

A.P. Eagers

2011 Full Year Results Presentation

March 2012

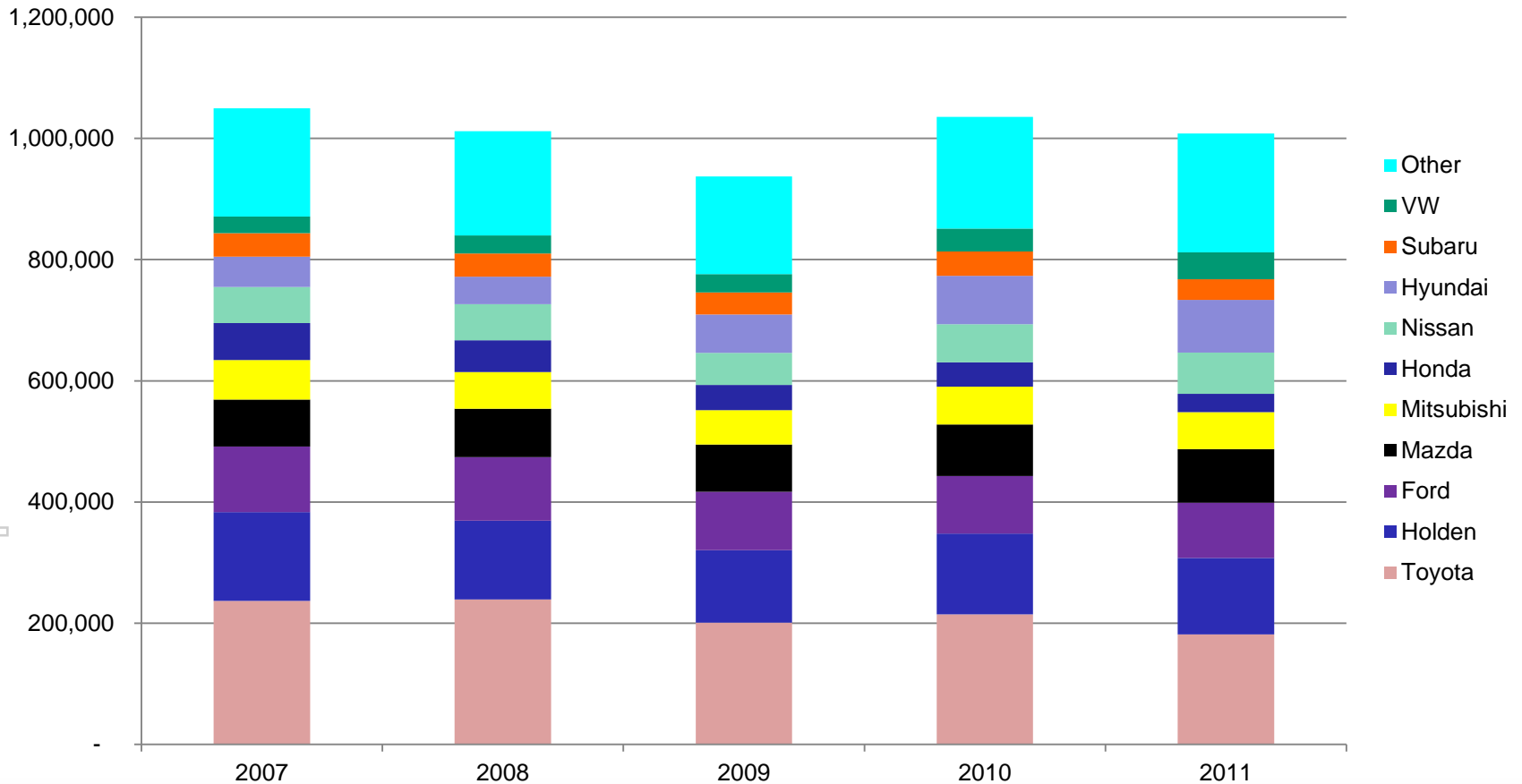
2011 Full Year Highlights

- EPS accretive acquisitions improve group earnings by 15% - 16 cents/share
- Further improvement in “like for like” results.
- Resilience to external factors, natural disasters (Qld and Japan).
- Resilience to general Australian retail environment (franchise model).
- Diversified earnings due to geographic and segment expansion reduced risk.
- New low cost incremental acquisitions and organic growth flowing from recent expansion.

