



Automotive Holdings Group
21 Old Aberdeen Place,
West Perth, WA 6005
Telephone: 08 9422 7676
Facsimile: 08 9422 7686
ACN: 111 470 038
www.ahgir.com.au

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AHG SIGNS AGREEMENT TO DISTRIBUTE VMOTO SCOOTERS

Automotive Holdings Group Limited (ASX: AHE) is pleased to announce it has executed an agreement with Vmoto Limited to become the exclusive Australian distributor of Vmoto branded scooters and related merchandise.

Under the agreement AHG's logistics division will distribute Vmoto scooters and ATVs initially through the existing Vmoto retail network around Australia.

AHG will establish a dedicated operation within its logistics division to manage the new distribution business under the agreement, which takes effect on 1 July 2007 and has an initial term of 5 years.

AHG Chief Executive Officer Bronte Howson said the Vmoto agreement was an exciting development for AHG and was expected to be a good contributor to the logistics divisions' earnings in the years ahead.

"We look forward to bringing AHG's logistics systems and experience to the Vmoto distribution business and helping build this exciting brand in the Australian market," said Mr Howson.

Vmoto Managing Director Patrick Davin said the company's board had concluded that AHG's significant track record and expertise in both motorcycle distribution and motor vehicle retail would ensure continued market dominance and superior service of the Vmoto scooter brand.

Mr Davin said the appointment of AHG as exclusive Australian distributor would allow the management team of Vmoto Limited to focus on the rapid international roll out of the Vmoto brand.

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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 biggest 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) and KTM Sportmotorcycles (motorcycle importation & distribution in Australia and New Zealand).

For the 6 months to 31 December 2006, AHG reported net profit of \$11.9 million on group revenue of \$936.5 million.

For more information please contact:

John McGlue, Castle Gates Australia 08 9386 1025 0417 926 915

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