

CLSA Australia Down Under Tour

Friday 28th November

AP Eagers Today (Nov 2014)

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101 year old automotive retail group founded in **1913**

- **57** years as a listed public company – dividend paid every year

- A.P. Eagers owns \$280m (Nov 2014) of prime real estate

- Represents all **12** of the top **12** selling vehicle brands in Australia and **27** car brands in total along with **11** truck / bus brands

- **3,500** employees

- **110+** dealership locations in QLD, NT, NSW, VIC and SA

- 19.9% ownership of Automotive Holdings Group (\$239m)

- 7.5% ownership of www.carsguide.com.au (\$2.25m)

AP Eagers Volume Car Brands

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



HOLDEN



ALL 4 THE DRIVER™



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AP Eagers Luxury Car Brands

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



AP Eagers Truck and Bus Brands

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Representing 11 truck and bus brands



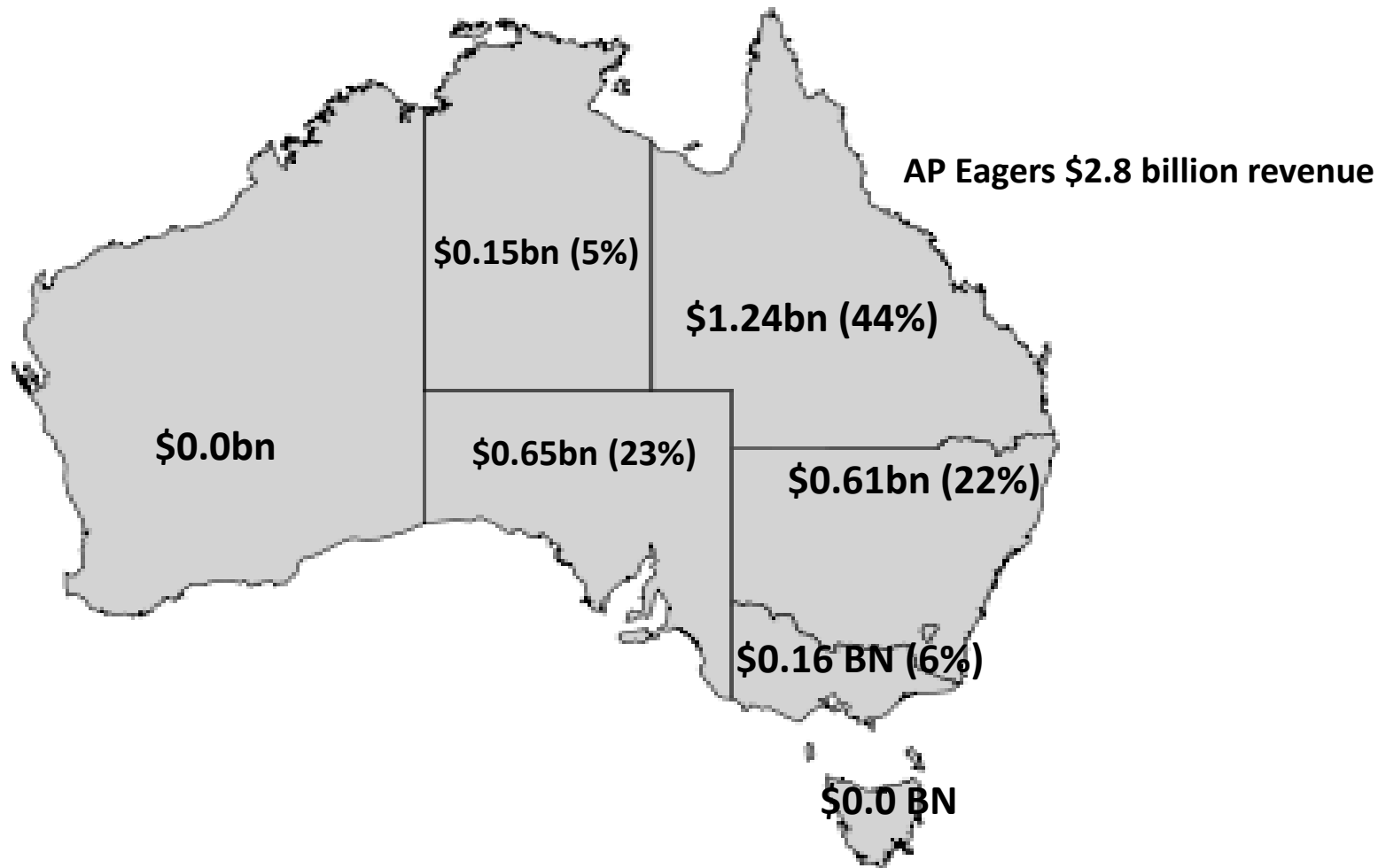
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Revenue by State / % of group Revenue (2014 Annualised)

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Income Opportunity Franchised Dealership

NEW CAR SALES: + Accessories + Finance + Insurance + Car Care + Trade-In

USED CAR SALES: + Accessories + Finance + Insurance + Car Care + Trade-In

VEHICLE SERVICE: - Value add products ie Tyres, wheel alignments, batteries, wiper blades.

