25 February 2009

Company Announcements Office
ASX Limited

Re: Results for Announcement to the Market -

- **Net Profit Before Tax and Impairment Adjustments of $37.7 million**
- **Cash Generation Increased by 32% to $48.5 million**
- **Net Tangible Assets of $8.11 per Share**
- **Final Dividend of 22 cents per share declared**

Attached are the Appendix 4E Preliminary Final Report and Commentary for the year ended 31 December 2008, which comprise the information given by A.P. Eagers Limited (APE) to the ASX under listing rule 4.3A.

Yours faithfully
A.P. Eagers Limited

Denis Stark

Denis Stark
Company Secretary

A. P. EAGERS LIMITED
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25 February 2009

Appendix 4E Commentary

Net Profit Before Tax and Impairment Adjustments of $37.7 million.

Cash Generation Increased by 32% to $48.5 million.

Net Tangible Assets of $8.11 per Share.

Final Dividend of 22 cents per share declared.

The Directors of A.P. Eagers Limited are pleased to report a 2008 Net Profit Before Tax and non cash impairment adjustments of $37.7 million. This compares to a Net Profit Before Tax of $40.0 million in 2007. The 2008 result includes $11.5 million from a tax refund of GST that had previously been paid on holdback payments.

Net Profit After Tax and before non cash impairment adjustments, was $29.0 million compared to $28.6 million in 2007.

Non cash impairment adjustments before tax were $(17.8) million and after tax were $(14.5) million, leading to a final Net Profit After Tax and non cash impairment adjustments of $14.5 million as compared to $28.6 million in 2007.

Financial Highlights

- Total revenue increased by 1.5% on 2007 to $1.7 billion for 2008.
- A net benefit of $11.5 million before tax, $10.4 million after tax, was received as a refund of GST that the company had previously paid on manufacturer holdback income.
- EBITDA increased by 10.0% to $72.5 million compared to $65.9 million in 2007. EBITDA margin improved to 4.3% from 3.9% in 2007. Excluding the GST tax refund, EBITDA margin reduced to 3.5%.
- Intangible assets were impaired by $6.8 million, representing goodwill of the franchise automotive retail businesses.
- Supported by a full independent property valuation, the total value of the company's property portfolio was stable. Downward revaluations on specific properties in excess of their revaluation reserves resulted in an after tax income statement loss of $(1.0) million.
- The carrying value of the company's 25% interest in the ASX listed Adtrans Group Limited was reduced by $6.7 million after tax, consistent with the Adtrans share price as at 31 December 2008. This investment contributed an equity accounted net profit after tax of $2.0 million (2007: $1.5 million).
- Cash flow from operations increased by 32% to $48.5 million, compared to $36.7 in 2007.

- The company was able to rapidly adjust to the current capital constrained economic environment by reducing its combined bank debt and floor plan vehicle finance by $111 million or 26% from June to December 2008. Over the same period, bank borrowings were reduced by $28 million to $145.5 million, drawn from an interest-only commercial bill facility, with the company in compliance with its banking covenants.
- EBITDA Interest Cover decreased to 2.7 times as at 31 December 2008, compared to 3.2 times at 31 December 2007. Borrowing costs increased by 31% to $26.6 million, reflecting higher average debt levels and interest rates.
- Gearing (Debt/Debt + Equity), including bailment inventory financing, decreased to 50.2% at end 2008, as compared to 51.5% a year earlier. Bailment finance is cost effective short term finance secured against vehicle inventory on a vehicle by vehicle basis. Gearing excluding bailment increased to 31.9% at end 2008 from 30.6% at end 2007.
- A fully franked final dividend of 22 cents per share has been declared and will be paid on 9 April 2009 to shareholders registered on 26 March 2009. The total dividend based on 2008 earnings is 44 cents per share, fully franked.
- Participants in the company's dividend reinvestment plan (DRP) for the final dividend will receive shares at a 5% discount to market price in accordance with the DRP rules.

