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**AUTOMOTIVE HOLDINGS GROUP LIMITED
ASX ANNOUNCEMENT
DATE: 12 MARCH 2008**

AHG UPDATE ON WA OPERATIONS

Automotive Holdings Group Limited (ASX: AHE), Australia's largest automotive retailer, is pleased to announce two NEW developments in the company's Western Australian automotive retailing and logistics business divisions.

Automotive Retailing

AHG's automotive retailing division has further expanded its market-leading dealership network in Western Australia through the addition of a new Hyundai dealership.

The new dealership will be located in Rockingham, a fast growing suburb in the burgeoning southern corridor of metropolitan Perth.

The Hyundai franchise will form part of a hub of AHG dealerships in Rockingham that already include Ford, Mitsubishi and Kia.

AHG Managing Director Bronte Howson said the new dealership would be an important addition to the company's presence in the southern fringe of the Perth metropolitan area.

"Western Australia is very important to our automotive retailing division and we are pleased to be able to add the Hyundai dealership to our existing operations in the region," said Mr Howson.

"Rockingham Hyundai will commence trading at the end of March 2008 and will provide the Group with further growth potential.

"With Hyundai, we will have four franchises in the area representing some of the top-selling automotive manufacturers and delivering on our strategy of building additional retailing capacity around existing operations."

AHG now owns 41 passenger and commercial vehicle franchises in Western Australia.

Logistics

AHG's automotive parts warehousing and distribution business, AMCAP has announced a contract with Mobis Parts Australia Pty Ltd to provide logistics services for the exclusive distribution of Kia automotive parts to Kia dealerships in Western Australia.

Under the contract, AMCAP will warehouse 5,000 lines of parts and be responsible for receiving, picking, packing and dispatching approximately 200,000 Kia parts per annum for the WA market utilising part of its recently completed 4,000 m² warehouse extension.

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“The recent expansion of AMCAP’s automotive parts warehousing and distribution facility has significantly increased our capacity for product line volumes and we expect to see strong growth from AMCAP through the remainder of the year,” said Mr Howson.

The AMCAP distribution centre’s 42,000 m² site now incorporates a modern 16,400 m² purpose built storage and distribution centre.

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About AHG

Automotive Holdings Group Limited (ASX: AHE) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand.

The Company is Australia's largest automotive retailer, with its major operations in Western Australia, New South Wales and Queensland. In 2006, AHG acquired the Sydney based McGrath Lander Group, providing the first beach head for growth along the eastern seaboard.

In 2007, AHG acquired the Zupps Group in Queensland, further consolidating its position as Australia’s largest automotive retailer. AHG also operates the Prestige Hino truck dealership in Dandenong, Victoria – one of the largest in the country.

AHG operates logistics businesses throughout Australia through subsidiaries Rand Transport (refrigerated transport and storage), AMCAP (motor parts and industrial supplies distribution), KTM Sportmotorcycles (motorcycle importation & distribution in Australia and New Zealand), VSE (vehicle storage and engineering) and the exclusive distributorship of Vmoto Scooters in Australia.

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