VEHICLE REPAIR: - Warranty (Manufacturer pays) and Non Warranty (Customer pays)

- Internal reconditioning of Used Cars

PARTS SALES: - Internal (Service, warranty repair, non-warranty repair, accessories)

- External (Retail – dealership direct to customer)

- External (Wholesale / Trade – large distribution centres deliver to customers)

- Hard parts (Panel) + Mechanical parts

Income Opportunity Franchised Dealership

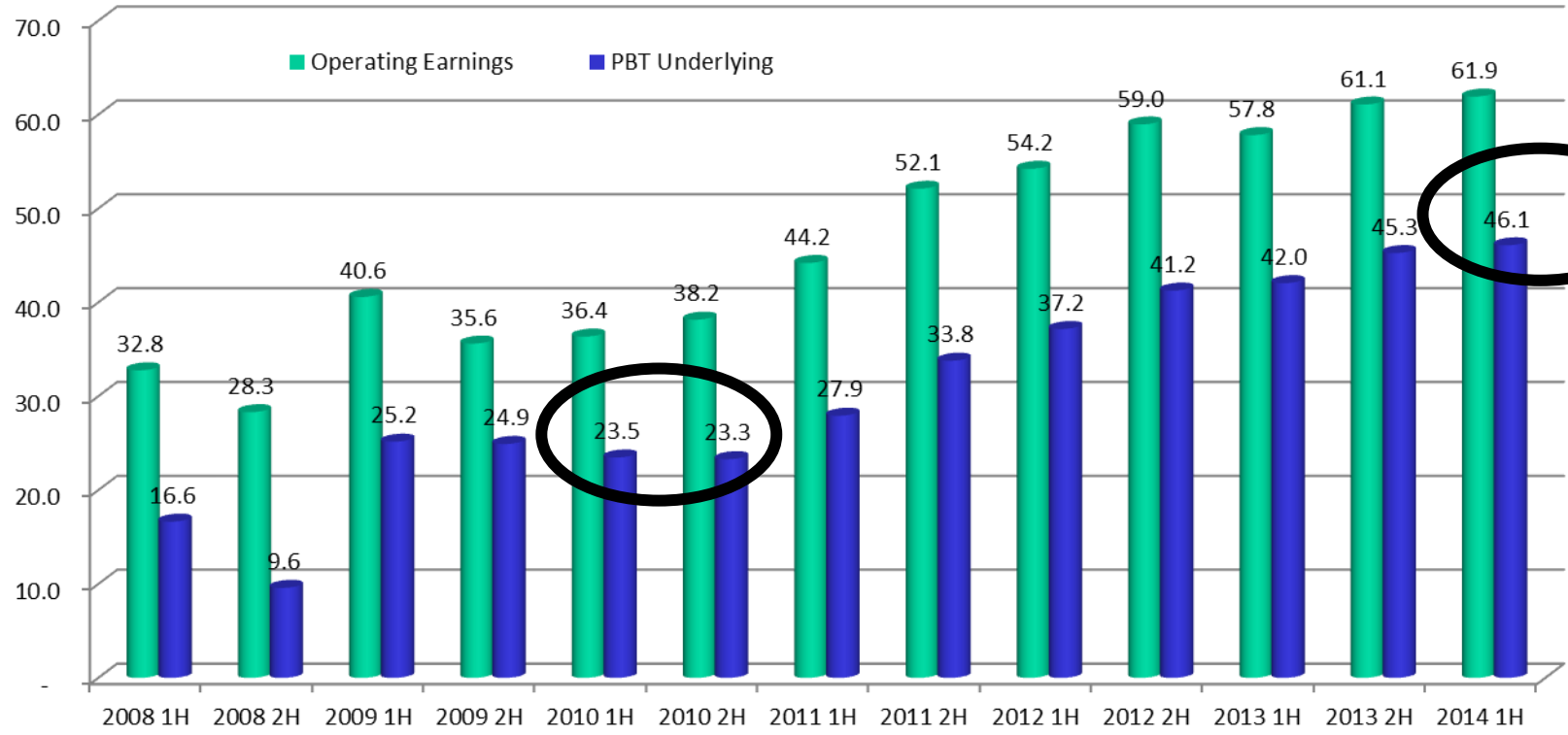
The Income from the operational performance of the dealership, along with financial incentives for achieving target volume, market share and customer satisfaction indices combined, result in a manufacturer's "Economic Model" which funds their chosen customer retail network.

