



27 August 2010

Company Announcements Office
ASX Limited

Results for Announcement to the Market

Half Year Report and Accounts

Consistent with previous record result

Interim Dividend up 5% to 23 Cents per Share

The following documents for our half year ended 30 June 2010 are **attached**:

1. Half Year Report – Appendix 4D and commentary
2. Directors' Report
3. Financial Report
4. Auditor's Report and Declaration of Independence

These documents are given to the ASX under listing rule 4.2A and are to be read in conjunction with our most recent annual financial report.

Yours faithfully
A.P. Eagers Limited

A handwritten signature in dark ink that reads 'Denis Stark'.

Denis Stark
Company Secretary

A. P. EAGERS LIMITED

ABN 87 009 680 013

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27 August 2010

Company Announcements Office
ASX Limited

Half Year Report – Appendix 4D & Commentary

Consistent with previous record result

Interim dividend up 5% to 23 cents per share

A.P. Eagers Limited (ASX: APE) is pleased to announce a profit before tax of \$22.8 million for the half year ended 30 June 2010 as compared to \$23.1 million for the half year ended 30 June 2009. Profit after tax of \$15.9 million compared to \$16.5 million for the previous corresponding period (pcp).

Financial Highlights

- Revenue from operations increased by 3.7% as compared to the pcp, reflecting higher new car sales revenue.
- EBITDA margin declined due to a more competitive retail environment for new and used cars. Profit before tax margin was maintained as borrowing expenses were 19% below the pcp.

	Half Year to June 2010	Half Year to June 2009
EBITDA/Sales	4.2%	4.7%
PBT/Sales	2.7%	2.8%

- As required by revised international accounting standards, business acquisition costs of \$0.7 million were expensed in the period, wherein previously they were capitalised with the asset acquired. Of this amount, \$0.6 million was for Queensland government stamp duty.
- Cash on hand of \$18.9 million as at 31 December 2009 was utilised for growth initiatives, primarily the acquisition of the Caloundra City Autos business, additional investment in Adtrans Group Ltd (ASX: ADG), share buy backs and facility upgrades.
- The company continued to benefit from its strong balance sheet with significant capacity for business growth. Corporate borrowings increased to \$113 million net of cash as at 30 June 2010, compared to \$96 million as at 31 December 2009. Total debt including bailment inventory finance net of cash was \$339 million as at 30 June 2010, compared to \$267 million as at 31 December 2009.

- Cash flow from operations for the 2010 half year of \$14.9 million was below the pcp (\$47.8 million) as a result of higher tax payments based on 2009 profitability and increased working capital levels.
- Capital expenditure of \$5.0 million compared to \$4.3 million for the pcp and related primarily to the construction of the new Metro Ford Newstead showroom and upgrades to the Eagers Holden Windsor and Subaru Toowong facilities.
- A fully franked interim dividend of 23 cents per share (2009: 22 cents) has been declared and will be paid on 30 September 2010 to shareholders registered on 15 September 2010.
- The company's dividend reinvestment plan (DRP) will not apply to the 2010 interim dividend.

Results Summary

Consolidated results

Half Year Ended 30 June 2010	2010	2009	
	\$'000	\$'000	Increase/(Decrease)
Revenue from operations	847,661	817,696	3.7%
Other revenue	3,796	2,716	39.8%
Total revenue	851,457	820,412	3.8%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	35,690	38,537	(7.4%)
Share of associates profits	1,270	1,516	(16.2%)
EBITDA after equity accounting.	36,960	40,053	(7.7%)
Depreciation and Amortisation	(4,415)	(4,923)	(10.3%)
Earnings before interest and tax (EBIT)	32,545	35,130	(7.4%)
Borrowing costs	(9,736)	(12,014)	(19.0%)
Profit before tax	22,809	23,116	(1.3%)
Income tax expense	(6,953)	(6,588)	5.5%
Profit after tax	15,856	16,528	(4.1%)
Earnings per share - basic	53.2 Cents	54.8 Cents	(2.9%)

Operational Highlights

- The Metro Ford dealership previously located at Fortitude Valley joined Brisbane's leading automotive retail precinct at Newstead in June 2010. Six of the nation's top 10 brands (Ford, Mazda, Mitsubishi, Honda, Subaru and Volkswagen) are now retailed and serviced from this precinct located between the city centre and airport, with vehicle service also provided for a further three brands, namely Holden, Volvo and Peugeot.
- The acquisition of Caloundra City Autos was completed in April 2010, adding five brands (Holden, Mitsubishi, Honda, Suzuki and Great Wall) to the company's portfolio in the growing Caloundra, Sunshine Coast region.

