



29 August 2012

Company Announcements Office  
ASX Limited

**Results for Announcement to the Market**

**Half Year Report and Accounts**

- **Record Net Profit Before Tax of \$37.2 million, up 33% on the 2011 result.**
- **Record Earnings Per Share, up 30%.**
- **Record Interim Dividend of 7.0 cents per share, compared to 5.6 cents in 2011, up 25%.**

The following documents for our half year ended 30 June 2012 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**

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**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  
Telephone (07) 3248 9455 Fax (07) 3248 9459  
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## Appendix 4D Half Year Report and Commentary

Half year ended 30 June 2012  
(ASX listing rule 4.2A)

### Results for Announcement to the Market

- **Record Net Profit Before Tax of \$37.2 million, up 33% on the 2011 result.**
- **Record Earnings Per Share, up 30%.**
- **Record Interim Dividend of 7.0 cents per share, compared to 5.6 cents in 2011, up 25%.**

The Directors of A.P. Eagers Limited (ASX: APE) are pleased to report a half year 2012 Net Profit Before Tax of \$37.2 million. This compares to a half year Net Profit Before Tax of \$27.9 million in 2011. Net Profit After Tax for the 2012 half year was \$25.6 million as compared to \$19.8 million for the previous corresponding period (**pcp**). Earnings per share (basic) increased by 30.4% to 16.3 cents per share.

The strong half year performance is broadly based and generated from value accretive acquisitions, a continued focus on business processes and an improved national new vehicle market. Earnings accretion from businesses associated with the Adtrans acquisition has continued to exceed expectations.

### Financial Highlights

- Revenue increased by 11.6% from the pcp to \$1,298 million.
- EBITDA increased by 18.4% to \$54.9 million and EBIT increased by 20.9% to \$49.3 million.
- Margins have improved substantially albeit the pcp was adversely affected by natural disasters.

	Half Year to June 2012	Half Year to June 2011	% Change
EBITDA/Sales*	4.2%	3.8%	10.5%
PBT/Sales	2.9%	2.4%	20.8%

\*excludes profit of associates and profit/loss on sale of assets.

- The first half 2011 result included a profit on sale of assets of \$1.8 million compared to \$0.1 million for the same period of 2012.
- Borrowing costs reduced by 5.7% from the pcp reflecting lower interest rates offset by higher bailment debt levels.
- The half year review of asset fair values resulted in no material effect on the Income Statement. There is no impairment of intangible assets. The net result of property value adjustments was a positive balance sheet adjustment to property assets of \$1.0 million and no material adjustment to the Income Statement.

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- New vehicle inventory levels have increased from \$237.2 million as at 31 December 2011 to \$289.4 million as at 30 June 2012, reflecting the normal seasonal mid-year increase, higher demand levels and improved vehicle supply.
- Corporate debt net of cash on hand was \$156.4 million as at 30 June 2012 compared to \$150.1 million as at 31 December 2011. Total debt including vehicle bailment net of cash on hand was \$486.9 million as at 30 June 2012 as compared to \$403.2 million as at 31 December 2011, with the increase primarily due to bailment debt on new vehicle inventory.
- EBITDA Interest Cover increased to 4.5 times as at 30 June 2012, compared to 3.8 times at 31 December 2011.
- Cash flow from operations was \$32.3 million in the 2012 half year (pcp: \$24.7 million)
- Effective 24 May 2012, all previously issued ordinary shares were split on the basis that every ordinary share was divided into five ordinary shares. The share split resulted in the total number of ordinary issued shares increasing from 31,413,435 to 157,067,175.
- Earnings per share (basic) increased to 16.3 cents per share in the 2012 half year, compared to 12.5 cents per share (adjusted for share split) in the pcp. Net tangible assets were \$1.74 per share as at 30 June 2012 compared to \$1.67 per share (adjusted) as at 31 December 2011.