A manufacturer's volume and "Economic Model" will determine the number of Retail dealership locations (franchise points) nationally.

Manufacturer's adjust their financial levers up and down over good and bad times to maintain the financial health of their chosen retail network.

Financial Trends – PBT Underlying

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Operating Earnings is EBITDA Underlying and Impairment excluding profit/loss on sale of assets and from associates. It includes AHG dividend.
 PBT Underlying excludes business acquisition costs, GST tax refunds, and fair value adjustments relating to freehold property assets, investments and intangible assets.

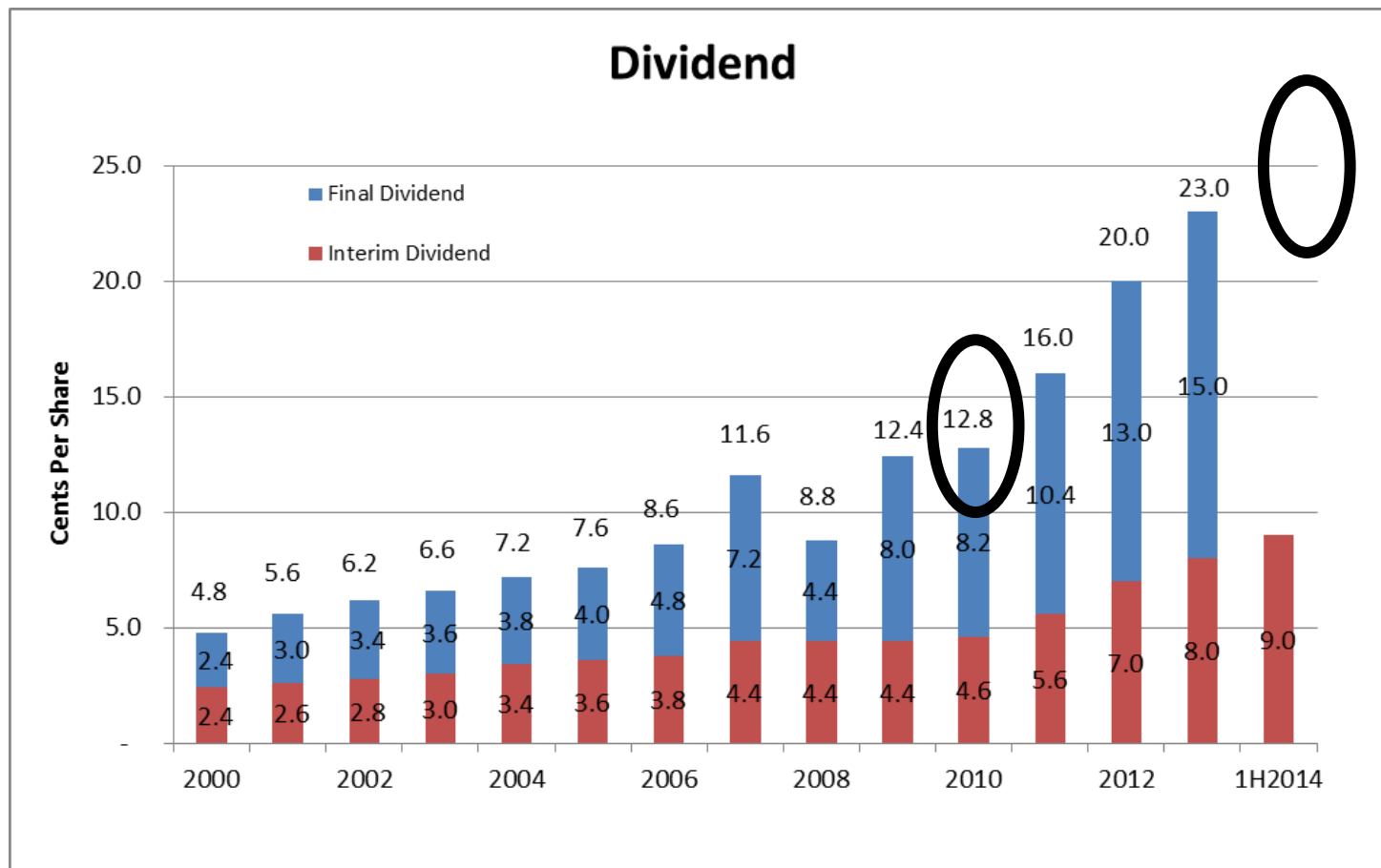
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Financial Trends

