

3 August 2010

AHG acquires strategic development site in Sydney's Castle Hill automotive precinct

Automotive Holdings Group Limited (ASX: AHE), Australia's largest automotive retailer, today announced the acquisition of a significant parcel of land in Sydney's Castle Hill area for \$24.5 million plus stamp duty and transaction costs.

The 43,000 square metre property is located at the high visibility intersection of Victoria Avenue and Windsor Road in Castle Hill, a major centre in Sydney's northwest corridor. The site includes approximately 650 metres of street frontage and is near several established dealerships.

AHG Managing Director Bronte Howson said the acquisition was strategic because of the site's location, size and long-term growth potential.

"This is an exciting opportunity for AHG. The potential is there to develop this land into a multiple dealership site, similar to the automotive hubs AHG has established in Wangara and Rockingham in Western Australia. Opportunities also exist for the development of associated industries.

"It is located at a visible, busy intersection within a high profile automotive precinct. It is a great location.

"We are in discussion with several manufacturers to develop the site and believe this location will be very attractive to dealership brands that are looking to increase their presence in the area.

"The acquisition also represents an important addition to our New South Wales operations, complementing our existing stable of 17 dealership franchise sites located at Blacktown, Sutherland, Liverpool and Lansvale in metropolitan Sydney."

The Castle Hill site currently comprises 83 factory units, providing AHG with an immediate steady rental stream through short-term tenancies.

The acquisition will be funded by AHG's cash reserves and will have no material effect on earnings per share at acquisition.

Castle Hill is classified as a major centre in metropolitan Sydney and the 'capital' of the Hills Shire. Australian Bureau of Statistics and local Council statistics show population of the Hills Shire in 2010 is forecast to grow to more than 250,000 people in 2031 from 172,000 currently.

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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. 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 (transport and cold storage), AMCAP (motor parts and industrial supplies distribution), VSE, providing vehicle storage and engineering, Genuine Truck Bodies, which provides body building services to the truck industry and KTM Sportmotorcycles (motorcycle importation and distribution in Australia and New Zealand).

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