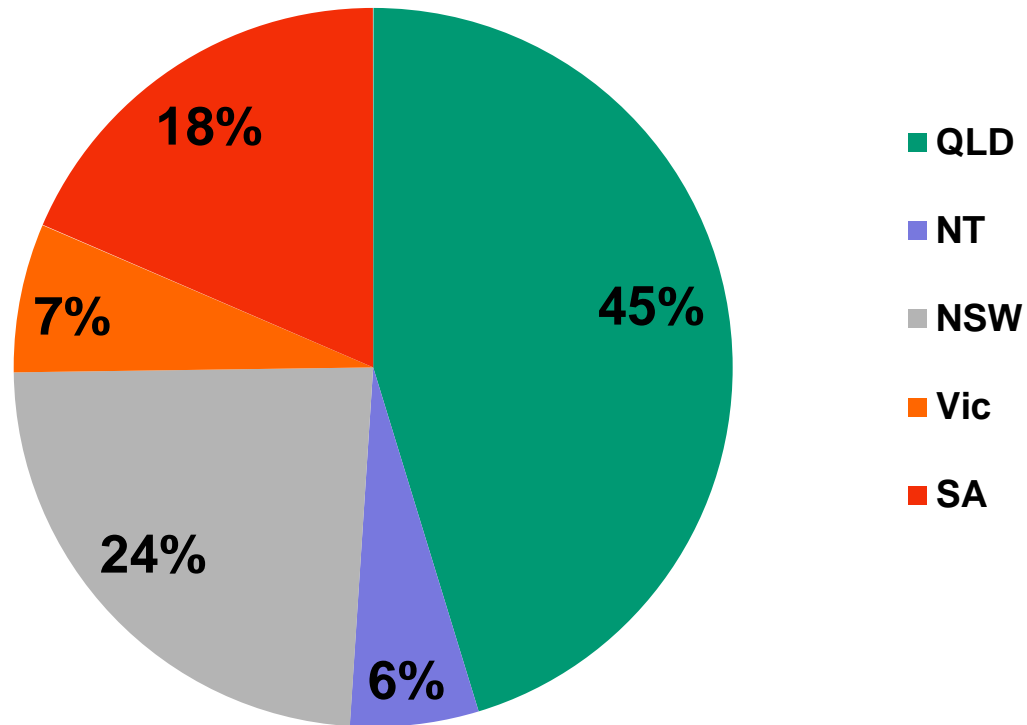
Vehicle Sales; Qld Floods; Japanese Earthquake (July 2011)

- Industry wide deliveries down, May (13.2%), June (11.6%)
- Deliveries and therefore reported sales affected by supply constraints.
- AP Eagers order intake in June only 1% below last year.
- New vehicle carry-overs (sold but not delivered) particularly strong, deliveries in second half.
- Queensland's relative YTD sales suggests replacement vehicles due to flood damage is now occurring.
- 2011 industry new vehicle sales still likely to be circa 1,000,000.