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How Does AP Eagers Work

- Decentralised Management (7 Executives in H/O)
- Finance and Insurance Academy
- Car Care Academy
- Car Care Brands (Perfexion/365+)
- Carzoos Brand, Carzoos Processes
- Carzoos Academy
- Road to Service Excellence (Service Academy)
- Future Leaders Program (Supports 90% of leadership growth)
- SUCCESS Training Program (500+ in 18 months)
- Employee Engagement (2014 record engagement)

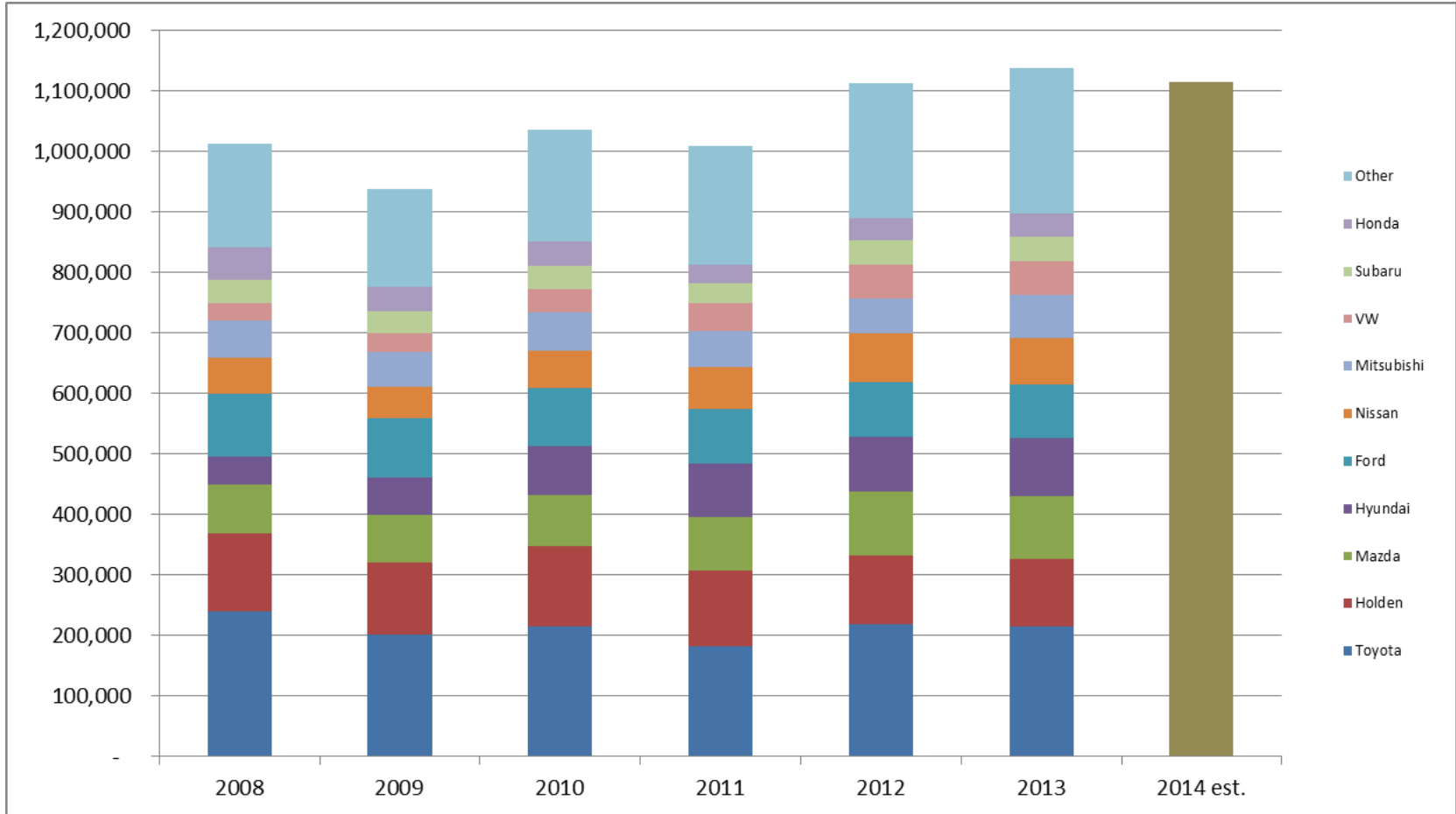
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National Vehicle Sales