Results Summary

Consolidated results

Year Ended 31 December	**2008**	**2007**	
	$'000	**$'000**	**Increase/(Decrease)**
Revenue from operations	1,686,514	1,673,857	0.7%
Other revenue	14,824	1,648	-
Total revenue	1,701,338	1,675,505	1.5%
Earnings before interest, tax, depreciation, amortisation and Impairment (EBITDA)	72,537	65,921	10.0%
Share of associates profits (losses)	1,210	2,520	(52.0%)
Profit on sale of properties	14	-	-
EBITDA after profit on sale of properties and equity accounting	73,761	68,441	7.8%
Depreciation and Amortisation	(9,412)	(8,018)	17.4%
Earnings before interest, tax and Impairment (EBIT)	64,349	60,423	6.5%
Borrowing costs	(26,649)	(20,399)	30.6%
Impairment adjustments	(17,784)	-	-
Profit before tax	**19,916**	**40,024**	**(50.2%)**
Income tax expense	(5,375)	(11,412)	52.9%
Profit after tax	**14,541**	**28,612**	**(49.2%)**
Earnings per share - basic	49.2 cents	102.2 cents	(51.9%)

Operational Highlights

- The company's sales revenue from operations was $1.69 billion for 2008, up from $1.67 billion in 2007. Revenue from existing operations decreased by 8.5%, reflecting reduced turnover in new and used cars. The acquisition of the Bill Buckle Auto Group business contributed $109 million to the increased revenue, assisted with the company's geographic diversification into the Sydney market and enhanced exposure to quality brands.
- Despite a year on year decline of 3.6% in the number of new cars sold across the industry in 2008, the company adjusted quickly to the resulting oversupply of new car inventory in Australia. The company's new and demonstrator vehicle inventory levels were, on a like for like basis, 15% lower at December 2008 compared to December 2007.
- The company's new car sales increased by 5.5% to 34,016 units in 2008. Profit margins on new cars decreased as a result of a shift in product mix to smaller and non-luxury cars and industry-wide price discounting to clear excess inventory.
- In response to slowing retail demand, the company implemented dealership rationalisations with the closure of the Southside Ford and Southside Land Rover/Volvo retail businesses in Queensland.
- The company's used car sales increased by 4.2% to 16,472 units in 2008. Used car profit margins decreased due to an industry-wide devaluation of mid and large size vehicle inventories caused by a reduction in demand for larger vehicles and new car price discounting. However, the company's stock turn, provisioning and valuation policies ensured a quick adjustment to the change in vehicle values. By the last quarter, profitability of the company's used car business had returned to normal levels.
- The difficult trading conditions experienced in the new and used car businesses were substantially offset by improved profitability of the company's parts and service businesses.
- A rationalisation of distribution facilities resulted in productivity gains for the company's parts business, with revenue and margins improving by 5% and 35% respectively for 2008.
- The company's service business performed strongly, growing revenue and margin by 23% and 22% respectively, reflecting a number of consecutive years of strong new car sales, an increasing number of cars on Australia's roads and the success of the company's margin improvement initiatives.
- The company's commission based retail finance income increased substantially reflecting the competitiveness of the finance arrangements established in late 2007.
- Given the company's strong balance sheet and relationships with its financiers, A.P. Eagers was able to quickly arrange alternate wholesale and retail funding capacity with both existing and new financiers when GE Finance and GMAC decided to withdraw from the Australian automotive finance market. At year end, the company was utilising less than 60% of its approved wholesale capacity limits.
- The company's suite of financiers now includes Toyota Financial Services, St. George Finance, Capital Finance, ANZ, Volkswagen Financial Services, Subaru Finance and BMW Financial Services.
- The company's Franchised Automotive Retail operating segment contributed a profit before tax of $20.1 million, compared to $33.7 million in 2007. The 2008 result represents a 9.5% after tax return on segment net assets, compared to 15.4% in 2007.
- Operational profit before tax from the company's Property operating segment was $8.6 million, representing an after tax return on net assets of 3.7% (2007: 17.3%).

Outlook

(a) Further Debt Reduction

In preparation for further expansion, the company's debt has already been significantly reduced, with a total reduction of $111 million in the 2nd half of 2008 and a further $11 million reduction in bank debt in the first 2 months of 2009. In addition, the sale of a portfolio of non-core properties that are desirable to others (circa 15% of the total property portfolio) is being actively pursued subject to the achievement of acceptable pricing and terms.

