



4 August 2010

Company Announcements Office
ASX Limited

A.P. Eagers announces bid for Adtrans

A.P. Eagers (ASX:APE) announced today that it intends to make a bid for all of Adtrans' shares (ASX:ADG) under an offer which values each Adtrans share at \$4.00 per share¹ plus the fully franked final dividend of \$0.15 announced on 29 July 2010. This represents:

- a premium of 12.7% to the closing price of Adtrans on the ASX on 4 August 2010 of \$3.55; and
- a premium of 15.7% to the one month volume weighted average price on the ASX prior to 4 August 2010 of \$3.4587.

A.P. Eagers currently owns approximately 27.9% of Adtrans. Its most recent acquisition of Adtrans shares settled on 9 June 2010 at \$3.50 per share.

Bid supported by Adtrans' board

Adtrans' independent directors² have stated that they intend to unanimously recommend the bid to Adtrans' shareholders, in the absence of a superior proposal, but subject to an independent expert, to be engaged by Adtrans, confirming that the offer is both fair and reasonable and subject to reviewing the formal offer document.

Each of the independent directors has also stated that he intends to accept the offer in respect of all the Adtrans shares he controls, in the absence of a superior proposal, but subject to the independent expert's report confirming that the offer is both fair and reasonable and subject to reviewing the formal offer document.

Entities associated with the independent directors' control, in aggregate, 24.7%³ of Adtrans' issued capital.

¹ Based on an A.P. Eagers share price of \$12.50. A.P. Eagers closing price on 4 August 2010 was \$12.51.

² All directors other than Martin Ward.

³ The relevant interest of each independent director is as follows:

Graeme Bignell	5,227,786 shares	David Holst	360,000 shares
Stephen Officer	9,913 shares	Shaun Swift	76,957 shares
Christopher Stillwell	558,116 shares		

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Details of proposal

Adtrans' shareholders will have the following choice under A.P. Eagers' offer:

- **(shares and cash)** \$2.00 cash (subject to the payment of a special dividend) for each Adtrans share plus 4 A.P. Eagers shares for every 25 Adtrans shares (which is the equivalent of 0.16 A.P. Eagers shares for each Adtrans share); or
- **(cash only)** \$4.00 cash for each Adtrans share (subject to the payment of a special dividend) they hold.

In addition to paying the \$0.15 per share final dividend for the 2010 financial year announced on 29 July 2010, Adtrans may pay a special fully franked dividend to its shareholders of up to \$0.35 per share if A.P. Eagers has given its prior consent, subject to A.P. Eagers becoming entitled to initiate compulsory acquisition.

A commensurate reduction will be made to the cash paid under either option mentioned above to Adtrans shareholders if such a special dividend is paid.

The conditions of A.P. Eagers' offer are:

- 1 90% minimum acceptance;
- 2 no prescribed occurrences⁴ in respect of Adtrans;
- 3 no material adverse changes occurring in respect of Adtrans;
- 4 any regulatory approval needed for the merger or regulatory action taken which would prevent it;
- 5 the S&P/ASX All Ordinaries Index not falling below 85% of the level of that index as at the close today; and
- 6 any third party which could terminate a material contract with Adtrans as a result of the proposal, consenting to the proposal or stating an intention not to exercise its rights in that regard.

The proposal is **NOT** subject to:

- (a) financing approval (A.P. Eagers already has appropriate arrangements for the required funding in place);
- (b) due diligence on Adtrans by A.P. Eagers; or
- (c) member approval by A.P. Eagers' shareholders.

Rationale and strategic fit of bid

The combined group will have exposure to vehicle retail markets in five states and territories⁵ representing approximately 85% of the Australian vehicle market.⁶ Adtrans currently has exposure to the South Australian market for car and truck retailing and the Victorian and New South Wales markets for truck retailing.

The combined group will have 95 dealership locations representing 29 car brands and 7 truck brands.

⁴ Being primarily the occurrences listed in section 652C of the *Corporations Act* and some significant transactions.

⁵ Queensland, Northern Territory, New South Wales, Victoria and South Australia.

⁶ June 2010 YTD VFACTS.

A.P. Eagers' Chairman, Ben Macdonald said, "Combining Adtrans and A.P. Eagers will be immediately earnings accretive for each issued A.P. Eagers share which will be achieved from a scale acquisition within the company's core business."

A.P. Eagers believes that operational synergies would flow from the proposal.

An independent expert will be giving to Adtrans' shareholders its assessment of A.P. Eagers' bid.

About Adtrans

Adtrans is an Adelaide based business with automotive retail dealerships featuring five franchises at various locations in the greater Adelaide area, supported by a parts distribution centre and independent used car yards. It also operates a truck dealership business which is predominantly based in New South Wales and Victoria.

About A.P. Eagers

A.P. Eagers is an automotive retail group focusing on owning and operating motor vehicle dealerships which provide full facilities covering new motor vehicle sales, service, spare parts, and the facilitation of allied consumer finance. It operates in south east Queensland, the Northern Territory and New South Wales.

ENDS

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