### Dividend and DRP

- The board has determined that a fully franked interim dividend of 7.0 cents per share (2011: 28 cents, adjusted to 5.6 cents to account for the five for one share split) will be paid on 5 October 2012 to shareholders registered on 17 September 2012 (**the Record Date**).
- The company's dividend reinvestment plan (DRP) will operate in relation to the interim dividend. Ordinary shares will be allotted in accordance with the DRP rules at a 7.5% discount to the weighted average market price of the company's shares traded on the ASX Limited during the period of five trading days immediately prior to and including the Record Date. Shares allotted under the DRP will rank equally in all respects with existing ordinary shares.
- If shareholders wish to participate in the DRP and have not already lodged their DRP election forms with the company, they will need to do so by 5.00 pm on the Record Date in order to participate in the DRP for the interim dividend.
- Shareholders are also advised that the board has made several minor and procedural changes to the DRP rules to achieve consistency with both the ASX listing rules (by removing reference to a 'minimum price') and our constitution (by reflecting that dividends are determined by the board rather than declared) and to correct a cross-reference to the Corporations Act within the rules. A copy of the modified rules is available on the company's website at [www.apeagers.com.au/shareholders\\_dividendreinvestment.html](http://www.apeagers.com.au/shareholders_dividendreinvestment.html).

### Operational Highlights

- Carzoos - Used Car Buying You Can't Get Wrong. This initiative encompasses a unique used car customer service offering, a fresh marketing approach and the aggregation of the group's used car inventory, and was launched in April 2012. It is initially focussed on the South-east Queensland market and once refined will be expanded to include other markets.
- The improvement on the pcp was broadly based, with greater contributions from each segment, each geographic area, and each income stream being new vehicles, used vehicles, finance and insurance, parts and service.
- The Queensland/Northern Territory division was particularly strong, as was the South Australia Cars business. Improved supply of light commercial and SUV vehicles was an important element of the strong performance.

- Infiniti and Opel dealerships have been added to the Queensland portfolio with operations commencing in August and September respectively.
- The Eblens Subaru business at Glenelg, South Australia, acquired in 2011 performed well. The business was rationalised with the sale of the Angaston, Barossa Valley satellite dealership. The Adrian Brien property in Adelaide was acquired for \$9.05 million to enable consolidation and partial redevelopment for the Hyundai brand, prior to a potential sale and lease back of the site in 2013.
- In New South Wales, the Klosters operation in the Hunter Valley region continued to perform strongly and there was some improvement in the profitability of the Bill Buckle group. The acquisition of the dealership development site at Cardiff in the Hunter Valley region of NSW was completed at a cost of \$5.85 million. Showrooms representing Honda, Hyundai and Volkswagen will be constructed on the site, and the existing warehouse structure will be upgraded for service and vehicle storage. The development site is located opposite our existing Lake Ford and Lake Macquarie Nissan dealerships.
- The performance of the Adtrans National Truck division improved, reflecting some recovery in national heavy vehicle demand, better new truck product supply, and greater used truck activity. A satellite dealership will open in Mildura, Victoria, for Daimler Trucks and Adtrans Used Trucks has established an operation in Pinkenba, Queensland. Construction of the Western Star Sydney dealership at Milperra commenced, with completion expected in September 2012.

## Results Summary

Consolidated results

<b>Half Year Ended 30 June 2012.</b>	<b>2012</b>	<b>2011</b>	
	<b>\$'000</b>	<b>\$'000</b>	<b>Increase/(Decrease)</b>
Revenue	1,297,816	1,163,066	11.6%
<b>Earnings before interest, tax, depreciation and amortisation and impairment (EBITDA)</b>	<b>54,861</b>	<b>46,338</b>	<b>18.4%</b>
Depreciation and Amortisation	(5,557)	(5,564)	0%
Impairment charge	0	0	-
<b>Earnings before interest and tax (EBIT)</b>	<b>49,304</b>	<b>40,774</b>	<b>20.9%</b>
Borrowing costs	(12,130)	(12,867)	(5.7)%
<b>Profit before tax</b>	<b>37,174</b>	<b>27,907</b>	<b>33.2%</b>
Income tax expense	(11,536)	(8,152)	41.5%
<b>Profit after tax</b>	<b>25,638</b>	<b>19,755</b>	<b>29.8%</b>
Non-controlling interest in subsidiaries	(114)	(26)	438.5%
<b>Attributable profit after tax</b>	<b>25,524</b>	<b>19,729</b>	<b>29.4%</b>
Earnings per share - basic	16.3	12.5	30.4%