- Although the federal government's small business investment allowance resulted in some carryover of new car deliveries in the first three months of 2010, the positive impact of the government's stimulus measures started to dissipate as successive interest rate rises dampened retail activity.
- Some 65 % of the company's business is based in Queensland. Whilst this has been a benefit for some time, retail spending and business and private investment in Queensland are currently lagging other states.
- An industry-wide return to higher vehicle inventory levels as demand increased has added to the company's new car costs and increased pressure on margins in the new car business.
- The company's used car business experienced some pressure on gross margins and the auction business in particular suffered from lower consignment sales volume.
- The company's parts revenue and margins were stable. Service revenue rose but margins were slightly lower due to increases in fixed costs.

Additional Commentary

According to Federal Chamber of Automotive Industry statistics, Australia's new vehicle sales for the period January to June 2010 increased by 16.7% on the pcp.

New vehicle sales in all states increased - Queensland by 12.0%, New South Wales by 14.8%, Northern Territory by 18.8%, South Australia by 17.8%, with the largest increases in Victoria by 21.8% and Western Australia by 19.9%. Major hail storms in Victoria and Western Australia undoubtedly assisted those states.

National sales for rental buyers increased by 158% on the pcp as demand in this segment recovered somewhat.

The compact and medium SUV segments recorded the highest growth rates nationally of 33.0% and 33.2%, respectively, eclipsing the higher volume small car segment with 21.2% growth on the pcp.

The company's Franchised Automotive Retail operating segment contributed a profit before tax for the 2010 half year of \$19.4 million compared to \$19.0 million for the pcp. The 2010 half year result represented a 16.5% annualised after tax return on segment net assets compared with 21.0% in 2009. Higher working capital, increased goodwill as a result of the Caloundra City Auto acquisition and increased investment in Adtrans contributed to the lower return.

Operational profit before tax from the Property operating segment was \$5.3 million (as compared to the pcp of \$4.9 million before fair value adjustments), representing an annualised after tax return on net assets of 4.4% in 2010 compared with 3.6% in 2009, with lower interest cost the primary reason for the increased return.

Borrowing costs reduced by 19% to \$9.7 million. Higher floor plan debt levels were offset by lower corporate debt levels.

Total gearing (Debt/Debt plus Equity) increased to 51.0% as at 30 June 2010, compared to 46.4% as at 31 December 2009. Gearing excluding bailment debt and net of cash increased to 25.4% from 22.6% as at 31 December 2009, due to the use of surplus cash on hand at 31 December 2009.

EBITDA Interest Cover increased to 3.7 times as at 30 June 2010, compared to 3.6 times at 31 December 2009.

The company's equity accounted net profit after tax contribution from its Adtrans investment for the first half of 2010 was \$1.2 million, compared to \$1.0 million for the pcp.

A.P. Eagers' 21.1% interest in MTA Insurance provided an equity accounted profit after tax of \$0.1 million, compared to a profit of \$0.5 million for the pcp. Lower investment portfolio gains reduced the earnings in the 2010 half year.

The company's net tangible assets reduced to \$8.60 per share as at 30 June 2010, compared to \$8.81 per share as at 31 December 2009, as surplus cash was used to fund the acquisition of goodwill assets.

The revised international accounting standards mentioned earlier contributed to an earnings per share decrease of 3% as compared to the pcp, but remain at near record levels.

Outlook

The positive affect of federal government stimulus measures has fully washed through the automotive retail market. Higher interest rates, lower consumer and business confidence, and higher savings rates are combining for a more challenging retail market.


A strong balance sheet, lower property costs as a result of facility rationalisation, and stable employment costs have the company strongly placed to provide solid results for full year 2010.

The current environment is, and will continue, generating numerous opportunities for growth through industry consolidation. The company is focussed on taking advantage of these opportunities as evidenced by the announcement on 4 August 2010 of its intention to make an off-market bid for 100% ownership of Adtrans.

The Adtrans acquisition will be immediately earnings accretive and represents a scale acquisition within A.P. Eagers' core business.