National Vehicle Sales



Revenue by State %

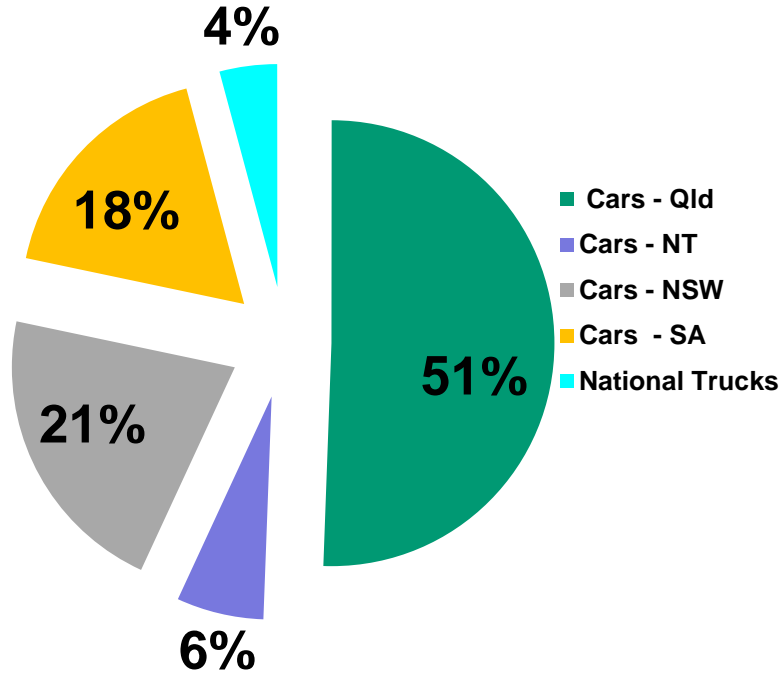


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Vehicle Sales

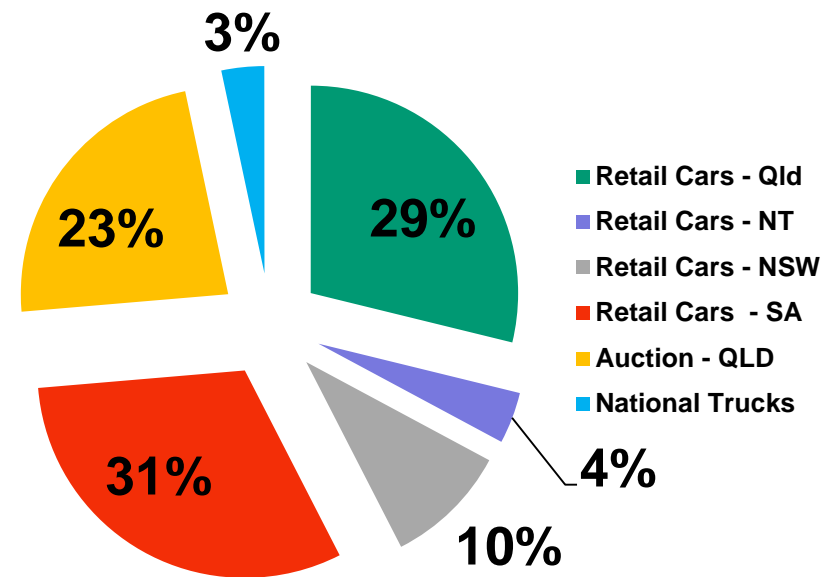
New Vehicle Sales

Total 39,357 (3.9% of National Market)



