

Monday, 28 August 2017

ASX announcement

ASG acquisition of BMW Melbourne

ASG Melbourne Pty Ltd, a wholly owned subsidiary of Autosports Group Limited (**ASG**), has entered into an agreement with BMW Melbourne Pty Limited to purchase the businesses operating as BMW Melbourne, MINI Garage Melbourne, Southbank Motorcycles and BMW Bodyshop (**BMW Melbourne Businesses**). ASG has guaranteed ASG Melbourne Pty Ltd's payment obligations under the agreement.

The transaction is subject to a number of conditions prior to completion, including approval of bailment facilities. Subject to the conditions being met, it is expected to complete in the final quarter of the calendar year.

BMW Melbourne achieved revenues of approximately \$236M for the 12 months ending 31 December 2016. It operates from fully brand compliant leasehold premises in City Road, Southbank and Kings Way, South Melbourne.

We are currently expecting to pay for the BMW Melbourne Businesses a consideration of approximately \$22M plus fixed assets at valuation plus or minus industry standard adjustments. The acquisition will be funded by a combination of cash drawn from reserves and new debt facilities.

This acquisition provides the opportunity for ASG to consolidate its representation with the luxury brands of BMW, BMW Motorrad, MINI and ALPINA. Furthermore, it consolidates ASG's move into the Victorian market, which commenced in August 2016 with the acquisition of Volvo Cars Brighton and in April 2017 the acquisition of BMW Doncaster and BMW Bundoora (TIMG Business).

ASG CEO Nick Pagent said: "This acquisition is a perfect strategic and geographic fit for Autosports Group. We are looking forward to deepening our relationship with the BMW Group in the important market of Melbourne. We thank BMW Group Australia CEO Marc-Heinrich Werner for his collaborative approach to the acquisition."

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