## **Additional Results Commentary**

According to Federal Chamber of Automotive Industry statistics, Australia's new motor vehicle sales increased by 10.4% for the first six months of 2012 as compared to the same period of 2011, for total sales of 547,854 units. Whilst sales for the comparable period of 2011 were negatively impacted by natural disaster induced supply shortages, national sales for the first six months of 2012 were at historically high levels.

All states with the exception of Tasmania exhibited strong growth on comparable 2011 sales, with the Northern Territory (+16.9%), Western Australia (+15.0%) and Queensland (+12.9%) experiencing the strongest growth.

The combined SUV market segment recorded significant growth on the same period of 2011 of +33%, primarily at the expense of the Large Passenger market segment (-20%). For the six months to June 2012 the Large SUV segment exceeded the Large Passenger segment by almost 2:1, 60,462 units to 31,315 units respectively. In response to fresh product offerings, private buyer interest in the SUV segment was particularly strong.

Some improvement was evident in heavy commercial with an increase of 7.8% for the 6 months, albeit sales remain below long term average demand levels.

The Franchised Automotive Retail operating segment contributed a profit before tax for the 2012 half year of \$30.1 million, compared to \$23.1 million for the pcp. The 2012 half year result represented a 23.0% annualised after tax return on segment net assets, compared to 20.9% for the pcp.

The Truck Retailing operating segment has been established and generated a profit before tax of \$3.3 million in the 2012 half year, as compared to \$1.3m in the pcp. The 2012 half year result represented an 18.3% annualised after tax return on segment net assets.

Profit before tax from the Property operating segment was \$6.3 million (as compared to \$6.1 million in the pcp), representing an annualised after tax return on net assets of 4.8% in 2012 (as compared to 4.5% in 2011).

Total gearing (Debt /Debt + Equity), including bailment inventory financing, increased slightly to 56.4% as at 30 June 2012, as compared to 52.2% as at 31 December 2011. Bailment finance is cost effective short term finance secured against vehicle inventory on a vehicle by vehicle basis. Gearing excluding bailment and including cash on hand was 28.6% as at 30 June 2012, compared to 28.3% as at 31 December 2011.

A total of 31,569 shares at an average cost of \$12.38 per share (pre-share split) were acquired in 2012, as part of the share buyback program, with the last purchase on the 15 February 2012.

## **Events Subsequent to Balance Date**

On the 9 July 2012, the company acquired 42,573,215 ordinary shares which represents a 16.33% stake in publicly listed Automotive Holdings Group Limited (ASX:AHE) from PFV Pty Ltd and Jove Management Pty Ltd (Wheatley Family).

Consideration for the purchase of AHE shares consisted of:

- 10,193,381 ordinary shares in A.P. Eagers, which were issued on 9 July 2012;
- \$41.4 million in cash (funded through existing bank facilities) payable before 4 August 2012; and
- \$47.0 million in cash payable on 4 July 2013.

## **Outlook**

Strong national new vehicle sales are expected to continue for at least the balance of 2012, and vehicle supply and demand are likely to support a new record national sales figure in excess of the 1.05 million units achieved in 2007.

Whilst it is too early to call the full year result, the second half has started stronger than the same period in 2011.

Further development of our unique Carzoos used cars brand, customer service and buying experience and expansion of the concept more deeply into what is a highly fragmented used car market is a priority.

In addition to the continued focus on business processes and organic growth opportunities, we are pleased with our strategic investment in Automotive Holdings Group.