Used Vehicle Sales

Total 22,241

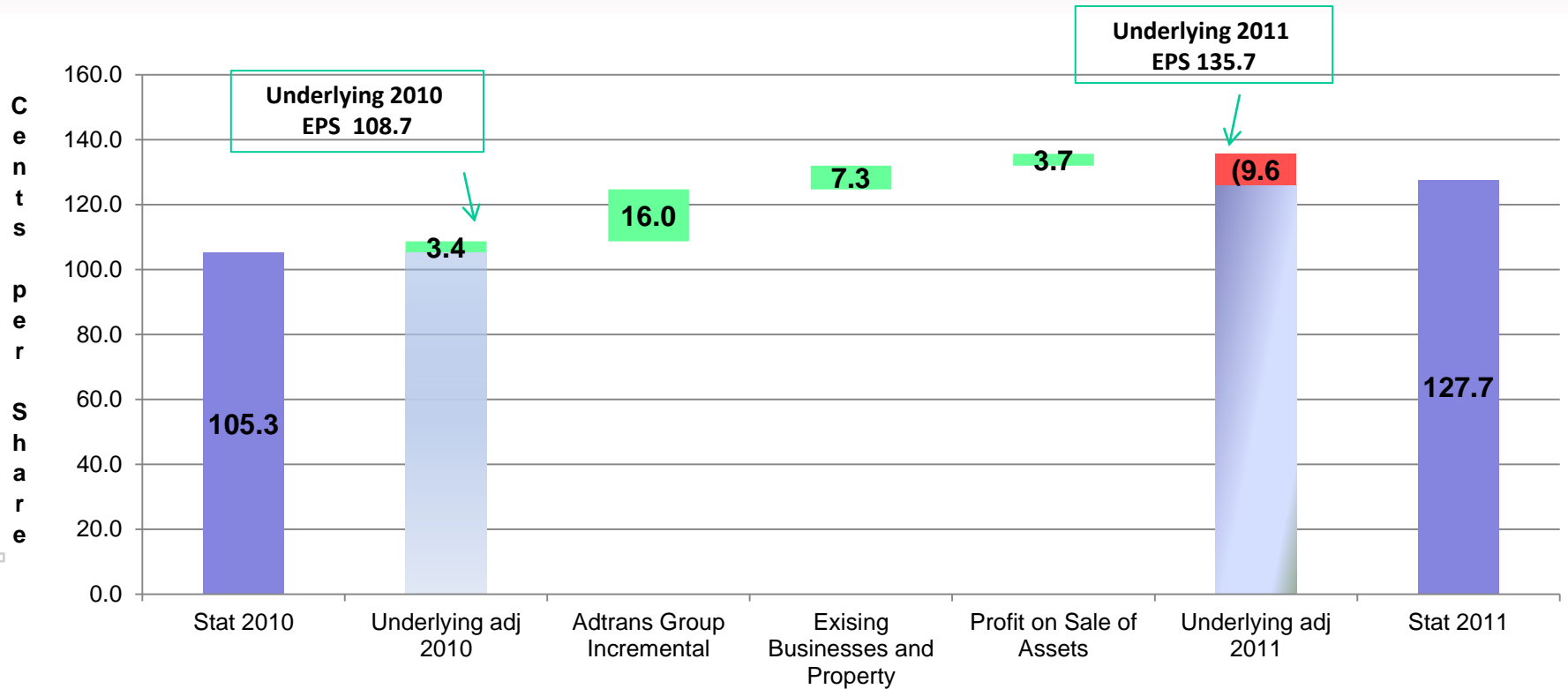


2011 Full Year Highlights - Financial



- Underlying EPS increased by 25% to 136 cents per share (109 cents in 2010)
- Fully franked final dividend of 52cents up from 41 cents in 2010.
- Full year fully franked dividend of 80cents per share up from 64cents in 2010.
- Operating Earnings up 31% to \$96 million.
- Car segment margins improve, truck margins below acceptable levels.
- Cash flow from operations of \$65 million.
- Gearing excluding bailment of 28% (2010:32%).
- Profit on sale of non-core assets \$1.7 million (4 cents per share).

Earnings Per Share



Financial Summary - Statutory



\$ Million	2011	2010	Change
Revenue	2,398.7	1810.7	Up 32%
EBITDA	98.3	75.7	Up 30%
EBIT	83.9	66.4	Up 26%
PBT	58.2	45.3	Up 28%
PAT	40.3	31.6	Up 27%
Cash from operating activities	64.5	31.1	Up 107%
NTA/share	8.37	7.76	Up 8%
Gearing excluding bailment debt	28.3%	32.0%	Down 12%

