



## AUTOMOTIVE HOLDINGS GROUP

### ASX /MEDIA STATEMENT DIVESTMENT OF COVS TO GPC ASIA PACIFIC

18<sup>th</sup> February 2016

Automotive Holdings Group (ASX: AHG) has agreed to enter into a revised transaction with GPC Asia Pacific where AHG will sell 21 of the 25 Covs stores to GPC Asia Pacific (GPC).

AHG and GPC announced in July they had reached agreement on the sale of all 25 stores in the Covs network.

The ACCC raised concerns in December 2015 over the likely effect on competition in certain regional areas as a result of the original transaction and the parties have therefore agreed to the revised transaction. The revised transaction is intended to address the ACCC's competition concerns in those regional areas.

Four Covs regional stores (Albany, Esperance, Karratha and Port Hedland) will be excluded from the revised transaction and AHG will retain those stores and operate them through AMCAP. AHG will rebrand the four retained Covs stores [Skipper Transport Parts] to avoid confusion with the Covs stores to be operated by GPC Asia Pacific.

By retaining these stores, AMCAP sees significant opportunities to expand its operations in areas where it already has a presence while maintaining the existing automotive parts operations and activities to ensure no disruption of supply to local customers. AHG has given the ACCC a commitment in the form of a section 87B undertaking to retain and operate these stores for a minimum period of two years from when the revised transaction with GPC is completed.

The transaction is expected to complete in early March.

AHG acquired Covs Parts from the Coventry Group in 2011. The Company restructured the business and has retained the exclusive distribution of Ford and Holden OEM parts in Western Australia within its AMCAP division.

"We believe it is an exciting outcome for both AHG and GPC," said AHG managing director Bronte Howson.

John Moller, Managing Director of GPC Asia Pacific said, "This is a strategic investment for GPC Asia Pacific which is complementary to our existing business. In addition to acquiring the dedicated trade customer focussed automotive parts and accessories Covs business in Western Australia, the acquisition enables the group to enhance our existing offer to Mining and Industrial Customers."

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## AUTOMOTIVE HOLDINGS GROUP

**About AHG** Automotive Holdings Group Limited (ASX: AHG) 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 operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), Higer Bus (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

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**About GPC Asia Pacific** GPC Asia Pacific is Australasia's largest automotive aftermarket parts, accessories and solutions group and the owner of a portfolio of complementary businesses, including Appco, Ashdown-Ingram, McLeod Accessories, Motospecs, RDA Brakes, Repco and R&E Auto Parts. GPC Asia Pacific is a subsidiary of Genuine Parts Company (NYSE: GPC), a service organization engaged in the distribution of automotive replacement parts, industrial replacement parts, office products and electrical/electronic materials, with operations in in the U.S., Canada, Mexico and Australasia.

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