



3 March 2006

The Company Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

STOCK MARKET AND MEDIA RELEASE

Dear Sir

Re: A.P. Eagers Limited – Dividend Announcement and 2005 Audited Results

Directors are pleased to announce another record profit for the Group and recommend the payment of an increased fully franked final dividend of 20 cents per share (2004 – 19 cents per share) taking the annual fully franked dividend to 38 cents per share.

The Group's audited results for the year ended 31 December 2005 were:

	2005 \$'000	2004* \$'000	% Change Incr / (Decr)
Total revenue	1,071,948	912,648	17.5
Operating profit before depreciation / amortisation and tax	25,265	21,926	15.2
Depreciation and amortisation expense	(5,133)	(4,484)	14.5
Operating profit before tax	20,132	17,442	15.4
Net individually significant items	(105)	384	-
Net profit before tax	20,027	17,826	12.3
Income tax expense	(6,103)	(5,207)	17.2
Net profit after tax	13,924	12,619	10.3
Earnings per share	63.8c	61.6c	3.6
Dividends per share	38.0c	36.0c	5.6
Net tangible assets per share	\$6.22	\$6.34	(1.9)

*Restated to comply with International Financial Reporting Standards.

Individually significant Items

The adjustment to profit of \$105,000 is the net of the following:

- Profit on the sale of surplus property	\$'000 2,794
- Increase in the value of investment in MTQ Insurance Services Limited	895
- Share of losses attributable to the Group's investment in Auto Group Limited (2004 – profit of \$384,000) effectively writing off this investment in full.	(3,794)
	<u>(105)</u>

A. P. EAGERS LIMITED

ABN 87 009 680 013

Registered Office
80 McLachlan Street Fortitude Valley Q 4006
P.O. Box 199 Fortitude Valley Q 4006
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Email corporate@apeagers.com.au

Following the Company's withdrawal on 10 February 2006 of its offer to merge with Auto Group Limited, Auto Group was placed in voluntary administration and their securities suspended from quotation.

Whilst the Group had no choice but to withdraw its offer to merge with Auto Group Limited due to that Group's deteriorating financial position, negotiations with the Auto Group's Administrators and Receivers provided A.P. Eagers Limited the opportunity to acquire additional Honda and Kia franchises at Cleveland in Brisbane and to re-establish itself in the used car auction business through the acquisition of the assets of Auto Group's Brisbane based operation as announced on Tuesday 28 February 2006.

Operating Performance

The 15.4% increase in operating profit before tax was driven by a number of factors. The population growth, particularly within Queensland, coupled with increased personal incomes continues to drive the new car market to record levels. This increased demand for new vehicles, albeit at competitive margins, the acquisition of Bridge Toyota in Darwin in May 2005 and the full year effect of the acquisition of the City Automotive Group in 2004 enabled the Group to sell 23,752 new vehicles in 2005 compared to 20,620 in 2004.

On a national basis, new vehicle sales set a new record of 988,269 units, the fourth sales record in a row, up from 955,229 units in 2004.

Group sales revenue rose 17.5% to \$1.072 billion, an increase of \$159.3 million on 2004 whilst net profit before tax increased 12.3% to \$20.0 million.

The used car market remained tight throughout the year as the new vehicle sales momentum put pressure on used vehicle margins and inventory values.

Strict inventory control within the used car operations helped reduce the departmental loss to \$854,000, down from \$1.193 million in the previous year.

Margin improvement and efficiency gains in the spare parts and service departments were reflected by strongly improved results in both areas which were also boosted by the Bridge and City Automotive Group acquisitions both of which performed to expectation.

Interest expense, whilst up \$2.6 million on the previous year reflected the cost of acquisitions and outlays of approximately \$30 million on strategic property purchases and construction costs on new dealership premises which is expected to provide operational benefits in the latter part of 2006 and 2007.

Directors advise that the Group remains committed to the expansion of its core business both in Queensland and interstate through acquisition and the development of ancillary profit opportunities.

