



28 February 2007

The Companies Announcements Office
ASX Limited

ASX Announcement
A.P. Eagers Posts 6th Record Annual Profit
and recommends a record dividend payout up 13.2%

The Directors of A.P. Eagers Limited are pleased to report that the Group's Profit before tax of \$36.8 million for the year ended 31 December 2006 is the sixth record profit in a row.

Whilst this result exceeds the previous record by \$17.7 million it includes a \$15 million profit on the sale of surplus property.

Financial Highlights

- EBITDA up 55.8% to \$56.3m
- EBITDA (excluding profit on sale of property and equity accounting) up 8.7% to \$40.4 million
- Directors recommend a fully franked final dividend of 24 cents per share (2005 – 20 cents) payable on 21 May 2007
- Annual dividend of 43 cents per share up 5 cents per share (13.2%) on 2005
- Group property portfolio revalued upwards by \$49 million
- NTAB up \$1.86 per share (29.9%) to \$8.08 per share
- Profit on sale of surplus property of \$15 million
- \$26 million equity raised through a rights / placement issue in October 2006

Operational Highlights

- Acquired Bayside Honda & Kia dealerships in February 2006
- Acquired Brisbane Motor Auctions in March 2006
- Acquired Frost Motor Group in Darwin in August 2006
- Acquired Audi and Citroen dealership on the Sunshine Coast in December 2006
- \$10 million brand new facility for Toyota and Kia at Brendale completed August 2006
- \$25 million brand new facility at North Lakes for Toyota, Ford and Honda substantially complete
- Heads of Agreement signed to acquire \$300 million turnover Kloster Group in Newcastle / Hunter Valley region of New South Wales. (Due to settle by close of business today 28 February 2007)

Commentary

Consolidated profit after tax was \$25.8 million (2005 - \$13.3 million).

The result was achieved after expensing \$872,000 in respect of the deemed benefit provided to eligible employees who received \$1,000 worth of free shares in the Company under the Company's Tax Exempt Share Plan.

Revenue from operations for the period was \$1.174 billion, up \$102.3 million on the previous corresponding period entirely attributable to operational acquisitions which also contributed to the Group's profitability.

Revenue from existing business was down 3.4% on the previous year reflecting dampened Fleet & Government business as a consequence of petrol price increases and interest rate rises particularly in the Ford and Holden franchises.

Conversely, the Group's other franchises increased turnover as market sentiment switched from the large to the small car segment. Turnover within the Group's Toyota operations grew as Toyota improved its position as market leader.

New vehicle sale of 23,331 units were 421 units lower than year 2005, again due largely to the reduced Fleet and Government business through the Ford and Holden operations. Gross profit margins, whilst still tight, improved marginally with gross profit being assisted by the higher content of retail business which accounted for 64.2% of total new vehicle sales (2005 – 59.4%).

A. P. EAGERS LIMITED

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Used vehicle numbers lifted dramatically from 5,241 in 2005 to 12,316 following the acquisition of Brisbane Motor Auctions in March 2006. Retail used vehicles numbers increased 22% from 5,241 to 6,399 and improved operating procedures meant the used vehicle departments' contribution to profits substantially improved.

Whilst revenue from existing businesses was down 3.4%, existing business profitability was improved due to a significant turnaround in used vehicle performance.

Facility development continued apace in 2006 with the construction of new \$10 million facilities for Torque Toyota and Torque Kia at Brendale and new \$25 million facilities for Torque Toyota, Torque Ford and Torque Honda at North Lakes. The Toyota facility at North Lakes commenced trading in January 2007 with the Ford and Honda facilities expected to open in April 2007 and June 2007 respectively.

Of particular importance is the imminent acquisition of the \$300 million turnover Kloster Group in the Newcastle / Hunter Valley region of New South Wales (settlement date 28 February 2007). This purchase will be satisfied through a combination of shares and cash available from the recent rights / placement issues and the sale of surplus property previously announced.

Directors are confident, given a continuation of current trading conditions, that the Group is well placed to record improved trading results in 2007.