(b) Profit Improvement

Despite the profitability of the group as a whole during 2008, a number of dealership business units performed poorly with a few producing losses. In all cases management plans are in place to resolve these issues, with execution of the plans progressing well.

(c) The Market

Reduced economic growth and business investment, increased unemployment and restricted credit availability are expected to result in a smaller new car market in 2009. Annualised national vehicle sales of 850,000 to 900,000 units are expected and the company has adjusted its plans to this lower volume market. Used car volume is expected to be stable, with prices and margins expected to be stable or stronger as many imported new vehicles increase in price during 2009 due to the lower Australian dollar.

The company’s parts and service businesses will remain strong as the Australian vehicle “parc” (being the number of cars on Australia’s roads) has grown rapidly over the last five years.

(d) Summary

In summary, plans are in place to improve profit performance whilst expecting a lower new car volume market. The company’s debt reduction program has already achieved success with more to come which will lead to significantly lower interest costs particularly in the second half of 2009 as hedging contracts expire and the full benefits of lower debt and interest rates kick in.

All of the above initiatives are designed to deliver a solid result in difficult economic conditions leading to future growth. This is greatly assisted by the company’s substantial property asset base which allows for debt reduction capacity, where desired, along with greater flexibility in business reorganisation of underperforming dealerships. Shareholders should particularly note that the company’s net tangible assets after impairment represent $8.11 per share.

The acquisition of value accretive automotive retail businesses in locations and franchises that will provide further growth and diversification remain a core part of the company’s strategy. There is an expectation that in the current economic environment such opportunities will increasingly become available to the company during late 2009 and 2010.

Yours faithfully
A.P. Eagers Limited

Martin A Ward
Managing Director

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

Appendix 4E
Preliminary final report

1. Company details

Name of entity

A.P. Eagers Limited

ABN or equivalent company reference	Financial year ended ('current period')	Financial year ended ('previous period')
87 009 680 013	31 December 2008	31 December 2007

2. Results for announcement to the market

$A'000's

2.1	Revenue	Up	1.5%	to	1,701,338
2.2	Profit (loss) from operations (including GST in Holdback benefit) before tax attributable to members	Down	5.8%	to	37,700
2.3	Net profit (loss) after tax for the period attributable to members	Down	49.2%	to	14,541

2.4	**Dividends**	Amount per security	Franked amount per security
	Final dividend declared	22.0c	22.0c
	Interim dividend	22.0c	22.0c

2.5 +Record date for determining entitlements to final dividend.

26th March 2009

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

Refer attached commentary.

3. Condensed Consolidated income statement

	Current period - $A'000	Previous corresponding period - $A'000
Revenue	1,701,338	1,675,505
Other income	14	-
Expenses excluding finance costs (refer Note 3.1)	(1,638,213)	(1,617,602)
Finance costs	(26,649)	(20,399)
Share of net profits (losses) of associates (equity accounted)	1,210	2,520
Impairment of non-current assets	(17,784)	-
Profit before income tax	**19,916**	**40,024**
Income tax expense	(5,375)	(11,412)
Net profit attributable to members	**14,541**	**28,612**

Notes to the consolidated income statement

3.1 Expenses (excluding finance costs and impairment charges)

Details of Expenses by nature	Current period $A'000	Previous corresponding period $A'000
Changes in inventories of finished goods and work in progress	(23,201)	66,547
Raw materials and consumables used	(1,408,536)	(1,501,995)
Employee expenses	(124,050)	(109,447)
Depreciation and amortisation expense	(9,412)	(8,018)
Other expenses from ordinary activities	(73,014)	(64,689)
Total Expenses	(1,638,213)	(1,617,602)

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	14	-
Net revenue/(expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets :		
- amortisation of non-current assets	(675)	(532)
- depreciation of non-current assets	(8,737)	(7,486)
- impairment of non-current assets		
- property	(1,475)	-
- intangibles	(6,759)	-
- investments	(9,550)	-
- bad and doubtful debts	(397)	(424)

