**	$'000
Final dividend for the year ended 30 June 2016 of 13.0 cents per fully paid share paid on 5 October 2016 (30 June 2015 of 13.0 cents per fully paid share paid on 2 October 2015)	**43,111**	39,850
Interim dividend for the half-year ended 31 December 2016 of 9.5 cents per fully paid share payable on 5 April 2017 (31 December 2015 of 9.5 cents per fully paid share paid on 6 April 2016)	**31,504**	29,122
	74,615	68,972

5. Property, plant and equipment

	Consolidated	
	Dec 2016	Jun 2016
	$'000	$'000
Land and buildings	**17,588**	17,588
Accumulated depreciation	**(11)**	(7)
	17,577	17,581
Plant and equipment at cost	**339,867**	309,381
Accumulated depreciation	**(156,981)**	(144,278)
	182,886	165,103
Capitalised leased assets	**38,206**	34,461
Accumulated amortisation	**(16,124)**	(15,256)
	22,082	19,204
Leasehold improvements at cost	**119,532**	110,919
Accumulated amortisation	**(34,504)**	(31,088)
	85,028	79,831
Assets under construction	**76,839**	77,322
Total property, plant & equipment	**384,412**	359,041

5. Property, plant and equipment (continued)

Consolidated December 2016	Land and buildings	Plant and equipment	Capitalised leased assets	Leasehold improve-ments	Assets under construction	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Carrying amount at 1 July 2016	17,581	165,103	19,204	79,831	77,322	359,041
Translation adjustment	-	19	-	3	11	33
Additions	-	30,502	6,067	8,867	8,459	53,895
Acquisitions through business combinations	-	3,068	-	-	-	3,068
Disposals	-	(8,634)	-	(180)	-	(8,814)
Transfers	-	10,193	(1,247)	7	(8,953)	-
Depreciation / amortisation	(4)	(17,365)	(1,942)	(3,500)	-	(22,811)
Carrying amount at 31 December 2016	**17,577**	**182,886**	**22,082**	**85,028**	**76,839**	**384,412**

6. Intangible assets

	Goodwill	Franchise Rights & Distribution Agreements	Total
	$'000	$'000	$'000
Consolidated 2016			
Carrying amount at 1 July 2016	209,277	252,983	462,260
Additions	12,182	32,955	45,137
Carrying amount at 31 December 2016	**221,459**	**285,938**	**507,397**

	Goodwill	Franchise Rights & Distribution Agreements	Total
	$'000	$'000	$'000
Consolidated 2016			
Automotive Retail	97,067	195,484	292,551
Refrigerated Logistics	78,762	-	78,762
Other Logistics	45,630	90,454	136,084
Carrying amount at 31 December 2016	**221,459**	**285,938**	**507,397**

7. Contributed equity

	Parent			
	Dec 2016 Shares	Jun 2016 Shares	**Dec 2016 $'000**	Jun 2016 $'000
Ordinary shares fully paid	**331,623,014**	306,541,437	**653,134**	541,532
Total contributed equity	**331,623,014**	306,541,437	**653,134**	541,532

		No. of Shares	Issue Price	$'000
30/06/15	**Balance at 30 June 2015**	**306,541,437**		**541,532**
30/06/16	**Balance at 30 June 2016**	**306,541,437**		**541,532**
25/08/16	Institutional placement	19,911,505	$4.52	90,000
16/09/16	Share purchase plan	5,170,072	$4.52	23,362
	Less: transaction costs arising on share issue equity			(2,514)
	Deferred tax credit recognised directly in equity			754
31/12/16	**Balance at 31 December 2016**	**331,623,014**		**653,134**

8. Business combinations

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

	Name	Type	Consideration $' million		Location
4 July 2016	Doncaster Autos	Certain assets and liabilities	$	14.212	Doncaster, Victoria
27 July 2016	City Mazda	Certain assets and liabilities	$	26.159	Melbourne, Victoria
1 September 2016	Laverton Trucks	Certain assets and liabilities	$	2.754	Laverton, Victoria
30 September 2016	Newcastle Audi-Skoda	Certain assets and liabilities	$	9.425	Newcastle, NSW

The business combinations contributed revenues of $90.082 million and net profit before tax of $1.455 million for the half-year ended 31 December 2016 before acquisition and integration costs. It is expected that AHG would have reported $2.979 billion in consolidated revenues and $38.990 million consolidated net profit after tax attributable to members, for the half-year ended 31 December 2016 had the business combinations occurred at the beginning of the reporting period.