Yours faithfully
A.P. Eagers Limited



Martin A Ward
Chief Executive Officer

For further information contact either Mr Martin Ward, Chief Executive Officer or Mr Dennis Hull, Company Secretary 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 2005

Financial year ended ('previous period')

31 December 2004

2. Results for announcement to the market

\$A'000's

2.1	Revenues from operations	up	17.5%	to	1,071,948
2.2	Profit (loss) from operations attributable to members	up	10.3%	to	13,924
2.3	Net profit (loss) for the period attributable to members	up	10.3%	to	13,924
2.4	Dividends		Amount per security		Franked amount per security
	Final dividend proposed		20.0¢		20.0¢
	Interim dividend		18.0¢		18.0¢
2.5	+Record date for determining entitlements to the final dividend.		4 May 2006		
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood. Please refer to press release.				

3. Consolidated income statement

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenues from operations	1,071,948	912,648
Other income	3,696	
Expenses from ordinary activities, excluding borrowing costs (refer note 3.1)	(1,039,939)	(885,940)
Finance expense	(11,884)	(9,266)
Share of net profits (losses) of associates and joint venture entities (equity accounted)	(3,794)	384
Profit before income tax	20,027	17,826
Income tax expense	(6,103)	(5,207)
Net profit attributable to members	13,924	12,619

Notes to the consolidated income statement

3.1 Expenses from ordinary activities (excluding finance expense)

Details of “Expenses from ordinary activities” by nature	Current period \$A'000	Previous corresponding period \$A'000
Cost of sales	929,094	795,716
Employee expenses	61,649	51,680
Depreciation and amortisation expense	5,133	4,484
Other expenses from ordinary activities	<u>44,063</u>	<u>34,060</u>
Total Expenses	<u>1,039,939</u>	<u>885,940</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	2,794	-
Fair value gains on financial assets at fair value through profit and loss	902	-
Net revenue/(expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets :		
- amortisation of non-current assets	(350)	(227)
- depreciation of non-current assets	(4,783)	(4,257)
- impairment of non-current assets	-	-
- bad and doubtful debts	375	(385)

3.3 Revision of Accounting Estimates

Details of Revision of Accounting Estimates in accordance with AASB 1018 (6.3)
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	4,494	58
Receivables	46,471	42,976
Inventories	156,593	132,478
Other current assets	1,498	1,900
Total current assets	209,056	177,412
Non-current assets		
Receivables	-	-
Investments (equity accounted)	-	3,856
Financial assets at fair value through profit and loss	6,673	4,599
Property, plant and equipment (net)	187,886	174,529
Intangibles (net)	23,131	13,657
Total non-current assets	217,690	196,641
Total assets	426,746	374,053
Current liabilities		
Payables	28,122	25,280
Interest bearing liabilities	126,278	107,712
Current tax liabilities	1,884	1,567
Provisions exc. tax liabilities	4,367	3,726
Other current liabilities	4,118	3,549
Total current liabilities	164,769	141,834
Non-current liabilities		
Interest bearing liabilities	91,600	73,600
Deferred tax liabilities	6,631	7,275
Provisions exc. tax liabilities	2,707	1,312
Total non-current liabilities	100,938	82,187

Total liabilities	265,707	224,021
Net assets	161,039	150,032
Equity		
Contributed equity	77,311	72,626
Reserves	44,135	44,059
Retained profits	39,593	33,347
Equity attributable to members of the parent entity	161,039	150,032
Outside ⁺ equity interests in controlled entities	-	-
Total equity	161,039	150,032

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)	1,174,392	992,976
Payments to suppliers and employees (inclusive of GST)	(1,140,423)	(968,893)
Dividends received from associates	62	124
Other dividends received	723	204
Interest received	226	197
Interest and other costs of finance paid	(11,809)	(8,936)
Income taxes paid	(6,280)	(5,809)
Other	517	1,454
Net operating cash flows	17,408	11,317
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(24,624)	(11,662)
Proceeds from sale of property, plant and equipment	12,581	-
Payment for financial assets at fair value through profit and loss	(1,172)	-
Proceeds from sale of equity investments	-	-
Payment for acquisition of a subsidiary	-	(4,743)
Payment for acquisition of a business	(13,184)	(2,072)
Other	-	-
Net investing cash flows	(26,399)	(18,477)