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North American : Australian Automotive Retail

<u>Ticker</u>	<u>Company</u>	<u>Market Cap*</u>	<u>P/E Ratio*</u>
AN	Auto Nation	US \$6.3bn	16
PAG	Penske Automotive Group	US \$3.8bn	15
KMX	Carmax	US \$10.2bn	20
ACQ	Auto Canada	C \$1.5bn	32
AHE	Automotive Holdings	A \$1.2bn	14
APE	AP Eagers	A \$1.0bn	14

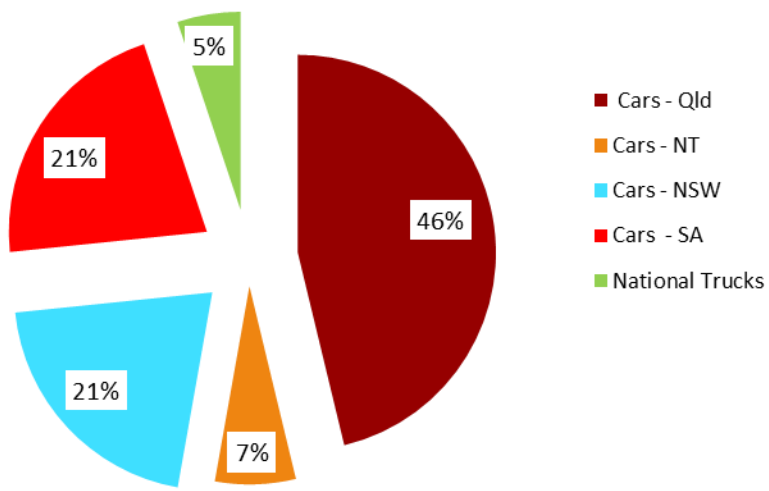
Warren Buffet buys Van Tuyl Group (5th largest US Auto Retailer) \$ unknown.

*Oct 6th 2014

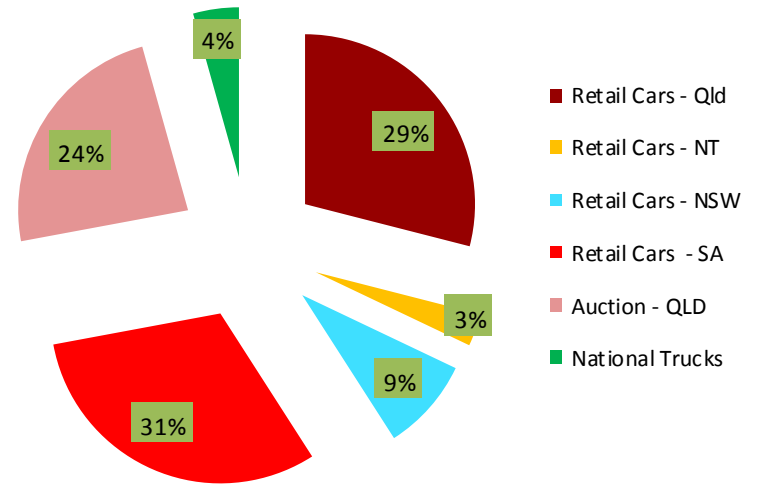
APE Vehicle Sales 2013

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A.P Eagers New Vehicle Sales
Total 42,610 (3.8% of National Market)



A.P. Eagers Used Vehicle Sales
Total 23,396 (Retail Used 17,880)

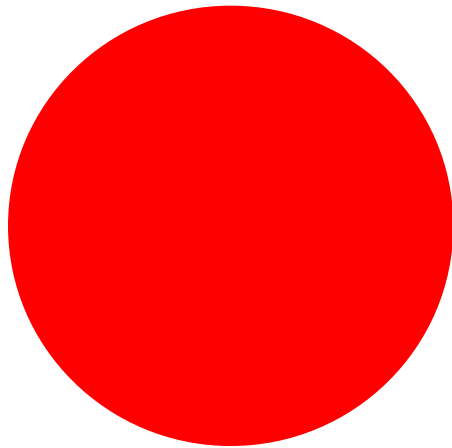


Retail New 1 : 0.42 Retail Used

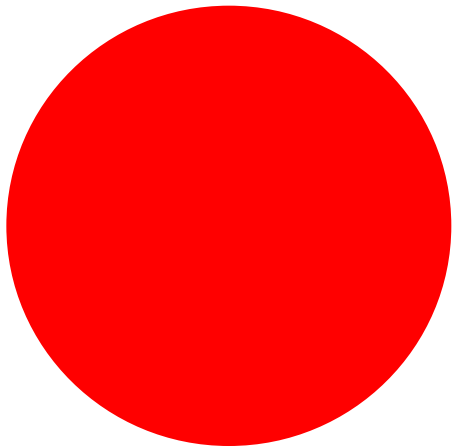
APE Vehicle Sales 2005

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A.P Eagers New Vehicle Sales
Total 23752