	Fair Value $000				
	Doncaster Autos	**City Mazda**	**Laverton Trucks**	**Newcastle Audi-Skoda**	**Consolidated**
Vehicle inventories (net of bailment)	1,605	116	92	(214)	**1,598**
Parts inventories	615	206	1,579	381	**2,782**
Other current assets	7	41	(13)	7	**42**
Property, plant and equipment	614	1,827	183	443	**3,068**
Deferred tax assets	722	253	346	235	**1,555**
	3,563	2,443	2,187	852	**9,045**
Trade and other payables	(907)	(770)	(38)	(47)	**(1,762)**
Employee entitlements	(1,296)	(630)	(778)	(194)	**(2,898)**
Deferred tax liabilities	-	(9)	-	-	**(9)**
	(2,203)	(1,409)	(816)	(241)	**(4,669)**
Net identifiable assets acquired	1,360	1,034	1,371	611	**4,376**
Add: goodwill	4,284	8,375	461	2,938	**16,058**
Add: franchise rights	8,568	16,750	922	5,876	**32,116**
Net assets acquired	14,212	26,159	2,754	9,425	**52,550**
Purchase consideration					
Cash paid	14,212	26,159	2,754	9,425	**52,550**
Total purchase consideration	14,212	26,159	2,754	9,425	**52,550**

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 $0.179 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 2016.

ii. Information not disclosed as not yet available

The Group has reported provisional amounts for goodwill and other assets acquired as part of the purchase of Doncaster Autos, City Mazda, Laverton Trucks and Newcastle Audi-Skoda. The amounts proportionally attributable to both goodwill and franchise rights are consistent with the Group’s treatment of like amounts previously acquired.

9. Cash flow information

Reconciliation of Cash

	Half - Year	
	2016	2015
	$'000	$'000
Cash at bank and on hand	**84,336**	39,808
Deposits at call	**10**	10
	84,346	39,818

	Half - Year	
	2016	2015
	$'000	$'000
Profit for the half-year after tax	**41,687**	51,795
Non Operating Activity Cash flow in profit		
- Distributions received	**(84)**	(258)
- Loss/(profit) on sale of assets	**249**	(4,023)
- Profit on sale of investments	**-**	(1,778)
Non Cash flow in profit		
- Depreciation	**17,369**	16,122
- Amortisation	**5,442**	5,302
Changes in operating assets and liabilities		
(Increase) / decrease in trade debtors	**(1,452)**	12,570
(Increase) in inventories	**(1,856)**	(32,375)
Decrease / (increase) in other current assets	**32**	(42)
(Increase) in prepayments	**(14,667)**	(7,802)
(Increase) in deferred tax assets	**(5,100)**	(5,292)
(Decrease) / increase in current tax payable	**(2,874)**	5,337
(Decrease) in trade creditors	**(48,548)**	(18,025)
Increase / (decrease) in accruals	**20,201**	(11,349)
Increase in employee entitlements	**1,847**	2,606
Increase in other provisions	**3,812**	1,590
Increase in deferred tax liabilities	**1,000**	1,002
Net cash inflow from operating activities	**17,058**	15,380

10. 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 $26,395,211. At 31 December 2016 no controlled entity was in default in respect of any arrangement guaranteed by AHG.

At 31 December 2016, 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 2016, is below their expected selling price.

11. Events occurring after reporting date

No other material events have occurred since 31 December 2016 requiring disclosure.

