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Acquisition of Victorian dealerships

Automotive Holdings Group (AHG ASX: AHE) has continued to deliver on its growth strategy in Victoria with the significant acquisition of the Bayside and Peninsula Groups on the Mornington Peninsula.

The Bayside Automotive Group comprises Nissan, Suzuki and Chrysler Jeep Dodge dealerships in Frankston, while the Peninsula Group delivers Nissan and CJD dealerships at Mornington.

The Chrysler Jeep Dodge locations also incorporate Fiat passenger and Alfa Romeo sales, service and parts.

The dealerships presently generate approximately \$75 million revenue per annum.

The Bayside and Peninsula dealerships are located within close proximity to AHG's existing Wignall Group dealership operations on the Mornington Peninsula. The Company expects there will be opportunities to drive significant efficiencies through centralised dealership operations such as storage, pre-delivery and marketing.

The purchases add to AHG's twelve existing car and truck dealerships in Victoria, with development also underway in a new retail automotive hub in South Melbourne.

AHG managing director Bronte Howson said the acquisitions were strategic from both a branding and geographic perspective. He said management would focus on their integration into the Group to drive an immediate contribution to earnings.

"Our Victorian portfolio has an excellent spread of high value brands and sufficient scale to put in place the necessary infrastructure to further drive performance.

"With this spread of brands in place, and further prospective acquisitions, Victoria will become a source of significant growth for our automotive business, with the potential to generate \$600 million per annum in automotive revenue," said Mr Howson.

"Victoria is an important territory for AHG and these acquisitions represent another key plank in the strategic plan for our national automotive business."

The sale and purchase contracts have been signed on usual commercial terms with completion scheduled in Q4 FY2013 subject to certain conditions precedent including manufacturer approvals.

ENDS

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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 Covs (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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