28 August 2009

Company Announcements Office
ASX Limited

Results for Announcement to the Market

Half Year Report and Accounts

Underlying Net Profit Before Tax Increases by 39%

Interim Dividend of 22 Cents per Share

I **attach** the following documents for our half year ended 30 June 2009:

1. Half Year Report – Appendix 4D and commentary
2. Directors' Report
3. Financial Report
4. Auditor's Report and Independence Declaration

This information is given to the ASX under listing rule 4.2A and is to be read in conjunction with our most recent annual financial report.

Yours faithfully
A. P. Eagers Limited

Denis Stark

Denis Stark
Company Secretary

A. P. EAGERS LIMITED
ABN 87 009 680 013

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28 August 2009

Company Announcements Office
ASX Limited

Half Year Report – Appendix 4D & Commentary

Underlying net profit before tax increases by 39%

Interim dividend of 22 cents per share

A.P. Eagers Ltd (ASX:APE) is pleased to announce a profit before tax of $23.1 million for the half year ended 30 June 2009 as compared to $28.1 million for the half year ended 30 June 2008.

As the June 2008 result included a non-recurring $11.5 million benefit from a tax refund of overpaid GST on holdback payments, the underlying profit before tax of $23.1 million for June 2009 compares to $16.6 million for June 2008, an increase of 39%.

	Half Year to June 2009 $ Million	Half Year to June 2008 $ Million
Statutory profit before tax	23.1	28.1
GST tax refund included	-	11.5
Underlying profit before tax	23.1	16.6
Underlying profit after tax	16.5	11.8

Financial Highlights

- Revenue from operations decreased by 8.7% compared to the corresponding period of 2008. Like for like revenue decreased by 12.5% as a result of lower new car sales volume, offset by increased used car volume and finance sales, and stable parts and service sales.
- An industry- wide reduction in inventory led to improved selling margins. In conjunction with the company's lower cost of sales, employment costs and inventory holding costs, higher margins were achieved.

	Half Year to June 2009	Half Year to June 2008	% Change
Underlying EBITDA/Sales	4.7%	3.7%	31%
Underlying PBT/Sales	2.8%	1.9%	47%

- Corporate borrowings reduced to $96 million net of cash as at 30 June 2009, compared to $168 million as at 30 June 2008, and $147 million as at 31 December 2008. This represents a 35% reduction for the half year. In order to spread risk our sources of corporate debt funding were diversified with the establishment of a five year interest only capital loan facility with Toyota Finance Australia with capacity of $65 million.
- Total debt including bailment inventory finance net of cash was $259 million as at 30 June 2009, compared to $418 million as at 30 June 2008, and $314 million as at 31 December 2008.
- Cash flow from operations for the 2009 half year of $47.8 million was substantially above the corresponding period of 2008 ($12.4 million) as a result of improved trading conditions, lower tax payments and favourable timing of receipts at half year end.
- Capital and investment expenditure was limited to $4.3 million compared to $38.3 million in the first half of 2008, which included the acquisition of the Bill Buckle Auto Group business and associated land and buildings.
- A fully franked interim dividend of 22 cents per share (2008: 22 cents) has been declared and will be paid on 30 September 2009 to shareholders registered on 15 September 2009.
- The company's dividend reinvestment plan (DRP) will not apply in respect of the 2009 interim dividend.

Operational Highlights

- The adverse impact of an unprecedented year on year fall in new car sales volumes was more than offset by a reduction in employment, inventory holding and general operating costs. The industry wide vehicle inventory reduction which commenced in late 2008 and lower interest rates substantially reduced inventory costs. The company's new vehicle and demonstration inventory was 39% lower than at 30 June 2008 and 14% lower than at 31 December 2008. June is normally the seasonal peak in inventory.
- The used car market returned to normal trading after the difficult trading conditions experienced mid 2008. Lower new car sales reduced the supply of quality used vehicles and gross/unit reverted to normal industry levels. Lower petrol prices and new car price inflation alleviated the price devaluations evident for less fuel efficient cars in 2008.
- Despite the withdrawal of some major finance providers, notably GE Money, in late 2008, finance and insurance income for the 2009 half year increased by 11% compared to the corresponding period of 2008. The company is well supported by a range of finance providers and continues to offer competitive finance to new and used car customers.
- The continued rationalisation of facilities assisted in matching costs to lower revenues, and the sale of non-core properties will provide ongoing benefits through reduced overheads and lower interest costs in future periods.
- Parts and service revenue was stable. Tight cost control and continued improvement in operating practices allowed gross margin growth of 2-3% on the corresponding period.
- Development of a new BMW and Mini store in Newcastle was completed in the half year, with trading from this facility to commence in the second half. The previous BMW and associated facilities will be reconfigured to provide upgraded Newcastle facilities for Honda, Hyundai and Suzuki, with a resulting reduction in leasehold facility costs.