Cash flows related to financing activities		
Proceeds from issues of ⁺ securities (shares, options, etc.)	-	-
Proceeds from borrowings	22,000	8,700
Repayments of borrowings	(3,000)	-
Dividends paid	(3,337)	(3,031)
Other	-	-
Net financing cash flows	15,663	5,669
Net increase (decrease) in cash held	6,672	(1,491)
Cash at beginning of period	(2,178)	(687)
Cash at end of period	4,494	(2,178)

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 \$4,685,206 (2004: \$4,092,541) under the Dividend Reinvestment Plan was settled by way of issue of 665,168 shares (2004: 623,266 shares)

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	1,494	58
Deposits at call	3,000	-
Bank overdraft	-	(2,236)
Other (provide details)	-	-
Total cash at end of period	4,494	(2,178)

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	13,924	12,619
Depreciation and amortisation	5,133	4,484
Profit on sale of property, plant & equipment	(2,794)	-
Share of losses (profits) of associates	3,794	(384)
Performance rights expense credited to reserve	420	-
Dividends from other investments	62	124
Fair value gains on financial assets at fair value through profit and loss	(902)	-
(Increase) decrease in assets:		
Receivables	(3,120)	(7,590)
Inventories	(21,897)	(18,708)
Prepayments	583	(400)
Deferred taxes	108	(524)
Increase (decrease) in liabilities:		
Creditors (including bailment finance)	22,839	20,867
Provisions	(498)	907
Taxes payable	(244)	(78)
Net cash inflow from operating activities	17,408	11,317

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	15/5/06	20.0¢	20.0¢	Nil ¢
	Previous year	16/5/05	19.0¢	19.0¢	Nil ¢
Interim dividend:	Current year	26/9/05	18.0¢	18.0¢	Nil ¢
	Previous year	27/9/04	17.0¢	17.0¢	Nil ¢

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

	Current year	Previous year
⁺ Ordinary securities	38.0¢	36.0¢

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 4 May 2006

Any other disclosures in relation to dividends (distributions).

Final dividend payable on 15 May 2006

8. Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits at the beginning of the financial period	33,347	31,301
Net profit attributable to members	13,924	12,619
Net transfers from/(to) reserves	344	(3,450)
Net effect of changes in accounting policies	-	-
Dividends and other equity distributions paid or payable	(8,022)	(7,123)
Retained profits at end of financial period	39,593	33,347

9. NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ⁺ ordinary security	\$6.22	\$6.34

10.1 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) from ordinary activities during the period (where material).	\$
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.	\$

10.2 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).	\$		

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	Previous corresponding period
Auto Group Ltd	18.68%	18.68%	(3,794)	384

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	(3,539)	694
Income tax on ordinary activities	(255)	(310)
Profit/(loss) from ordinary activities after tax	(3,794)	384
Extraordinary items net of tax	-	-
Net profit/(loss)	(3,794)	384
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	(3,794)	384

Significant Information

The profit result was affected by the following material factors:

- Inclusion of \$2.794 million profit on sale of properties
- Inclusion of \$0.895 million on revaluation of an investment in MTQ Insurance Services Limited; and
- Loss of \$3.794 million attributable to the Group's investment in Auto Group Limited.

These three material factors had a net negative profit impact of \$105,000.

12. Commentary on results for the period

	2005	2004
- Basic earnings per share	63.8c	61.6c
- Diluted earnings per share	63.8c	61.6c
- Weighted average number of shares outstanding during the year used in the calculation of basic and diluted earnings per share	21,815,585	20,490,718
- Number of shares on issue at the end of the financial year	22,177,196	21,512,028

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

(Tick one)

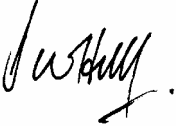
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14. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below

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:3 March 2006.....

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