



28 February 2007

The Companies Announcements Office
ASX Limited

ASX Announcement

A.P. Eagers Limited Purchases Kloster Motor Group

A.P. Eagers Limited (APE) is pleased to announce it has purchased the Kloster Motor Group, the largest automotive retailer in the Newcastle and Hunter region at close of business 28 February 2007.

A.P. Eagers has paid \$29m to acquire 100% of the shares in the business trading as the Kloster Motor Group. This figure represents the goodwill and net assets of the group which has an annual turnover of \$300m.

Concurrently A.P. Eagers has purchased all the land and buildings used by the Kloster Motor Group that were owned by the vendors for a total price of \$34m.

Settlement was by way of the issue of 631,581 shares in A.P. Eagers and cash available from recent equity raising and surplus property sales.

The Kloster Motor Group is the premier motor dealership group in Newcastle and the Hunter region with impressive facilities in the best locations. They currently have exclusive representation for BMW / Mini, Chrysler Jeep and Dodge, Ford, Honda, Hyundai, Mitsubishi, Nissan, Suzuki and VW within Newcastle along with additional representation for Ford and Hyundai in a number of regional centres in the Hunter Valley.

Klosters has spent over 70 years listening to its customers, meeting their needs and building a local reputation for high class customer service built on integrity, credibility and quality.

A.P. Eagers Chief Executive Officer Martin Ward said the Kloster Motor Group has earned an industry reputation for success and innovation based around customer and manufacturer satisfaction. Klosters customer relationship management (CRM) system is leading edge within Australian motor retailing.

Culturally the Kloster Motor Group is very similar to A.P. Eagers with both organisations sharing strong track records in delivering success to manufacturers and shareholders.

The acquisition further reinforces the Board's strategy to expand the Group's core motor dealership activities by identifying and acquiring strong and profitable businesses in key market areas both locally and interstate.

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

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