**Martin Ward**  
**Managing Director**

29 August 2012

For more information, contact: Martin Ward  
Managing Director  
(07) 3248 9455

or visit: [www.apeagers.com.au](http://www.apeagers.com.au)

# Appendix 4D

## Half year report

### 1. Company details

Name of entity

A.P.Eagers Limited
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ABN or equivalent company reference

87 009 680 013
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Half year ended ('current period')

30 June 2012
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Half year ended ('previous period')

30 June 2011
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### 2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	Up	11.6%	to	1,297,816
2.2	Net profit (loss) for the period	Up	29.8%	to	25,638
2.3	Net profit (loss) for the period attributable to members	Up	29.4%	to	25,524
2.4	<b>Dividends</b>		Amount per security		Franked amount per security
	Interim dividend declared		7.0 cents		7.0 cents
2.5	+Record date for determining entitlements to the dividend.		17 September 2012		
2.6	Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.				
	<b>Refer attached commentary.</b>				

### 3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per <sup>+</sup> ordinary security	\$1.74	\$1.59

**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
	<b>Interim dividend:</b> Current year	05/10/2012	7.0¢	7.0¢	Nil¢
	Previous year	07/10/2011	5.6¢	5.6¢	Nil¢

## 6 Dividend Reinvestment Plans

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

The A.P.Eagers Limited Dividend Reinvestment Plan will apply to the interim dividend.

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

17 September 2012

## 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	20.76%	20.84%	521	400

**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	744	571
Income tax on ordinary activities	(223)	(171)
<b>Profit/(loss) from ordinary activities after tax</b>	521	400
Extraordinary items net of tax	-	-
<b>Net profit/(loss)</b>	521	400
Adjustments	-	-
<b>Share of net profit/(loss) of associates and joint venture entities</b>	521	400

Sign here: *Denis Stark.* Date: 29 August 2012  
(Company Secretary)

Print name: D.G. Stark

**A.P. EAGERS LIMITED** ACN 009 680 013  
**DIRECTORS' REPORT**

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The 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 2012.

**Directors**

B W Macdonald, N G Politis, M A Ward, P W Henley, D T Ryan and T B Crommelin were Directors of A.P. Eagers Limited during the whole of the half year and continue in office at the date of this report.

D A Cowper was appointed as a Director on 1 July 2012 and continues in office at the date of this report.

**Review of Operations and Results**

The consolidated entity achieved a net profit after tax of \$25.6 million for the half year ended 30 June 2012 (2011: \$19.8 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**

The Board has determined that a fully franked interim dividend of 7.0 cents per share (2011: 5.6 cents) will be payable on 5 October 2012 to shareholders registered on 17 September 2012 (the Record Date).

The company's dividend reinvestment plan (DRP) will operate in relation to the interim dividend. Ordinary shares will be allotted in accordance with the DRP rules at a 7.5% discount to the weighted average market price of the company's shares traded on the ASX Limited during the period of five trading days immediately prior to and including the Record Date. Shares allotted under the DRP will rank equally in all respects with existing ordinary shares.

**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  
29 August 2012

The Board of Directors  
A.P. Eagers Limited  
80 McLachlan Street  
Fortitude Valley, QLD 4006

29 August 2012

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.

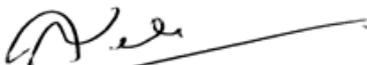
As lead audit partner for the review of the financial statements of A.P. Eagers Limited for the half-year ended 30 June 2012, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (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



**Alfred Nehama**

Partner

Chartered Accountants

**A.P. Eagers Limited**  
**ABN 87 009 680 013**

**Interim Financial Report**

**30 June 2012**

**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 accounting standards and giving a true and fair view of the financial position as at 30 June 2012 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 - 29 August 2012

**A.P. EAGERS LIMITED****Condensed Consolidated Income Statement  
For the half-year ended 30 June 2012**

	<b>Half-year ended 30-Jun-12</b>	<b>Half-year ended 30-Jun-11</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue	1,297,816	1,163,066
Other gains and losses	104	1,761
Changes in inventories of finished goods and services	52,551	8,198
Raw materials and consumables used	(1,127,413)	(969,428)
Employee benefits expense	(102,811)	(96,059)
Finance costs	(12,130)	(12,867)
Depreciation and amortisation expenses	(5,557)	(5,564)
Business acquisition costs expensed	-	(20)
Other expenses	(65,907)	(61,580)
Share of net profits of associate accounted for using the equity method	521	400
<b>Profit before income tax</b>	<b>37,174</b>	<b>27,907</b>
Income tax expense	(11,536)	(8,152)
<b>Profit for the period</b>	<b>25,638</b>	<b>19,755</b>
<b>Attributable to:</b>		
Owners of the parent	25,524	19,729
Non-controlling interest	114	26
	<b>25,638</b>	<b>19,755</b>