Yours faithfully

A.P. Eagers Limited



Martin A Ward
Chief Executive Officer

Further information: Mr Martin Ward
Chief Executive Officer
Ph: (07) 3248 9455

For more information on A. P. Eagers Ltd, visit www.apeagers.com.au

Appendix 4D

Half year report

1. Company details

Name of entity

A.P.Eagers Limited

ABN or equivalent company reference

87 009 680 013

Half year ended ('current period')

30 June 2010

Half year ended ('previous period')

30 June 2009

2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	Up	3.8%	to	851,457
2.2	Net profit (loss) for the period	Down	4.1%	to	15,856
2.3	Net profit (loss) for the period attributable to members	Down	4.3%	to	15,815
2.4	Dividends	Amount per security	Franked amount per security		
	Interim dividend declared	23.0 cents	23.0 cents		
2.5	+Record date for determining entitlements to the dividend.	15 September 2010			
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ⁺ ordinary security	\$8.60	\$8.41

4.1 Control gained over entities

N/A

Name of entity (or group of entities)

--

Date control gained

--

Contribution of such entities to the reporting entity's profit/ (loss) before tax, and internal rent from ordinary activities during the period (where material).

\$'000

--

Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.

\$'000

4.2 Loss of control over entities

N/A

Name of entity (or group of entities)

--

Date control lost

--

Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).

\$

--

Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).

\$

5 Dividends

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
	Interim dividend: Current year	30/09/2010	23.0¢	23.0¢	Nil¢
	Previous year	30/09/2009	22.0¢	22.0¢	Nil¢

6 Dividend Reinvestment Plans

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

The A.P.Eagers Limited Dividend Reinvestment Plan will not apply to the interim dividend given the success of the company's capital management initiatives including its current on-market share buy-back plan.

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

7 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 \$'000	Previous corresponding period \$'000
MTA Insurance Limited	21.01%	19.43%	79	500
Adtrans Group Limited	27.91%	24.54%	1,191	1,016

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	1,814	2,166
Income tax on ordinary activities	(544)	(650)
Profit/(loss) from ordinary activities after tax	1,270	1,516
Extraordinary items net of tax	-	-
Net profit/(loss)	1,270	1,516
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	1,270	1,516

Sign here: *Denis Stark* Date: 27 August 2010
(Company Secretary)

Print name: Denis Stark

A. P. EAGERS LIMITED DIRECTORS' REPORT

Your Directors present their report on the consolidated entity consisting of A. P. Eagers Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2010.

Directors

The following persons were Directors of A. P. Eagers Limited during the whole of the half year and up to the date of this report:

B W Macdonald, A J Love, N G Politis, M A Ward, P W Henley and D T Ryan.

Review of Operations and Results

The consolidated entity achieved a net profit after tax of \$15.9 million for the half year ended 30 June 2009 (2009: \$16.5 million). Further review of the consolidated entity's operations during the half year and the results of those operations are included in pages 1 to 5 of the commentary at the front of this report.

Dividend

A fully franked interim dividend of 23 cents per share (2009: 22 cents) has been declared and will be paid on 30 September 2010 to shareholders registered on 15 September 2010 (the Record Date).

The company's dividend reinvestment plan will not be available in respect of the interim dividend.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration under section 307C of the Corporations Act 2001 is attached.

Rounding of Amounts to Nearest Thousand Dollars

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.



Martin A Ward
Director

Brisbane
27 August 2010

The Board of Directors
A.P. Eagers Limited
80 McLachlan Street
FORTITUDE VALLEY QLD 4006

27 August 2010

Dear Board Members

A.P. EAGERS LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of A.P. Eagers Limited.

As audit lead partner for the review of the financial statements of A.P. Eagers Limited for the half year ended 30 June 2010, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review;
and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

A.P. Eagers Limited
ABN 87 009 680 013

Interim Financial Report

30 June 2010

A.P. EAGERS LIMITED

Directors' declaration

The directors declare that:

- (a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with the accounting standards and giving a true and fair view of the financial position at 30 June 2010 and of the financial performance of the consolidated entity for the half-year ended on that date

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.