Results Summary

Consolidated Results

Year ended 31 December

	2006	2005		
	\$'000	\$'000		
Revenue from operations	1,174,336	1,071,955	up	9.6%
Other revenue	<u>15,012</u>	<u>2,794</u>	up	437.3%
Total revenue	<u><u>1,189,348</u></u>	<u><u>1,074,749</u></u>	up	10.7%
EBITDA before profit on sale of properties & equity accounting	40,370	37,149	up	8.7%
Share of associates profits (losses)	922	(3,794)		
Profit on sale of properties	<u>15,012</u>	<u>2,794</u>	up	437.3%
EBITDA	56,304	36,149	up	55.8%
Depreciation and amortisation	<u>(5,743)</u>	<u>(5,133)</u>	up	11.9%
EBIT	50,561	31,016	up	63.0%
Borrowing Costs	<u>(13,748)</u>	<u>(11,884)</u>	up	15.7%
PROFIT BEFORE TAX	36,813	19,132	up	92.4%
Income Tax Expense	<u>(11,026)</u>	<u>(5,834)</u>	up	89.0%
PROFIT AFTER TAX	<u><u>25,787</u></u>	<u><u>*13,298</u></u>	up	93.9%

*Restated on adoption of revised AASX 139: Financial Instruments – Recognition and Measurement

Earnings per share – basic (cents)	110.5c	*61.0c	up	81.1%
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Yours faithfully

A.P. Eagers Limited



Martin A Ward
Chief Executive Officer

For further information please contact: Mr Martin Ward, Chief Executive Officer on (07) 3248 9455.

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Appendix 4E

Preliminary final report

1. Company details

Name of entity

A.P. Eagers Limited

ABN or equivalent company reference

87 009 680 013

Financial year ended ('current period')

31 December 2006

Financial year ended ('previous period')

31 December 2005

2. Results for announcement to the market

\$A'000's

2.1 Revenue	up	9.6%	to	1,174,336
2.2 Profit (loss) from operations attributable to members	up	93.9%	to	25,787
2.3 Net profit (loss) for the period attributable to members	up	93.9%	to	25,787
2.4 Dividends		Amount per security		Franked amount per security
Final dividend proposed		24.0c		24.0c
Interim dividend		19.0c		19.0c
2.5 +Record date for determining entitlements to final dividend.		10 May 2007		
2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				
<p>The results disclosed in Notes 2.2 and 2.3 above include an amount of \$10,009K representing profit after tax from the sale of properties (2005 : \$1,970K). Excluding the profit after tax on sale of properties and equity accounting for associates, the percentage increase in the net profit attributable to members is 11.8%.</p>				

3. Consolidated income statement

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue from operations	1,174,336	1,071,955
Other income	15,012	2,794
Expenses from ordinary activities, excluding finance costs (refer Note 3.1)	(1,139,709)	(1,039,939)
Finance costs	(13,748)	(11,884)
Share of net profits (losses) of associates and joint venture entities (equity accounted)	922	(3,794)
Profit before income tax	36,813	19,132
Income tax expense	(11,026)	(5,834)
Net profit attributable to members	25,787	13,298*

* refer Note 8 (a).

Notes to the consolidated income statement

3.1 Expenses from ordinary activities (excluding finance costs)

Details of "Expenses from ordinary activities" by nature	Current \$A'000	period	Previous corresponding period \$A'000
Changes in inventories of finished goods and work in progress		10,037	24,780
Raw materials and consumables used	(1,017,878)		(953,874)
Employee expenses	(75,747)		(61,649)
Depreciation and amortisation expense		(5,743)	(5,133)
Other expenses from ordinary activities	<u>(50,378)</u>		<u>(44,063)</u>
Total Expenses	<u>(1,139,709)</u>		<u>(1,039,939)</u>

3.2 Other Disclosures relating to the Income Statement

	Current period - \$A'000	Previous corresponding period - \$A'000
Net gain/(loss) on the disposal of assets:		
- property, plant and equipment	15,012	2,794
Net revenue/(expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets :		
- amortisation of non-current assets	(405)	(350)
- depreciation of non-current assets	(5,338)	(4,783)
- impairment of non-current assets	-	-
- bad and doubtful debts	(49)	375

