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AHG acquires NSW and Queensland truck dealerships

Automotive Holdings Group (AHG ASX: AHE) has made a number of acquisitions that significantly increase its presence in the Australian truck and bus market.

AHG has reached agreement with Mercedes-Benz Australia/Pacific (MBAuP) to purchase Mercedes-Benz Commercial Vehicles in Newcastle (NSW), Rocklea (Qld) and Caboolture (Qld). AHG will also purchase the operations of SelecTrucks of Brisbane from MBAuP. These purchases from MBAuP encompass the Mercedes-Benz (truck, van and bus), Freightliner and Fuso brands. The Mercedes-Benz acquisitions are expected to settle by early October 2012.

AHG has also acquired Newcastle Hino from Bradstreet Automotive Group.

The combined purchase price for these Newcastle and Brisbane acquisitions is approximately \$8m inclusive of \$5m in trading assets. Forecast revenue for the combined operations is \$110m per annum.

AHG managing director Bronte Howson said the acquisitions strengthen the Group's position in NSW and Queensland and offer AHG customers the broadest truck and bus portfolio in the Australian market.

The Mercedes-Benz acquisitions complement the purchase announced in October last year of Diesel Motors Trucks in Perth (now Daimler Trucks Perth), while the Hino acquisition adds to AHG's existing Hino dealerships in Perth and Melbourne.

Since its acquisition last year by AHG, Daimler Trucks Perth has become the number one volume Mercedes-Benz and Fuso truck dealer in Australia, with sales volumes exceeding the manufacturer's expectations.

"Given the success of Daimler Trucks Perth, we're excited about our prospects with the Daimler Trucks range of Mercedes-Benz, Freightliner and Fuso in NSW and Queensland," said Mr Howson.

"Through these acquisitions we are growing our presence in the WA, Queensland and NSW truck and bus markets with experienced dealer principals and world-leading brands that have the capacity to grow revenue from sales, service and parts," Mr Howson said.

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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 operations in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport and Harris Refrigerated Transport (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), and KTM Sportmotorcycles (motorcycle importation and distribution in Australia and New Zealand).

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