A.P. Eagers Used Vehicle Sales
Total 5421



Retail New 1 : 0.23 Retail Used

Twice the size without the restrictions.

NEW CAR MARKET



USED CAR MARKET



	New Car Department	Used Car Department
Product	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Price	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Margin	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Promotion	<input type="checkbox"/>	<input checked="" type="checkbox"/>
People	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Place	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	New Car Department	Used Car Department
Product	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Price	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Margin	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Promotion	<input type="checkbox"/>	<input checked="" type="checkbox"/>
People	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Place	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Leading US Automotive Retailers	Market Capitalisation ²
Autonation	\$6.3bn
Penske	\$3.8bn
Carmax	\$10.2bn

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¹RTA NSW Data. VFACTS NSW Share Assumption. ²As at 6 October 2014.

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**CARZOOS
HAPPINESS
GUARANTEE**



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48hr Moneyback Guarantee



120 Point Safety Check



Carzoos Warranty



24/7 Roadside Assist



Carzoos Fixed Price Servicing



Used car buying you can't get wrong.

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CARZOOS BRENDALE



We're happy to bring
you these great deals



We've just launched our new Used Car, Service &
Tyre Centre, and we want to celebrate with you.



CARZOOS BRENDALE
Service
55 South Pine Road
T. 07 3384 8855
service.brendale@carzoos.com.au

Used Cars
55 South Pine Road
T. 07 3384 8866
facebook /carzoos.brendale.com



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Hundreds of quality used vehicles to choose from.



We know that buying a used car can be a stressful experience, but you've never bought a used car like a Carzoos used car.

From the moment you walk in, until the moment you drive away, you'll wonder how you ever managed to buy a used car somewhere else.

Talk to us about used car buying you can't get wrong.

CARZOOS HAPPINESS GUARANTEE

The Carzoos Happiness Guarantee means that every one of our cars comes with:

- ⦿ 120 Point Safety Check
- ⦿ Carzoos Warranty
- ⦿ Roadside Assistance
- ⦿ Carzoos Fixed Price Servicing
- ⦿ 48hr Moneyback Guarantee

48hr Moneyback Guarantee

If within 48 hours you don't love your car, just give it back and you will be entitled to a full refund of the purchase price.*

*Certain matters may impact upon the customer's right to receive the refund, including, if the vehicle travels more than 500km or sustains any damage or repair before it is returned, if the customer does not take delivery of the vehicle within 7 days of being notified that it is ready for delivery, if the refundable amount is not sufficient to discharge any encumbrances granted by the customer and the customer elects not to pay the balance in order to discharge the return price. If there is a trade-in vehicle associated with the purchase of the Carzoos vehicle, the Carzoos

Used Cars



Servicing with a Smile.

The Carzoos Servicing Happiness Guarantee means you can leave your car with us, confident we're doing the right thing by you at every stage.

So when you service with Carzoos, you simply can't go wrong.

Servicing that's guaranteed to make you happy.

Limited Time Only

\$99
Lube Service

Includes oil change, lubrication service and under bonnet check.*

+ FREE
Safety Stop

*Up to 5L fuel. Offer expires 31/10/14. Ref: C208

\$195
General Service

Includes oil and filter replacement, battery, brake and alignment check and a 30 point written vehicle inspection.*

*Up to 5 Litres. Offer expires 31/10/14. Ref: C208

\$295
Maxi Service

Includes oil and filter replacement, battery, brake and alignment check and a 30 point written vehicle inspection.*

+

Rotate and balance on all four wheels, brake fluid flush, replacement of spark plugs.*

*Up to 5 Litres. Offer expires 31/10/14. Ref: C208. Standard spark plugs only. Platinum/Iridium plugs may incur an extra charge.

BR also Inspection

Receive a brake and suspension inspection, including free electronic safety stop inspection for only \$35.00, RRP \$72.00.

Offer expires 31/10/14. Ref: C208

Alignment Special

Visit Carzoos Brendale and save on front and rear wheel alignment with rotate and balance on all four wheels for only \$69.00, RRP \$104.00.