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

Basic earnings per share (cents per share)	16.3	12.5
Diluted earnings per share (cents per share)	16.0	12.4

*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 2012**

	Half-year ended 30-Jun-12	Half-year ended 30-Jun-11
	\$'000	\$'000
Profit for the period	25,638	19,755
<b>Other comprehensive income</b>		
Loss on cash flow hedge taken to equity	(506)	(73)
Gain on valuation of available-for-sale investment	517	-
Gain on valuation of properties	1,035	-
Income tax relating to components of other comprehensive income	(314)	21
Other comprehensive income for the period (net of tax)	<u>732</u>	<u>(52)</u>
<b>Total comprehensive income for the period</b>	<u>26,370</u>	<u>19,703</u>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	26,256	19,677
Non-controlling interests	<u>114</u>	<u>26</u>
	<u>26,370</u>	<u>19,703</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 2012

	30-Jun-12	31-Dec-11
	\$'000	\$'000
<b>Current Assets</b>		
Cash and cash equivalents	18,594	13,279
Trade and other receivables	111,647	93,217
Leasebook receivables	1,214	2,281
Loans receivables	272	121
Inventories	391,045	338,494
Other	3,553	2,601
	<u>526,325</u>	<u>449,993</u>
Property Assets held for resale	18,679	20,622
<b>Total Current Assets</b>	<u>545,004</u>	<u>470,615</u>
<b>Non-Current Assets</b>		
Leasebook receivables	575	1,225
Other loan receivable	644	575
Available-for-sale investments	3,924	2,345
Investment in associates	2,692	2,445
Property, plant and equipment	353,176	336,544
Intangible assets	118,469	118,011
	<u>479,480</u>	<u>461,145</u>
<b>Total Non-Current Assets</b>	<u>479,480</u>	<u>461,145</u>
<b>Total Assets</b>	<u>1,024,484</u>	<u>931,760</u>
<b>Current Liabilities</b>		
Trade and other payables	81,302	88,817
Derivative financial instruments	773	490
Borrowings - Bailment and other short term loan	330,253	252,768
Borrowings - Leasebook liabilities	1,749	2,706
Current tax liabilities	6,391	4,924
Provisions	15,259	14,491
	<u>435,727</u>	<u>364,196</u>
<b>Total Current Liabilities</b>	<u>435,727</u>	<u>364,196</u>
<b>Non-Current Liabilities</b>		
Borrowings - Leasebook liabilities	321	822
Borrowings - Other	175,284	163,729
Derivative financial instruments	1,733	1,510
Deferred tax liabilities	14,590	15,219
Provisions	5,835	5,669
	<u>197,763</u>	<u>186,949</u>
<b>Total Non-Current Liabilities</b>	<u>197,763</u>	<u>186,949</u>
<b>Total Liabilities</b>	<u>633,490</u>	<u>551,145</u>
<b>Net Assets</b>	<u>390,994</u>	<u>380,615</u>
<b>Equity</b>		
Contributed equity	162,548	162,047
Reserves	74,568	74,329
Retained profits	153,346	143,795
Equity attributable to equity holders of the parent	<u>390,462</u>	<u>380,171</u>
Non-controlling interests	532	444
<b>Total Equity</b>	<u>390,994</u>	<u>380,615</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 2012**