Martin A Ward
Director

Brisbane - 27 August 2010

A.P. EAGERS LIMITED

Condensed Consolidated Income Statement For the half-year ended 30 June 2010

	Half-year ended 30-Jun-10	Half-year ended 30-Jun-09
	\$'000	\$'000
Revenue	847,661	817,696
Other income	3,796	2,716
Changes in inventories of finished goods and services	42,156	(16,021)
Raw materials and consumables used	(756,453)	(669,015)
Employee benefits expense	(61,682)	(60,785)
Finance costs	(9,736)	(12,014)
Depreciation and amortisation expenses	(4,415)	(4,923)
Business acquisition costs expensed	(668)	-
Other expenses	(39,120)	(36,054)
Share of net profits of associate accounted for using the equity method	1,270	1,516
Profit before income tax	22,809	23,116
Income tax expense	(6,953)	(6,588)
Profit for the period	15,856	16,528
Attributable to:		
Owners of the parent	15,815	16,528
Non-controlling interest	41	-
	<u>15,856</u>	<u>16,528</u>

Earnings per share for profit attributable to the ordinary equity holders of the company

Basic earnings per share (cents per share)	53.2	54.8
Diluted earnings per share (cents per share)	52.3	54.4

The above condensed consolidated income statement should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED**Condensed Consolidated Statement of Comprehensive Income
For the half-year ended 30 June 2010**

	Half-year ended 30-Jun-10	Half-year ended 30-Jun-09
	\$'000	\$'000
Profit for the period	15,856	16,528
Other comprehensive income		
Gain(loss)on cash flow hedge taken to equity	(203)	2,055
Gain(loss)on revaluation of property	-	(2,042)
Income tax relating to components of other comprehensive income	61	(4)
Other comprehensive income for the period (net of tax)	<u>(142)</u>	<u>9</u>
Total comprehensive income for the period	<u>15,714</u>	<u>16,537</u>
Total comprehensive income attributable to:		
Owners of the parent	15,673	16,537
Non-controlling interests	41	-
	<u>15,714</u>	<u>16,537</u>

The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

**Condensed Consolidated Statement of Financial Position
As at 30 June 2010**

	30-Jun-10	31-Dec-09
	\$'000	\$'000
Current Assets		
Cash and cash equivalents	6,884	18,898
Trade and other receivables	66,207	58,296
Leasebook receivables	5,345	6,132
Property sale receivable	-	5,500
Inventories	259,240	217,083
Other	1,846	2,492
	<u>339,522</u>	<u>308,401</u>
Non-current property assets held for resale	24,167	17,458
Total Current Assets	<u>363,689</u>	<u>325,859</u>
Non-Current Assets		
Leasebook receivables	7,542	10,383
Other loan receivable	247	242
Investments accounted for using the equity method	29,454	26,899
Derivative financial instruments	-	160
Property, plant and equipment	300,136	305,645
Intangible assets	77,507	67,507
	<u>414,886</u>	<u>410,836</u>
Total Non-Current Assets	<u>414,886</u>	<u>410,836</u>
Total Assets	<u>778,575</u>	<u>736,695</u>
Current Liabilities		
Trade and other payables	47,530	57,144
Derivative financial instruments	43	-
Borrowings - Bailment and other short term loan	230,668	170,938
Borrowings - Leasebook liabilities	5,063	5,617
Current tax liabilities	5,618	12,414
Provisions	9,309	9,239
	<u>298,231</u>	<u>255,352</u>
Total Current Liabilities	<u>298,231</u>	<u>255,352</u>
Non-Current Liabilities		
Borrowings - Leasebook liabilities	6,803	9,676
Borrowings - Other	115,065	115,177
Deferred tax liabilities	21,551	21,722
Provisions	4,197	4,129
	<u>147,616</u>	<u>150,704</u>
Total Non-Current Liabilities	<u>147,616</u>	<u>150,704</u>
Total Liabilities	<u>445,847</u>	<u>406,056</u>
Net Assets	<u>332,728</u>	<u>330,639</u>
Equity		
Contributed equity	143,230	145,502
Reserves	75,647	75,208
Retained profits	113,765	109,884
Equity attributable to equity holders of the parent	<u>332,642</u>	<u>330,594</u>
Non-controlling interests	86	45
Total Equity	<u>332,728</u>	<u>330,639</u>