3.3 Revision of Accounting Estimates

Details of Revision of Accounting Estimates
None

4 Condensed consolidated Balance Sheet	At end of current period \$A'000	As shown in last annual report \$A'000
Current assets		
Cash and cash equivalents	54,864	4,494
Receivables	42,886	46,471
Inventories	165,972	156,593
Other (deposits and prepayments)	3,751	1,498
Total current assets	267,473	209,056
Non-current assets		
Investments (equity accounted)	1,706	-
Derivative financial instruments	863	-
Available-for-sale financial assets	113	6,673
Property, plant and equipment	240,965	187,886
Intangibles	26,403	23,131
Total non-current assets	270,050	217,690
Total assets	537,523	426,746
Current liabilities		
Payables	32,985	28,122
Borrowings	122,738	126,278
Current tax liabilities	4,910	1,884
Provisions exc. tax liabilities	5,396	4,367
Other (unearned income)	4,646	4,118
Total current liabilities	170,675	164,769
Non-current liabilities		
Borrowings	104,600	91,600
Deferred tax liabilities	20,249	6,631
Provisions exc. tax liabilities	2,521	2,707
Total non-current liabilities	127,370	100,938
Total liabilities	298,045	265,707
Net assets	239,478	161,039
Equity		
Contributed equity	106,264	77,311
Reserves	89,913	47,674*
Retained profits	43,301	36,054**
Equity attributable to members of the parent entity	239,478	161,039
Minority interest	-	-
Total equity	239,478	161,039

* refer Note 8 (c)

** refer Note 8 (b)

5 Condensed consolidated statement of cash flows

	Current period \$A'000	Previous corresponding period - \$A'000
Cash flows related to operating activities		
Receipts from customers (inclusive of GST)	1,286,279	1,174,909
Payments to suppliers and employees (inclusive of GST)	(1,250,349)	(1,140,423)
Receipts from insurance claim	2,297	-
Dividends received from associate entity	848	62
Other dividends received	1	723
Interest received	748	226
Interest and other finance costs paid	(13,810)	(11,809)
Income taxes paid	(7,179)	(6,280)
Net operating cash flows	18,835	17,408
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(28,220)	(24,624)
Proceeds from sale of property, plant and equipment	44,864	12,581
Payment for available-for-sale financial assets	(91)	(1,172)
Payment for acquisition of a businesses	(17,140)	(13,184)
Net investing cash flows	(587)	(26,399)
Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.), net of capital raising costs	25,569	-
Proceeds from borrowings	13,000	22,000
Repayments of borrowings	-	(3,000)
Dividends paid	(6,447)	(3,337)
Net financing cash flows	32,122	15,663
Net increase (decrease) in cash held	50,370	6,672
Cash at beginning of period	4,494	(2,178)
Cash at end of period	54,864	4,494

5.1 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

(a) Payment of dividend of \$2,271,909 (2005: \$4,685,206) under the Dividend Reinvestment Plan settled by way of issue of 321,028 shares (2005: 665,168 shares)
(b) The allotment of 113,133 shares at a value of \$871,466 issued free to eligible employees under the employee tax exempt share plan (expensed through profit & loss)

5.2 Reconciliation of cash

Reconciliation of cash at the end of the period (as shown in the condensed consolidated statement of cash flows) to the related items in the accounts is as follows.	Current period \$A'000	Previous corresponding period - \$A'000
Cash on hand and at bank	864	1,494
Deposits at call	54,000	3,000
Bank overdraft		-
Total cash at end of period	54,864	4,494

5.3 Reconciliation of net profit after income tax to net cash inflow from operating activities

	Current Period \$'000	Previous Corresponding Period \$'000
Net profit	25,787	13,298
Depreciation and amortisation	5,743	5,133
Profit on sale of property, plant & equipment	(15,012)	(2,794)
Share of losses (profits) of associates	(922)	3,794
Employee share scheme expensed	2,189	420
Dividends from associates	848	62
<i>(Increase) decrease in assets:</i>		
Receivables	3,654	(3,120)
Inventories	325	(21,897)
Prepayments	(2,117)	583
Deferred taxes	(488)	108
<i>Increase (decrease) in liabilities:</i>		
Creditors (including bailment finance)	(5,389)	22,563
Provisions	(70)	(498)
Taxes payable	4,287	(244)
Net cash inflow from operating activities	18,835	17,408

6 Dividends

6.1 Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Final dividend: Current year	21/5/07	24.0 c	24.0 c	Nil c
	Previous year	15/5/06	20.0 c	20.0 c	Nil c
	Interim dividend: Current year	2/10/06	19.0 c	19.0 c	Nil c
	Previous year	26/9/05	18.0 c	18.0 c	Nil c

6.2 Total dividend per security (interim *plus* final)

	Current year	Previous year
+Ordinary securities	43.0 c	38.0 c

7 Dividend Reinvestment Plans

The +dividend or distribution plans shown below are in operation.

The A.P. Eagers Dividend Reinvestment Plan

The last date(s) for receipt of election notices for the +dividend or distribution plans

5.00pm on 10 May 2007

Any other disclosures in relation to dividends (distributions).