Fair Value Adjustments

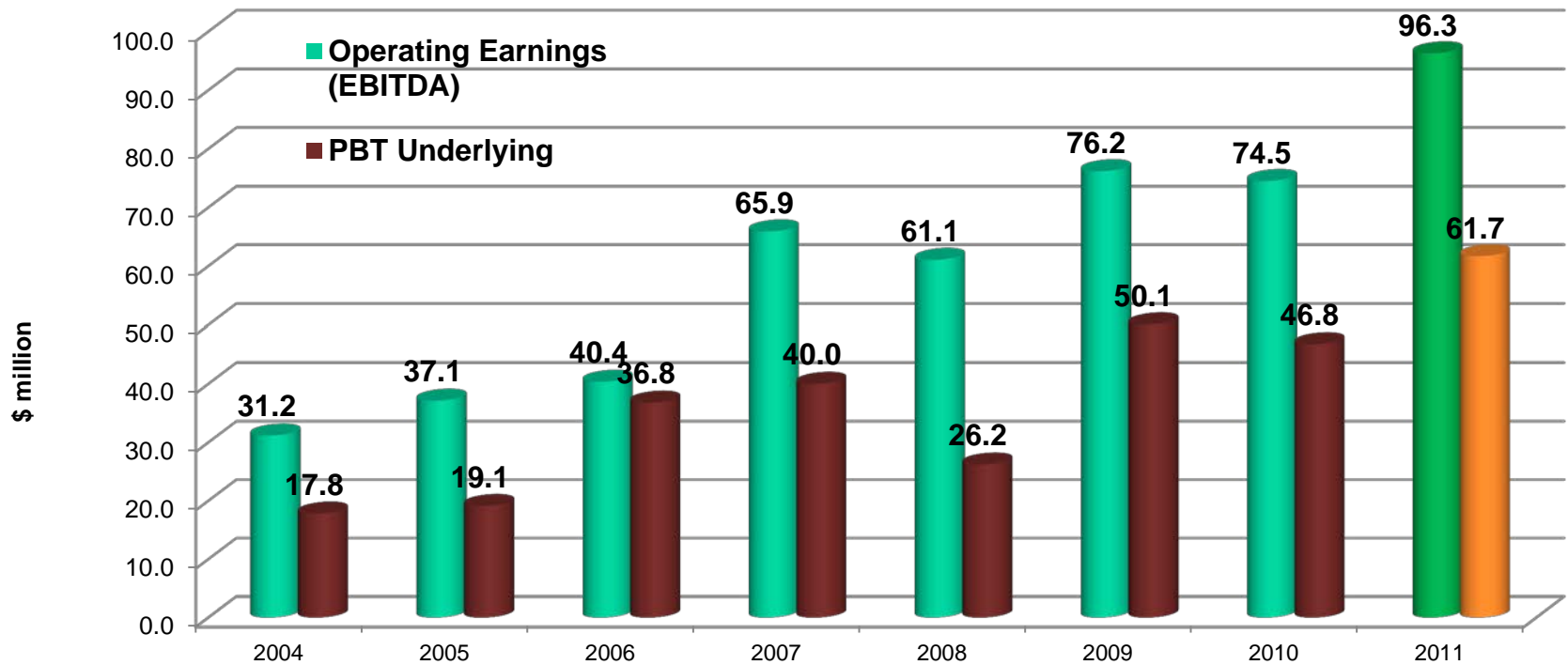
	\$ Million	2011	2010
Balance Sheet			
- Freehold Property		+3.1	-4.9
Income Statement			
- Investments		0	+1.5
- Freehold Property		-3.2	-1.2
- Intangible Assets		0	-0.2
Total		-3.2	0.0

Balance Sheet - Summary

- New vehicle inventory and receivables funded by bailment debt.
- Parts and most used vehicle inventory is balance sheet funded.
- Substantial property portfolio underwrites the company's financial position.