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

**Condensed Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2010**

	<u>Issued capital</u>	<u>Non-controlling interest</u>	<u>Asset revaluation reserve</u>	<u>Hedging reserve</u>	<u>Share-based payments reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2009	148,135	-	87,363	(2,194)	345	77,458	311,107
Profit for the period	-	-	-	-	-	16,528	16,528
Loss on revaluation of property	-	-	(1,429)	-	-	-	(1,429)
Gain on cash flow hedge	-	-	-	1,438	-	-	1,438
Total comprehensive income for the period	-	-	(1,429)	1,438	-	16,528	16,537
Share based payments	-	-	-	-	358	-	358
Transfers	-	-	(9,062)	-	-	9,062	-
Issue of shares to staff	312	-	-	-	(312)	-	-
Dividend reinvestment plan	1,074	-	-	-	-	-	1,074
Share buy-back scheme	(365)	-	-	-	-	-	(365)
Payment of dividend	-	-	-	-	-	(6,619)	(6,619)
Balance 30 June 2009	149,156	-	76,872	(756)	391	96,429	322,092
Balance at 1 January 2010	145,502	45	74,459	112	637	109,884	330,639
Profit for the period	-	41	-	-	-	15,815	15,856
Loss on cash flow hedge	-	-	-	(203)	-	-	(203)
Income tax relating to components of other comprehensive income	-	-	-	61	-	-	61
Total comprehensive income for the period	-	41	-	(142)	-	15,815	15,714
Share based payments	-	-	-	-	581	-	581
Share buy-back scheme	(2,272)	-	-	-	-	-	(2,272)
Payment of dividend	-	-	-	-	-	(11,934)	(11,934)
Balance 30 June 2010	143,230	86	74,459	(30)	1,218	113,765	332,728

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

**Condensed Consolidated Statement of Cash Flows
For the half-year ended 30 June 2010**

	6 months ended 30-Jun-10	6 months ended 30-Jun-09
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers	930,042	898,851
Payments to suppliers and employees	(894,163)	(838,455)
Dividends received	1,230	437
Interest received	388	123
Interest and other costs of finance paid	(8,786)	(11,134)
Income tax paid	(13,797)	(2,032)
Net cash provided by operating activities	14,914	47,790
Cash flows from investing activities		
Payment for shares in an associate	(2,515)	-
Payment for acquisition of business	(12,038)	-
Proceeds from sale of property, plant and equipment	5,500	18,318
Payments for property, plant and equipment	(5,129)	(4,262)
Net cash used in investing activities	(14,182)	14,056
Cash flows from financing activities		
Payment for share buy backs	(2,272)	(365)
Proceeds from borrowings	46,000	67,000
Repayment of borrowings	(44,540)	(110,853)
Dividends paid	(11,934)	(5,545)
Net cash provided by financing activities	(12,746)	(49,763)
Net (decrease) increase in cash and cash equivalents	(12,014)	12,083
Cash and cash equivalents at the beginning of the period	18,898	(1,161)
Cash and cash equivalents at the end of the period	6,884	10,922

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

Notes to the Condensed Consolidated Financial Statements 30 June 2010

1. Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 3 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by A. P. Eagers Limited made during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2009 annual financial report for the financial year ended 31 December 2009, except for the impact of accounting Standard AASB 3: *Business Combinations* where the costs of acquisition of business is written off as an expense to profit and loss instead of being capitalised as part of the goodwill on acquisition.

These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current reporting period.

2 Segment information

	Automotive Franchised Retailing	Property	All Other	Eliminations	Consolidated
6 months ended 30 June 2010	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	823,378	225	24,283	-	847,886
Inter-segment sales	-	14,096	-	(14,096)	-
Total sales revenue	823,378	14,321	24,283	(14,096)	847,886
Other Revenue	3,288	283	-	-	3,571
TOTAL REVENUE	826,666	14,604	24,283	(14,096)	851,457
SEGMENT RESULT					
Operating profit before interest	24,269	9,551	(681)	-	33,139
External interest expense allocation	(5,478)	(4,258)	-	-	(9,736)
OPERATING CONTRIBUTION	18,791	5,293	(681)	-	23,403
Share of net profit of equity accounted investments	1,270	-	-	-	1,270
Business acquisition costs	(668)	-	-	-	(668)
SEGMENT PROFIT	19,393	5,293	(681)	-	24,005
Unallocated corporate expenses					(1,196)
					22,809
Income tax expense					(6,953)
NET PROFIT					15,856
6 months ended 30 June 2009					
Sales to external customers	789,564	179	28,132	-	817,875
Inter-segment sales	-	14,551	-	(14,551)	-
Total sales revenue	789,564	14,730	28,132	(14,551)	817,875
Other Revenue	2,482	55	-	-	2,537
TOTAL REVENUE	792,046	14,785	28,132	(14,551)	820,412
SEGMENT RESULT					
Operating Profit	23,383	10,975	258	-	34,616
External Interest Expense Allocation	(5,914)	(6,100)	-	-	(12,014)
OPERATING CONTRIBUTION	17,469	4,875	258	-	22,602
Share of net profit of equity accounted investments	1,516	-	-	-	1,516
Property revaluation/(devaluation)	-	(2,042)	-	2,042	-
SEGMENT PROFIT	18,985	2,833	258	2,042	24,118
Unallocated corporate expenses					(1,002)
					23,116
Income tax expense					(6,588)
NET PROFIT					16,528

