



12 July 2007

The Companies Announcements Office
ASX Limited

ASX ANNOUNCEMENT

A.P. EAGERS LIMITED SIGNS HEADS OF AGREEMENT TO ACQUIRE SURFERS CITY HOLDEN, GOLD COAST

A.P. Eagers Limited (APE) today announced it had entered into a Heads of Agreement to acquire Surfers City Holden located in Southport on Queensland's Gold Coast.

A.P. Eagers has agreed to pay approximately \$10.2m representing the goodwill and estimated net assets of the business which has an annual turnover in excess of \$60m. The acquisition does not include the purchase of property which will be leased from a third party.

The acquisition is subject to satisfactory due diligence and transaction documentation, confirmation of lease agreements and manufacturer approval. Completion will take approximately one month.

The acquisition will be settled through the payment of cash and up to \$1m in A.P. Eagers shares and will be earnings accretive in year one.

A.P. Eagers is delighted that the current Dealer Principal and part owner Mr Stephen Howlett will remain with the business and become an A.P. Eagers' shareholder. Stephen's financial / strategic partners, Mr Chris Newton and Mr Remo Piantadosi, both Adelaide based with South Australian motor industry interests, would cease to be involved.

The current owners have grown the business substantially since their purchase in 2003. Following the completion of new state of the art facilities in late 2004, Surfers City Holden now offers an excellent physical environment for all of its customers. Stephen and his 80 staff have quickly established an outstanding reputation for customer satisfaction. The business has outperformed industry benchmarks over the last three years.

In addition to Holden the business also sells HSV, Saab and Hummer vehicles.

A.P. Eagers' Chief Executive Officer Martin Ward said the Surfers City Holden acquisition was exciting for two key reasons. Firstly it is a well managed, profitable dealership with current management staying on and secondly it is strategically located in the high population growth Gold Coast area previously identified as a target location for the A.P. Eagers Group.

For further information please contact:

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