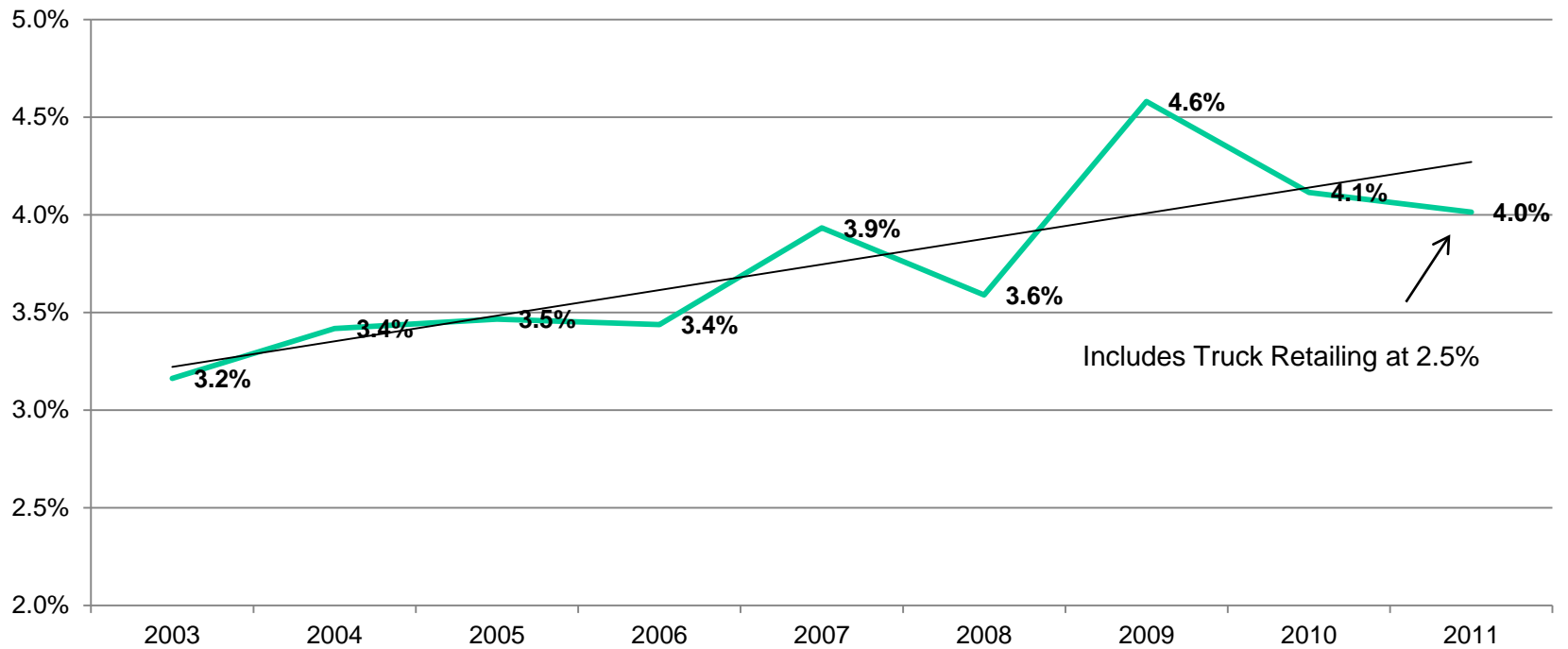
	31/12/11 \$m
CA-CL (excl. held for sale)	84.3
Freehold Property (incl. held for sale)	322.6
Other Non Current Tangible Assets	20.5
Intangibles	118.0
Non Current Debt	(163.7)
Other Liabilities (Deferred tax, finance leases and provisions)	(21.7)
Net Assets	380.6

Financial Trends



Operating Earnings is EBITDA and Impairment excluding profit/loss on sale of assets and from associates.