A.P. EAGERS LIMITED

Notes to the Condensed Consolidated Financial Statements 30 June 2010 (continued)

3 Dividends	6 months ended 30-Jun-10	6 months ended 30-Jun-09
	\$'000	\$'000
Ordinary shares		
Dividends paid during the half-year	11,934	6,619

Dividends not recognised at the end of the half-year

Since the end of the half-year the directors have declared the payment of an interim dividend of 23 cents (2009 - 22 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividend expected to be paid on 30 September 2010 out of retained profits at the end of the half-year, but not recognised as a liability, is

6,827	6,656
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4 Equity securities issued

	6 months ended 30-Jun-10	6 months ended 30-Jun-09	6 months ended 30-Jun-10	6 months ended 30-Jun-09
	Shares	Shares	\$'000	\$'000
Issues of ordinary shares during the half-year				
Senior Executive Deferred Commission plan	-	76,373	-	312
Share buy back scheme	(180,236)	(49,707)	(2,272)	(365)
Dividend reinvestment plan issues	-	220,983	-	1,074
	(180,236)	247,649	(2,272)	1,021

5 Business combinations

6 months ended 30 June 2010

On 14 April 2010, the Group acquired the business of Caloundra City Autos. The acquired business contributed revenue of \$12 million and net profit before tax, corporate charges and internal interest of \$357 thousand for the period 14 April 2010 to 30 June 2010. If the acquisition had occurred on 1 January 2010, the consolidated entity's revenue and profit before tax for the half-year ended 30 June 2010 would have been \$865 million and \$23.3 million respectively.

	\$'000
Purchase consideration:	
Cash paid	12,038
Fair value of net identifiable assets acquired:	
Inventories	1,808
Plant & equipment	599
Provision for employee benefits	(365)
Deferred tax assets	110
Other net liabilities	(114)
Goodwill and franchise rights *	10,000

In accordance with Accounting Standard AASB 3 "Business Combinations", direct costs relating to acquisitions amounting to \$668 thousand were written off as an expense in the income statement.

* Provisionally accounted for at half-year balance date

6 months ended 30 June 2009

There were no business combinations during the period.

6 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

A.P. EAGERS LIMITED

Notes to the Condensed Consolidated Financial Statements 30 June 2010 (continued)

7 Subsequent events

On 4 August 2010 the company made an announcement to Australian Stock Exchange that it intends to make a bid for all of Adtrans Limited (Adtrans) shares under an offer which values each Adtrans shares at \$4.00 per share. The company currently owns 27.9% of Adtrans.

Adtrans shareholders will have the following choice under the company's offer:

Shares and cash: \$2.00 cash (subject to payment of a special dividend) for each Adtrans share plus 4 company's shares for each 25 Adtrans shares.

Cash only: \$4.00 cash for each Adtrans share (subject to the payment of a special dividend) they hold.

In addition to paying \$0.15 per share final dividend for 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 the company has given its prior consent, subject to the company becoming entitled to initiate compulsory acquisition.

The proposal is not subject to:

1. Financing approval as the company has already made appropriate arrangements for the required funding
2. Due diligence on Adtrans by the company
3. Member approval by the company's shareholders

Adtrans independent directors have stated that they intend to unanimously recommend the bid to Adtrans shareholders, in the absence of 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.

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

Independent Auditor's Review Report to the Members of A.P. Eagers Limited

We have reviewed the accompanying half-year financial report of A.P. Eagers Limited (the consolidated entity), which comprises the condensed statement of financial position as at 30 June 2010, and the condensed income statement, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the A.P. Eagers Limited and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of A.P. Eagers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of A.P. Eagers Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 27th August 2010