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	46	965
Receivables	57,150	69,079
Leasebook receivable	9,319	-
Inventories	206,807	230,008
Income tax Refund	1,269	-
Other (deposits and prepayments)	2,502	1,107
Total current assets	**277,093**	**301,159**
Non-current assets		
Investments (equity accounted)	17,638	24,942
Derivative financial instruments	-	760
Leasebook receivable	17,037	-
Available-for-sale financial assets	-	-
Property, plant and equipment	358,748	332,067
Intangibles	67,615	60,936
Total non-current assets	**461,038**	**418,705**
Total assets	**738,131**	**719,864**

Current liabilities		
Payables	45,728	48,689
Derivative financial instruments	3,135	-
Borrowings – Bailment and Overdraft	168,470	188,217
Leasebook liabilities	7,553	-
Current tax liabilities	-	4,830
Provisions exc. tax liabilities	8,452	8,104
Other (unearned income)	250	343
Total current liabilities	**233,588**	**250,183**
Non-current liabilities		
Borrowings	145,860	133,849
Leasebook liabilities	17,616	-
Deferred tax liabilities	25,085	27,124
Provisions exc. tax liabilities	3,904	3,372
Other (Unearned Income)	971	1,792
Total non-current liabilities	**193,436**	**166,137**
Total liabilities	**427,024**	**416,320**
Net assets	**311,107**	**303,544**

Equity		
Contributed equity	148,135	135,812
Reserves	106,672	108,862
Retained profits	56,300	58,870
Total equity	**311,107**	**303,544**

5 Condensed Statement of Changes in Equity

	Current period $A'000	Previous corresponding period - $A'000
Opening Balance of Equity	303,544	239,478
Value of shares issued during the period	12,323	29,548
Net Profit attributable to members	14,541	28,612
Increase in asset revaluation reserve (after tax)	1,067	19,642
Movement in other reserves	(3,257)	(693)
Dividends Paid	(17,111)	(13,043)
Closing balance of equity	**311,107**	**303,544**

6 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)	1,876,611	1,830,159
Payments to suppliers and employees (inclusive of GST)	(1,790,620)	(1,763,036)
Receipts from insurance claim	847	-
Dividends received	1,683	1,457
Interest received	609	866
Interest and other finance costs paid	(27,327)	(20,188)
Income taxes paid	(13,281)	(12,516)
Net cash provided by operating activities	**48,522**	**36,742**
Cash flows related to investing activities		
Payment for purchases of property, plant and equipment	(33,213)	(63,317)
Proceeds from sale of property, plant and equipment	459	-
Payment for shares in associated entities	(2,719)	(11,186)
Payment for acquisition of subsidiaries and businesses	(9,757)	(35,974)
Payment for acquisition of brand name	(47)	(132)
Net used in investing activities	**(45,277)**	**(110,609)**

Cash flows related to financing activities		
Proceeds from issues of securities (shares, options, etc.), net of capital raising costs		-
Proceeds from borrowings	26,900	25,000
Repayments of borrowings	(21,567)	-
Dividends paid	(10,704)	(5,032)
Net cash provided by financing activities	**(5,371)**	**19,968**
Net increase (decrease) in cash held	(2,126)	(53,899)
Cash at beginning of period	965	54,864
Cash at end of period	**(1,161)**	**965**

6.1 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 $6,406,949 (2007: $8,011,217) under the Dividend Reinvestment Plan settled by way of issue of shares 511,280 shares (2007: 613,221 shares)
(b)	The allotment of 110,522 shares (2007: 94,464) at a value of $1,385,830 (2007: $1,269,638) issued free to eligible employees under the employee tax exempt share plan (expensed through profit & loss)

6.2 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	46	965
Deposits at call	-	-
Bank overdraft	(1,207)	
Total cash at end of period	**(1,161)**	**965**

In addition to vehicle bailment facilities, as at 31 December 2008, unused debt facilities of $48 million were available.