Offer expires 31/10/14. Ref: C208

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AP EAGERS

2014 Half Year Highlights

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- Acquisition of **Ian Boettcher Motors** \$150m T/O (completed July 1 2014)
- Acquisition of **The Black Group** \$245m T/O (completed Oct 1 2014)
- Combined Acquisition cost of \$47m increases full year T/O by 14.6%

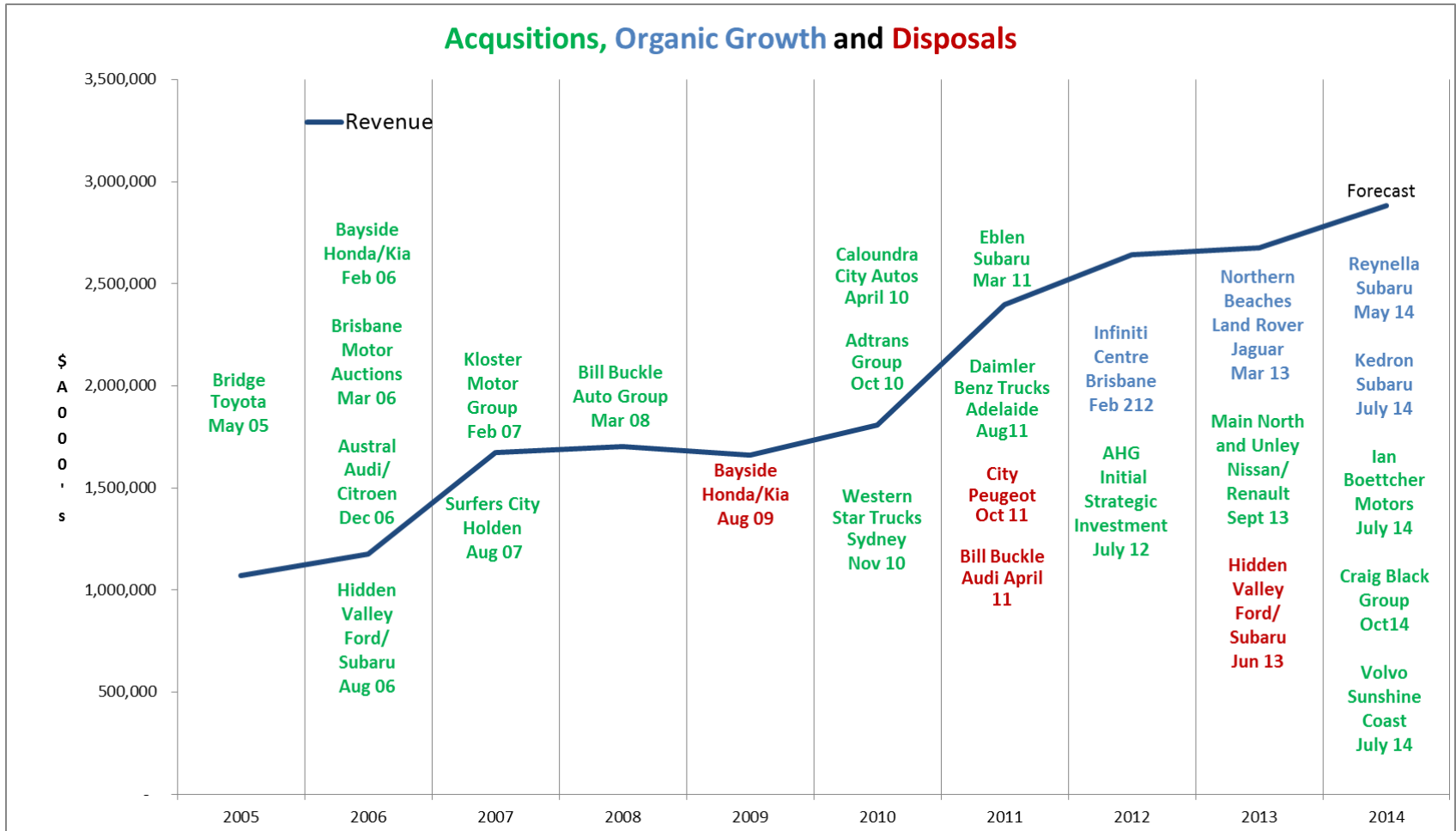
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Growth Timeline - Revenue

