



29 July 2008

The Companies Announcement Office
ASX Limited

ASX Announcement

A. P. Eagers Announces Increased Profit for Half Year

A. P. Eagers Ltd (APE) is pleased to announce an unaudited profit before tax of \$28.1 million for the half year ended 30 June 2008. This compares to \$16.4 million for the half year ended 30 June 2007.

The 2008 result includes a trading profit of \$16.6 million compared to \$16.4 million for the previous corresponding period. It also includes an \$11.5 million benefit from a tax refund of overpaid GST on holdback payments, as foreshadowed in the company's ASX Announcement on 7 May 2008.

Of the \$11.5 million tax refund, an amount of \$7.1 million has already been received from the Australian Tax Office, with the balance expected to be received before the end of August 2008. As there is a small chance that the unpaid balance of \$4.4 million may be subject to an appeal process, a final decision will need to be made by the company on whether there is sufficient certainty to include the unpaid balance in the 30 June 2008 financial statements.

The company's parts and service department and its finance business have both shown improved profitability in the first half of 2008. This has substantially offset the more difficult trading conditions of the last quarter experienced in the new and used car markets caused by higher interest rates, reduced consumer credit availability, higher fuel costs and car price deflation causing significant depreciation in used car inventory values.

A. P. Eagers' ability to facilitate finance offerings for its retail customers has significantly improved and is now more attractive and highly competitive when compared to traditional bank lending for vehicle purchases. In part, this improved competitiveness is a result of the general tightening in the availability of consumer credit from banks and other sources in recent months.

A fully franked interim dividend of 22 cents per share (2007: 22 cents) has been declared and will be paid on 30 September 2008 to shareholders registered on 22 September 2008.

The audit reviewed financial result is expected to be released in the company's Appendix 4D Half Year Report on 29 August 2008.

ENDS

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