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ASX ANNOUNCEMENT

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ACQUISITION OF FORD AND MAZDA DEALERSHIPS IN NEW ZEALAND

Automotive Holdings Group Limited (ASX: AHE) announced today that it has finalised terms and reached agreement to purchase two Ford and two Mazda dealerships in Auckland, New Zealand.

A Share Sale and Purchase Agreement has been executed today for the purchase of Auckland Auto Collection Limited (AACL) for approximately NZ\$ 2.3 million.

The acquisition is AHG's first outside Australia in automotive retailing and represents an important new growth opportunity for the group.

The New Zealand operation will make a positive contribution to group earnings in FY07.

AACL operates two Ford and two Mazda motor vehicle dealerships plus four satellite service centres in central and northern Auckland. These facilities service two of the three Prime Market Areas (PMAs) in Auckland, cover over 70% of the Auckland metropolitan population and have a combined turnover in excess of NZ\$200m.

Ford Motor Company of New Zealand Limited (through JAF Limited) and Mazda Motor Corporation are the current shareholders of AACL, which was formed in 1999 as a Retail Joint Venture (RJV).

AHG Chief Executive Officer Bronte Howson said the group was excited by the opportunity to expand its automotive operations into the New Zealand market.

"The acquisition will establish AHG in the New Zealand motor vehicle retail market, with a strong presence through the market representation of two strong brands – Ford and Mazda," said Mr Howson.

"The strength of the Ford and Mazda brands and the turnover in excess of NZ\$200m, combined with the significant Auckland market share, makes the acquisition of AACL a compelling opportunity.

"We see a great opportunity to leverage AHG's proven automotive retailing model in the New Zealand market from the outstanding platform created by Ford and Mazda."

Mr Howson said AHG planned a redevelopment of the central flagship John Andrew site in Auckland in conjunction with the owner of the site and plans to develop a modern dealership facility encompassing Ford and Mazda's requirements.

"This redevelopment will ensure the long term success of the central John Andrew site and is in line with the style of redevelopment we have successfully implemented in our Australian automotive retailing operations," he said.

Richard Matheson, Managing Director of Ford New Zealand, was strongly supportive of the sale to AHG, noting that AHG is an exciting group with strong management and a proven operational format.

"We strongly believe that AHG's track record of managing successful retail dealerships makes them ideally placed to further strengthen the Ford and Mazda brands in the Auckland region," he said.

Peter Aitken, Managing Director of Mazda New Zealand, said he was pleased to welcome AHG to the Mazda franchise.

"We recognise that this acquisition gives AHG its first Mazda dealerships. We have been impressed with the AHG management team and by the methodologies and culture they bring to their retail operations."

The central dealership's PMA encompasses 48% of Auckland's households. John Andrew is the largest Ford and Mazda dealership in New Zealand, delivering 18.7% of Ford's national market share and 14.9% of Mazda's volume in 2005. The northern PMA encompasses a further 25% of Auckland's households, delivering 5.4% of Ford's national volume and 7.9% of Mazda's volume.

Mr Howson said this acquisition provides AHG with a beachhead for future growth in New Zealand.

"AHG recently took over the exclusive importation and distribution of KTM Sportmotorcycles in New Zealand and we have been keen to expand into our core business of motor vehicle retail. This is the ideal opportunity to achieve that goal," he said.

About AHG

Automotive Holdings Group Limited is a diversified automotive retail and logistics group with operations in every Australian mainland state.

The Company is Western Australia's largest automotive retailer and recently moved into the Victorian market through the opening of its Hino truck dealership, one of the largest in the country. It is currently finalising due diligence on the proposed acquisition of the McGrath Lander Group in New South Wales.

AHG operates logistics businesses throughout Australia through subsidiaries Rand Transport (refrigerated transport and storage), KTM Sportmotorcycles (motorcycle importation & distribution) and AMCAP (motor parts and industrial supplies distribution).

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