



8 December 2005

The Companies Announcements Office
Australian Stock Exchange Limited
Level 10
20 Bond Street
SYDNEY NSW 2000

A.P. Eagers Limited reaches agreement to merge with Auto Group Limited

The Board of A.P. Eagers Limited (**AP Eagers**) has reached agreement with the Board of Auto Group Limited (**'Auto Group'**) to merge the two companies.

Auto Group shareholders will be offered 1 share in AP Eagers and 2 options to acquire a further 2 shares in AP Eagers for every 37.5 Auto Group shares held on a record date to be announced. Each option will entitle the holder to acquire 1 share in AP Eagers at an exercise price of \$8.00 and will be exercisable on a bi-annual basis until 30 April 2011. The options will be transferable and AP Eagers will apply for the options to be quoted on the ASX.

The merger will take place by way of a scheme of arrangement whereby members (other than AP Eagers and its associates) will be asked to vote on the merger.

The parties have signed an Implementation Agreement which commits both parties to the steps necessary for the proposal to be advanced to a stage where it can be put before the members of Auto Group. The obligation of AP Eagers and Auto Group to progress the merger will be subject to any right of termination that either party may have under the Implementation Agreement and will otherwise be conditional on approval by the members of Auto Group.

AP Eagers will keep the market informed of any progress in relation to the merger.

Yours faithfully
A.P. Eagers Limited

A handwritten signature in black ink, appearing to read 'B W Macdonald'.

B W Macdonald
Chairman

A. P. EAGERS LIMITED

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