6.3 Reconciliation of net profit after income tax to net cash inflow from operating activities

	Current Period $'000	Previous Corresponding Period $'000
Net profit after tax	14,541	28,612
Depreciation and amortisation	9,412	8,018
Profit on sale of property, plant & equipment	(14)	-
Non Cash Impairment Adjustments	17,784	-
Share of losses (profits) of associates	(1,210)	(2,520)
Employee share scheme expensed	2,549	2,854
Dividends from associates	1,683	1,372
(Increase) decrease in assets:		
Receivables	23,491	(13,931)
Inventories	41,060	(29,510)
Prepayments	(981)	3,263

Deferred taxes	360	-
Increase (decrease) in liabilities:		
Creditors (including bailment finance)	(52,029)	38,465
Provisions	178	1,168
Taxes payable	(8,302)	(1,049)
Net cash inflow from operating activities	**48,522**	**36,742**

7 Dividends

7.1 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	09/04/09	22.0¢	22.0¢	Nil¢
		Previous year	26/05/08	36.0¢	36.0¢	Nil¢
	Interim dividend:	Current year	30/09/08	22.0¢	22.0¢	Nil¢
		Previous year	24/09/07	22.0¢	22.0¢	Nil¢

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

	Current year	Previous year
+Ordinary securities	44.0¢	58.0¢

8 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 26 March 2009

Any other disclosures in relation to dividends (distributions).

Final dividend payable on 09 April 2009

9 Consolidated retained profits

	Current period - $A'000	Previous corresponding period - $A'000
Retained profits at the beginning of the financial period	58,870	43,301
Net profit attributable to members	14,541	28,612
Net transfers from/(to) reserves	-	-
Dividends paid or payable	(17,111)	(13,043)
Retained profits at end of financial period	**56,300**	**58,870**

10 NTA backing	Current period	Previous corresponding period
Net tangible asset backing per +ordinary security	$8.11	$8.38

10.1 Control gained over entities N/A

Name of entity (or group of entities)	Bill Buckle Auto Group
Date control gained	31 March 2008
	$ 000
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities before tax during the period.	223 (9 months) (before tax and after charging internal rent at commercial rates.)
Profit (loss) from ordinary activities and extraordinary items before tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	1,605 (12 months) (before tax and after charging internal rent at commercial rates.)

10.2 Loss of control over entities N/A

Name of entity (or group of entities)	Nil
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

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period $A'000	Previous corresponding period $A'000
Adtrans Group Limited	24.86%	22.38%	2,009	1,457
M.T.Q. Insurance Services Limited	19.43%	19.43%	(799)	1,063

Group's aggregate share of associates' profits/(losses) (where material):	Current period $A'000	Previous corresponding period - $A'000
Profit/(loss) from ordinary activities after tax	1,210	2,520
Extraordinary items net of tax	-	-
Net profit/(loss)	1,210	2,520
Share of net profit/(loss) of associates	**1,210**	**2,520**

Significant Information

Intangible assets were impaired by $6.8 million, representing goodwill of the franchise automotive retail businesses.

Supported by a full independent property valuation, the total value of the company's property portfolio was stable. Downward revaluations on specific properties in excess of their revaluation reserves resulted in an after tax income statement loss of $(1.0) million.

The carrying value of the company's 25% interest in the ASX listed Adtrans Group Limited was reduced by $6.7 million after tax, consistent with the Adtrans share price as at 31 December 2008. This investment contributed an equity accounted net profit after tax of $2.0 million (2007: $1.5 million).

A net benefit of $11.5 million before tax, $10.4 million after tax, was received as a refund of GST that the company had previously paid on manufacturer holdback income.

12. Commentary on results for the period

	2008	**2007**
- Basic earnings per share	**49.2**	**102.2 c**
- Diluted earnings per share	**48.8**	**101.0 c**
- Weighted average number of shares outstanding during the year used in the calculation of basic earnings per share	**29,559,167**	**28,008,711**
- Weighted average number of shares outstanding during the year used in the calculation of diluted earnings per share	**29,779,167**	**28,338,711**
- Number of shares on issue at the end of the financial year	**30,011,091**	**28,961,780**

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

(Tick one)

☐	The +accounts have been audited.	☐	The +accounts have been subject to review.
		☐	The +accounts are in the process of being reviewed.
✓	The +accounts are in the process of being audited.	☐	The +accounts have *not* yet been audited or reviewed.

Sign here: Denis Stark. Date: 25 February 2009
(Company Secretary)

Print name: D.G. Stark