	<u>Issued capital</u>	<u>Asset revaluation reserve</u>	<u>Hedging reserve</u>	<u>Share-based payments reserve</u>	<u>Retained earnings</u>	<u>Attributable to equity holders of the parent</u>	<u>Non- controlling interest</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2011	163,340	68,340	181	2,621	125,334	359,816	401	360,217
Profit for the period	-	-	-	-	19,729	19,729	26	19,755
Loss on cash flow hedge	-	-	(73)	-	-	(73)	-	(73)
Related income tax effect	-	-	21	-	-	21	-	21
Total comprehensive income for the period	-	-	(52)	-	19,729	19,677	26	19,703
Share based payment expense	-	-	-	1,551	-	1,551	-	1,551
Shares issued pursuant to share plan	570	-	-	(570)	-	-	-	-
Share buy-back scheme	(217)	-	-	-	-	(217)	-	(217)
Payment of dividend	-	-	-	-	(12,914)	(12,914)	(15)	(12,929)
<b>Balance 30 June 2011</b>	<b>163,693</b>	<b>68,340</b>	<b>129</b>	<b>3,602</b>	<b>132,149</b>	<b>367,913</b>	<b>412</b>	<b>368,325</b>
Balance at 1 January 2012	162,047	70,540	(1,400)	5,189	143,795	380,171	444	380,615
Profit for the period	-	-	-	-	25,524	25,524	114	25,638
Loss on cash flow hedge	-	-	(506)	-	-	(506)	-	(506)
Gain on revaluation of:								
Available-for-sale investment Properties					517 1,035	517 1,035		517 1,035
Related income tax effect			152		(466)	(314)		(314)
Total comprehensive income for the period	-	-	(354)	-	26,610	26,256	114	26,370
Share based payment expense	-	-	-	760	-	760	-	760
Shares issued pursuant to share plan	891	-	-	(891)	-	-	-	0
Share buy-back scheme	(390)	-	-	-	-	(390)	-	(390)
Payment of dividend	-	-	-	-	(16,335)	(16,335)	(26)	(16,361)
<b>Balance 30 June 2012</b>	<b>162,548</b>	<b>70,540</b>	<b>(1,754)</b>	<b>5,058</b>	<b>154,070</b>	<b>390,462</b>	<b>532</b>	<b>390,994</b>

*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 2012**

	<b>6 months ended 30-Jun-12</b>	<b>6 months ended 30-Jun-11</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	1,409,152	1,264,757
Payments to suppliers and employees	(1,354,041)	(1,217,493)
Receipts from insurance claims	165	2,154
Dividends received	318	328
Interest received	311	257
Interest and other costs of finance paid	(12,613)	(12,502)
Income tax paid	(11,001)	(12,832)
	<hr/>	<hr/>
<b>Net cash provided by operating activities</b>	<b>32,291</b>	<b>24,669</b>
<b>Cash flows from investing activities</b>		
Payment for shares in other corporation	(1,062)	-
Payment for acquisition of intangibles	(458)	-
Payment for acquisition of business	-	(3,064)
Proceeds from sale of property and other business assets	1,711	4,468
Payments for property, plant and equipment	(20,396)	(5,366)
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>(20,205)</b>	<b>(3,962)</b>
<b>Cash flows from financing activities</b>		
Payment for share buy backs	(391)	(217)
Proceeds from borrowings	39,600	43,000
Repayment of borrowings	(29,620)	(33,761)
Dividends paid to minority shareholders of a subsidiary	(25)	(15)
Dividends paid to members of A.P. Eagers Limited	(16,335)	(12,914)
	<hr/>	<hr/>
<b>Net cash used in financing activities</b>	<b>(6,771)</b>	<b>(3,907)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,315</b>	<b>16,800</b>
Cash and cash equivalents at the beginning of the period	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>18,594</b>	<b>14,010</b>

*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 2012

#### 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 34 *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 2011 annual financial report for the financial year ended 31 December 2011.

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

Segments are identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker, being the board of directors, in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in four operating and reporting segments being (i) automotive franchised retailing (ii) truck franchised retailing (iii) property and (iv) all other, these being identified on the basis of being the components of the consolidated entity that are regularly reviewed by the chief decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the consolidated entity's reporting segments is presented below.