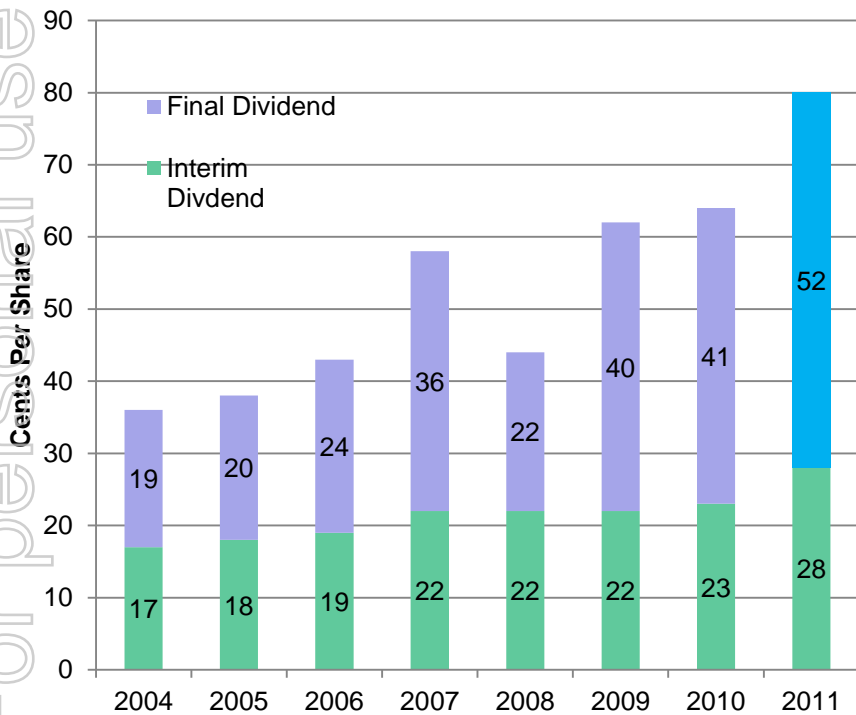
Operating Margin



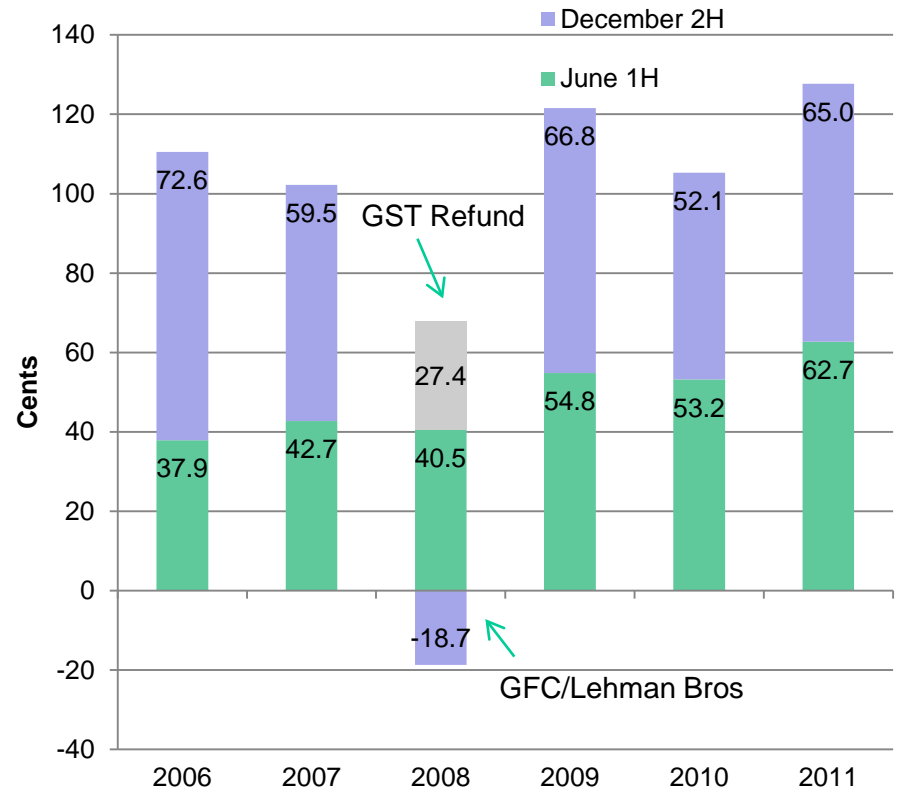
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Financial Trends

Dividend



EPS Stat (Basic) Half Years



Franchise Automotive Retail Segment

- Change in segments following Adtrans acquisition hence 2010 comparable not useful.
- RONA of 19.6% compares to 2010 excluding Adtrans and business acquisition costs of 20.3%.
- Higher unleveraged used car inventory in 2011 of \$66m.

	FY2011 \$m
Revenue	1,984
Profit before tax	51.3
Total Assets	473.3
Total Liabilities	292.4
Net Assets	181.1
PBT/Revenue	2.6%
RONA (after tax)	19.6%

Truck Retailing Segment

- Heavy vehicle market still lagging long term average demand levels.
- Improved product specification and availability in 2012.
- New Western Star dealership in Sydney.