Final dividend payable on 21 May 2007

8 Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits at the beginning of the financial period	36,054	33,347
Transfer to Available-for-sale Investment Revaluation Reserve on adoption of revised AASB 139 : <i>Financial Instruments - Recognition and Measurement</i> (see note i below)	-	(2,913)
Restated retained profits at the beginning of the financial period	36,054	30,434
Net profit attributable to members	25,787	13,298
Net transfers from/(to) reserves	(9,821)	344
Dividends paid or payable	(8,719)	(8,022)
Retained profits at end of financial period	43,301	36,054

(a) Restatement of Prior Year Net Profit Attributable to Members

	Previous corresponding period - \$A'000
Net profit as previously reported	13,924
Transfer to Available-for-sale Investment Revaluation Reserve on adoption of revised AASB 139 : <i>Financial Instruments - Recognition and Measurement</i> (see note i below)	(626)
Restated net profit	13,298

(b) Restatement of Prior Year Closing Retained Profits

	Previous corresponding period - \$A'000
Retained profits at the end of the financial period as previously reported	39,593
Transfer to Available-for-sale Investment Revaluation Reserve on adoption of revised AASB 139 : <i>Financial Instruments - Recognition and Measurement</i> (see note i below)	(3,539)
Restated retained profits at the end of the financial period	36,054

(c) Restatement of Prior Year Reserves

	Previous corresponding period - \$A'000
Reserves at the end of the financial period as previously reported	44,135
Transfer to Available-for-sale Investment Revaluation Reserve on adoption of revised AASB 139 : <i>Financial Instruments - Recognition and Measurement</i> (see note i below)	3,539
Restated reserves at the end of the financial period	47,674

(i) The prior year adjustment is due to the first time adoption of the revised AASB 139: "Financial Instruments – Recognition and Measurement" which requires that changes in the fair value of share investments be recorded directly in equity against an "Available-for-sale Investment Revaluation Reserve" rather than through the Income Statement, which was the policy in the previous year. The impact of this adjustment is the reversal of \$2,913K (net of tax) from retained profits at 1 January 2005 to the "Available-for-sale Investment Revaluation Reserve" and \$626K reversal (net of tax) from net profit in 2005 to the "Available-for-sale Investment Revaluation Reserve".

11 Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period \$A'000	Previous corresponding period \$A'000
Auto Group Ltd (in liquidation)	Nil	18.68%	Nil	(3,794)
M.T.Q. Insurance Services Limited	19.43%	N/A (refer noted below)	922	N/A (refer noted below)

The investment in MTQ Insurance Services Limited was recognised at fair value and classified as "Available-for-sale financial asset" in the previous year. In the current year, this investment is classified as "Investment accounted for using the Equity Method". The result of this change in classification in the current year is the reversal from the carrying value of this investment, of the revaluation of the investment in prior years of \$3,539K (net of tax), against the "Available-for-sale Investment Revaluation Reserve" and the recognition of the share of profits of associates of \$922K in the current year.

Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):	Current period \$A'000	Previous corresponding period - \$A'000
Profit/(loss) from ordinary activities before tax	1,317	(3,539)
Income tax on ordinary activities	(395)	(255)
Profit/(loss) from ordinary activities after tax	922	(3,794)
Extraordinary items net of tax	-	-
Net profit/(loss)	922	(3,794)
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	922	(3,794)

Significant Information

1. The profit result was affected by the inclusion of \$15.012 million profit before tax on the sale of surplus property.
2. The Group's property portfolio was revalued during the year resulting in an increase in the Property Plant and Equipment Revaluation Reserve (net of tax) of \$34 million.

12. Commentary on results for the period

	2006	2005
- Basic earnings per share	110.5 c	61.0 c
- Diluted earnings per share	108.2 c	59.6 c
- Weighted average number of shares outstanding during the year used in the calculation of basic earnings per share	23,326,937	21,815,585
- Weighted average number of shares outstanding during the year used in the calculation of diluted earnings per share	23,826,937	22,315,585
- Number of shares on issue at the end of the financial year	26,366,347	22,177,196

13. This report is based on ⁺accounts to which one of the following applies.

(Tick one)

The ⁺accounts have been audited.

The ⁺accounts have been subject to review.

The ⁺accounts are in the process of being reviewed.

The ⁺accounts are in the process of being audited.

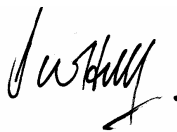
The ⁺accounts have *not* yet been audited or reviewed.

14. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

N/A

15. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below

N/A



Sign here:

(Company Secretary)

Date:28 February 2007.....

Print name:D.W. Hull.....