##### (i) Automotive Franchised Retailing

Within the Automotive Franchised Retail segment, the consolidated entity offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, extended service contracts, vehicle protection products and other aftermarket products. They also facilitate financing for vehicle purchases through third-party sources. New vehicles, vehicle parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

##### (ii) Truck Retailing

Within the Truck Retail segment, the consolidated entity offers a diversified range of products and services, including new trucks, used trucks, truck maintenance and repair services, truck parts, extended service contracts, truck protection products and other aftermarket products. They also facilitate financing for truck purchases through third-party sources. New trucks, truck parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

##### (iii) Property

Within the Property segment, the consolidated entity acquires commercial properties principally for use as facility premises for its motor dealership operations. The Property segment charges both the Automotive Franchised Retailing segment and Truck Retailing segment commercial rentals for owned properties occupied by that segment. The Property segment reports property assets at fair value, based on annual assessments by the directors supported by periodic, but at least triennial valuations by external independent valuers. Revaluation increments arising from fair value adjustments are reported internally and assessed by the chief operating decision maker as profit adjustments in assessing the overall returns generated by this segment to the consolidated entity.

##### (iv) All Other

This segment includes dealerships within the non franchise market currently dealing in the used car market, and investment in One Way Traffic Pty Ltd, trading as Carsguide.

## A.P. EAGERS LIMITED

### Notes to the Condensed Consolidated Financial Statements 30 June 2012 (continued)

#### 2 Segment information (continued)

	Automotive Franchised Retailing	Truck Retailing	Property	All Other	Eliminations	Consolidated
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6 months ended 30 June 2012</b>						
Revenue - external	1,068,519	189,076	616	39,605	-	1,297,816
Inter-segment sales	-	-	14,035	-	(14,035)	-
<b>TOTAL REVENUE</b>	<b>1,068,519</b>	<b>189,076</b>	<b>14,651</b>	<b>39,605</b>	<b>(14,035)</b>	<b>0</b>
<b>SEGMENT RESULT</b>						
Operating profit before interest	36,572	4,617	10,027	(39)	-	51,177
External interest expense allocation	(7,083)	(1,300)	(3,747)	-	-	(12,130)
<b>OPERATING CONTRIBUTION</b>	<b>29,489</b>	<b>3,317</b>	<b>6,280</b>	<b>(39)</b>	<b>-</b>	<b>39,047</b>
Share of net profit of equity accounted investments	521	-	-	-	-	521
Revaluation of properties	-	-	11	-	-	11
Profit on sale of property/business	118	-	(25)	-	-	93
<b>SEGMENT PROFIT</b>	<b>30,128</b>	<b>3,317</b>	<b>6,266</b>	<b>(39)</b>	<b>-</b>	<b>39,672</b>
Unallocated corporate expenses	-	-	-	-	-	(2,498)
Income tax expense	-	-	-	-	-	37,174
<b>NET PROFIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11,536)</b>

	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>6 months ended 30 June 2011</b>						
Revenue - external	973,350	142,715	450	46,551	-	1,163,066
Inter-segment sales	-	-	13,990	-	(13,990)	-
<b>TOTAL REVENUE</b>	<b>973,350</b>	<b>142,715</b>	<b>14,440</b>	<b>46,551</b>	<b>(13,990)</b>	<b>0</b>
<b>SEGMENT RESULT</b>						
Operating profit before interest	28,355	2,928	10,005	215	-	41,503
External interest expense allocation	(7,340)	(1,597)	(3,930)	-	-	(12,867)
<b>OPERATING CONTRIBUTION</b>	<b>21,015</b>	<b>1,331</b>	<b>6,075</b>	<b>215</b>	<b>-</b>	<b>28,636</b>
Share of net profit of equity accounted investments	400	-	-	-	-	400
Profit on sale of property/business	1,739	-	22	-	-	1,761
Business acquisition costs	(20)	-	-	-	-	(20)
<b>SEGMENT PROFIT</b>	<b>23,134</b>	<b>1,331</b>	<b>6,097</b>	<b>215</b>	<b>-</b>	<b>30,777</b>
Unallocated corporate expenses	-	-	-	-	-	(2,870)
Income tax expense	-	-	-	-	-	27,907
<b>NET PROFIT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,152)</b>