	FY2011 \$m
Revenue	323.5
Profit before tax	4.1
Total Assets	108.8
Total Liabilities	91.4
Net Assets	17.4
PBT/Revenue	1.3%
RONA (after tax)	16.5%

Property Segment

- Adtrans property assets included in 2011.
- Overall impact of revaluations \$(0.1)million .
- 51% of the portfolio independently valued for 31 December 2011.

	FY2011 \$m	FY2010 \$m
Rental Income	29.2	28.3
Profit before tax	12.0	10.1
Revaluation surplus/(deficit) (b/tax)	(0.1)	(6.1)
Total Assets	338.2	300.5
Total Liabilities	164.7	146.5
Net Assets	173.5	154.0
RONA Trading (a/tax)	4.8%	4.6%
RONA incl. revaluations	4.8%	2.0%

Strategy (FOCUS: GROW EPS & PAY LARGER DIVIDENDS)

Exceed stakeholder expectations – customers, employees, partners (manufacturers), shareholders and community.

Growth by selective acquisition

Development of enhancements and complimentary services

Business Optimisation – continuous improvement in processes and systems..

Lean corporate centre. Decentralised management and accountability.

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Business Optimisation – Short Term

- Continue to improve performance in all business units
- Pruning where required
- Grow clusters eg Cardiff NSW

Business Optimisation – Medium Term

- Continue “held for sale” property process

Proposed Cardiff Cluster NSW

AP EAGERS



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Development of Enhancement & Complimentary Services – Medium / Long Term

- MTAI Insurance (25yrs old, APE 21%)
- www.carsguide.com.au (3mths old, APE 7.5%)
- www.carzoos.com.au (April 2012, APE 100%)
- Other initiatives coming (2012/2013)

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Growth By Selective Acquisition

- October 2010 – Adtrans cars and trucks (Sydney/Melbourne/Adelaide)
- November 2010 – Western Star / Man / Dennis Eagle Trucks (Sydney)
- March 2011 – Eblen Subaru (Adelaide)
- September 2011 – Daimler Trucks, Freightliner / Fuso / MB Trucks & Vans (Adelaide)
- 2012 - Unknown at present

Why Invest in AP Eagers – Secure Balance Sheet



- Any investment in AP Eagers is underpinned by \$323m of prime metro and mainroad frontage real estate, (commercial rents paid by retail division)
- Property risk is limited due to average land and building value (\$6.5m x 50 current properties)
- Geographical spread of properties, Darwin, South East Queensland, Newcastle, Sydney, Melbourne and Adelaide along with often alternate use further mitigate risk.

Why Invest in AP Eagers – Retailing



- Consistent profits, strong growing dividends
- Automotive Retail Industry has and will continue to consolidate creating reliable growth opportunities
- Track record by AP Eagers of EPS growth from acquisitions
- Carsguide – invest via AP Eagers
- Diversified portfolio; cars and trucks, luxury and mainstream, multiple brand and geographical spread.

A.P. Eagers



COMPANY PROFILE

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- **99** year old automotive retail group founded in **1913**
- **54** years as a listed public company – dividend paid every year
- A.P. Eagers owns more than **70** acres of prime real estate with land and buildings of **\$323m**
- Represents all **12** of the top **12** selling vehicle brands in Australia and **28** car brands in total along with **12** truck / bus brands
- **97** dealership locations in Qld, NT, NSW, Vic and SA
- **2,900** employees

A.P. Eagers Volume Car Brands

AP EAGERS

Represents 12 of the top 12 selling volume car brands in Australia



HOLDEN



MAZDA



ALL 4 THE DRIVER™



HONDA



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A.P. Eagers Luxury Car Brands

AP EAGERS

Represents 8 of the top 9 selling luxury car brands in Australia



A.P. Eagers Truck and Bus Brands

AP EAGERS

Representing 12 truck and bus brands



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