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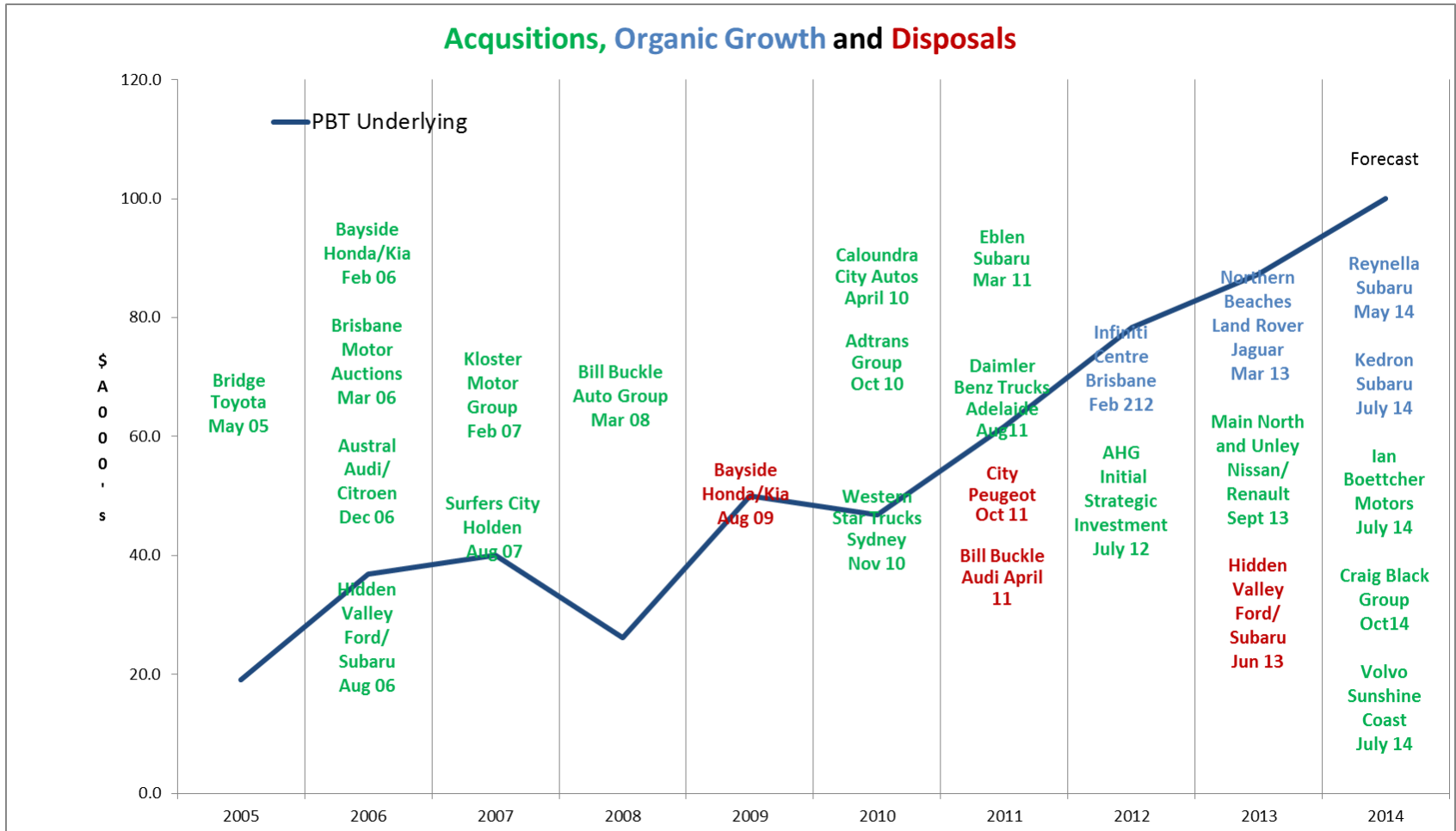
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Growth Timeline – PBT Underlying

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- Combined Acquisition cost of \$47m increases full year T/O by 14.6%
- **Property Portfolio Strategy** \$91m in sales circa \$16m* above book value
 - \$33m (sale and leasebacks)
 - \$58m (sold to developers)

*only \$3.5m expected in 2H 2014 with the remainder 2015-2020

Brisbane CBD, QLD

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- Brisbane CBD (yellow) and approved development zones (blue)

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The Next 12-24 Months

- Continue integration of **Ian Boettcher Motors and The Black Group**
- Relocate Land Rover, Jaguar and Volvo to Newstead
- Improve **truck retailing division**
- Continue **Carzoos expansion** internally and externally
- Grow via further quality acquisitions
- Through organic development or selective acquisitions continue to evolve our current retail model to **match the changes to consumer demands and behaviour**

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