#### 3 Dividends

	6 months ended 30-Jun-12	6 months ended 30-Jun-11
	\$'000	\$'000
<b>Ordinary shares</b>		
Dividends paid during the half-year	16,361	12,914

#### Dividends not recognised at the end of the half-year

Since the end of the half-year the directors have determined the payment of an interim dividend of 7 cents (2011 - 5.6 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 5 October 2012 out of retained profits at the end of the half-year, but not recognised as a liability, is

11,710	8,819
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## A.P. EAGERS LIMITED

### Notes to the Condensed Consolidated Financial Statements 30 June 2012 (continued)

#### 4 Equity securities movements

	6 months ended 30-Jun-12	6 months ended 30-Jun-11	6 months ended 30-Jun-12	6 months ended 30-Jun-11
	Shares	Shares	\$'000	\$'000
<b>Movements in ordinary shares during the half-year</b>				
Cancellation of shares under the buy-back scheme	(31,569)	(17,209)	(390)	(217)
Issue of shares to staff under the share incentive schemes	84,420	56,420	891	570
	<u>52,851</u>	<u>39,211</u>	<u>501</u>	<u>353</u>

At the annual general meeting of the company held on 16 May 2012, it was resolved that the fully paid ordinary shares in the issued capital of the company be split on the basis that every share be divided into five fully paid ordinary shares with effect from 24 May 2012. As a result of this resolution, the position in the issued share capital of the company at 30 June 2012 was as follows:

Date	Details	Number of shares	Issue price	\$'000
01-Jan-12	Balance	31,360,584		162,047
01-Jan -12 to 15-Feb-12	Cancellation of shares under the buy-back scheme	(31,569)	\$12.38 (average price)	(390)
28-Feb-12	Issue of shares to staff under the share incentive schemes	84,420	\$10.56	891
		<u>31,413,435</u>		<u>162,548</u>
24-May-12	Conversion of shares under the share-split scheme (see above)	157,067,175		162,548

#### 5 Business combinations

There were no business combinations during the 6 months to 30 June 2012.

##### 6 months ended 30 June 2011

On 1 March 2011, the Group acquired the business of Eblen Subaru. The acquired business contributed revenue of \$16 million and net profit before tax, corporate charges and internal interest of \$281 thousand for the period 1 March 2011 to 30 June 2011. If the acquisition had occurred on 1 January 2011, the consolidated entity's revenue and profit before tax for the half-year ended 30 June 2011 would have been \$1,180 million and \$28.3 million respectively.

		\$'000
Purchase consideration:		
Cash	3,064	
Vendor finance	<u>2,800</u>	5,864
Fair value of net identifiable assets acquired:		
Property, plant & equipment	3,478	
Provision for employee benefits	(531)	
Deferred tax assets	164	
Other net liabilities	<u>(229)</u>	2,882
Goodwill and franchise rights		<u>2,982</u>

#### 6 Contingent liabilities

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

#### 7 Subsequent events

On 9 July 2012 the Company (ASX:APE) announced to Australian Stock Exchange that it had purchased 42,573,215 ordinary shares in publicly listed Automotive Holdings Group Limited (ASX:AHE) from PFV Pty Ltd and Jove Management Pty Ltd (Wheatley Family). Consideration for the purchase of AHE shares consist of :

- \* 10,193,381 ordinary shares in A.P.Eagers Limited
- \* \$41.4 million in cash (funded through existing bank facilities) payable before 4 August; and
- \* \$47.0 million in cash payable on 4 July 2013.

The AHE investment provides A.P.Eagers Limited with exposure to the West Australian Market, where A P Eagers Limited does not currently have operations.

## **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, which comprises the condensed statement of financial position as at 30 June 2012, 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 company 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 company 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 A.P. Eagers Limited's financial position as at 30 June 2012 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.

# Deloitte.

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of A.P. Eagers Limited, would be in the same terms if given to the directors as at the time of this auditor's review report

## *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 2012 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



Alfred Nehama  
Partner  
Chartered Accountants  
Sydney, 29 August 2012