12. Fair value measurement of financial instruments

The fair value of the Group's financial assets and liabilities are determined on the following basis.

a) Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis

As of 31 December 2016, AHG's Available-for-Sale Financial Assets included two level 3 investments, being an unlisted equity investment in One Way Traffic Pty Ltd (Carsguide.com.au) with a fair value of $5.45 million (June 2016: $2.25 million) and unlisted units held in the AHG Property Syndicate No. 1 Unit Trust with a fair value of $1.78 million (June 2016: $1.78 million).

At 31 December 2016, the Group held no significant financial assets or liabilities classified as level 1 or level 2 fair value measurements. There were no transfers between level 1, level 2 or level 3 in the period.

AASB 13 requires that, subsequent to initial recognition, all fair value financial instruments are disclosed by reference to their measurement hierarchy levels:

- Level 1 fair value measurements that are derived from quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 fair value measurements that are derived from inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements that are derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The fair values of the Level 3 investments are individually determined based on the present value of net cash inflows from future profits and subsequent disposal of the securities. These net cash inflows are discounted to their present value using a pre-tax discount rate that reflects a current market assessment of the time value of money and the risks specific to the asset. This methodology is unchanged from the comparative period.

12. Fair value measurement of financial instruments (continued)

a) Financial Assets and Financial Liabilities that are measured at fair value on a recurring basis

Unobservable data inputs are earnings growth factors and the risk adjusted discount rate. Earnings growth factors are estimated based on market information for similar types of companies while the risk adjusted discount rate is modelled such as to reflect the time value of money and the risks specific to the individual assets. If the estimated risk-adjusted discount rate was 10% higher or lower, the fair value (and equity reserves) would increase/ decrease by $0.70 million (June 2016: $0.40 million).

b) Financial Assets and Financial Liabilities that are not measured at fair value on a recurring basis (but where fair value disclosures are required)

At 31 December 2016 and 30 June 2016, the carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting their future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. For current and non-current borrowings, the fair value approximates the carrying value amount, as the impact of discounting is not significant.

13. 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, John McConnell and selected senior and operational executives was approved by shareholders at the Group's AGM on 18 November 2016. 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 FY2017 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.

13. Share based payment plans (continued)

Relative TSR

- AHG's TSR performance over the relevant performance period will be assessed against a defined peer group of companies. 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 50th percentile	Nil
At 50th percentile	50% vesting
50th percentile up to 75th percentile	Progressive/pro-rata from 50-100%
At or above 75th percentile	100% vesting

Operating EPS compound annual growth rate

- Baseline operating EPS for assessment of performance over the relevant performance period is set at FY2016 operating EPS (31.7 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	50% vesting
7% pa up to 10% pa	Progressive/pro-rata from 50-100%
At or above 10% pa	100% vesting

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 Managing Director's, senior executives' and operational executives' FY2017 Performance Rights (as approved by shareholders at the 2016 AGM) is based on achievement of performance criteria measured across the three financial years to 30 June 2019. Those rights that do vest will be issued during the year ended 30 June 2020. The value of the Managing Director's, senior executives' and operational executives' LTI for FY2017 is $1.709 million. This amount is represented by the issue of 532,369 performance rights at an issue value of $3.21 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 2016. 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 18 November 2016). This is different to the issue value, which is determined at the commencement of the performance period (1 July 2016). The assessed fair value for accounting purposes is $2.55 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.

13. Share based payment plans (continued)

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 2016 are:

(a) Rights are granted for no consideration and vest 50:50 based on i) AHG's TSR ranking within a peer group of 14 selected companies over a three year period; and ii) AHG's EPS growth rate.
(b) Performance assessment start date: 1 July 2016
(c) Issue value (1 July 2016, calculated by PwC): $3.76
(d) Expiry date: 30 June 2019
(e) Share price at AGM grant date: $3.88
(f) Expected price volatility of the company's shares: 25%
(g) Expected dividend yield: 5.8%
(h) Risk-free interest rate: 1.86%

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 $0.638 million (2015: $1.413 million) related to the Performance Rights.

The directors of the company declare that:

1. The consolidated financial statements, comprising; the statement of profit or 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 2016 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

24 February 2017

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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 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company 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 company 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 2016 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.

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:

(i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO
Glyn O'Brien

Glyn O'Brien

Director

Perth, 24 February 2017