Results Summary

Consolidated results

Half Year Ended 30 June 2009.	**2009**	**2008**	
	$'000	**$'000**	**Increase/(Decrease)**
Revenue from operations	817,696	895,714	(8.7%)
Other revenue	2,716	13,950	(80.5%)
Total revenue	820,412	909,664	(9.8%)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	38,537	44,244	(12.9%)
Share of associates profits (losses)	1,516	790	91.9%
EBITDA after equity accounting.	40,053	45,034	(11.1%)
Depreciation and Amortisation	(4,923)	(4,280)	15.0%
Earnings before interest and tax (EBIT)	35,130	40,754	(13.8%)
Borrowing costs	(12,014)	(12,642)	(5.0%)
Profit before tax	23,116	28,112	(17.8%)
Income tax expense	(6,588)	(8,276)	(20.4%)
Profit after tax	16,528	19,836	(16.7%)
Earnings per share - basic	54.8 Cents	67.9 Cents	(19.3)%

Additional Commentary

According to Federal Chamber of Automotive Industry statistics Australia's new vehicle sales for the period January to June 2009 decreased by 16.1 % on 2008. Sales in all States experienced significant declines; Queensland by 17.6%, New South Wales by 14.8%, Northern Territory by 21.7% and South Australia by 14.3%.

The most resilient market segment was light commercial, recording a 10.6% decline. National passenger and SUV vehicle sales declined by approximately 17.0%, and heavy commercial sales declined by 25.4%.

Sales for the month of June 2009 were anomalous when compared to the rest of the period; national vehicle sales of 102,847 units were the third highest ever monthly sales, after June 2008 and June 2007, and only a 3.5% decline on the highest ever month, June 2008. The Federal Government's 30% investment allowance stimulated significant demand, a portion of which has been pulled forward from the second half of the year.

The largest drop in demand was from rental company buyers, which experienced a 61.8% drop in demand nationally, representing 15,152 units. The slowdown in general economic activity and tourism greatly reduced vehicle demand from this industry.

Toyota, Honda and Mitsubishi experienced substantial declines in market share. Hyundai, Subaru, Mazda and Volkswagen gained substantial market share.

A.P. Eagers' new sales for the 2009 half year decreased by 12.5 % to 15,613 units, as compared to the corresponding period of 2008, and used car retail sales increased by 21.3% to 9,332 units.

A.P. Eagers' Franchised Automotive Retail operating segment contributed a profit before tax for the 2009 half year of $19.1 million compared to $14.2 million (excluding the GST refund) for the previous corresponding period. The 2009 half year result represented a 19.6% annualised after tax return on segment net assets compared with 11.3% in 2008.

Operational profit before tax from the Property operating segment was $ 4.7million, representing a reduced annualised after tax return on net assets of 3.6 % in 2009 compared with 4.6% in 2008, due to higher interest charges.

Borrowing costs reduced by 5.0% to $12.0 million. Lower debt levels and variable interest rates were partially offset by higher margins and fees, fixed rates on longer term debt and interest rate hedging losses.

Total gearing (Net Debt/Net Debt plus Equity) reduced to 44.6% as at 30 June 2009, compared to 50.2% as at 31 December 2008. Gearing excluding bailment debt reduced to 23.0% compared to 31.9% as at 31 December 2008. The initial proceeds of $16 million from the sale of 100 McLachlan Street, Fortitude Valley, were applied to debt reduction.

EBITDA Interest Cover increased to 3.2 times as at 30 June 2009, compared to 2.7 times at 31 December 2008.

Adtrans Group Limited's equity accounted net profit after tax contribution for the first half of 2009 was $ 1.0 million, compared to $1.5 million in the previous corresponding half year.

A.P. Eagers' 19.4% interest in MTA Insurance provided an equity accounted profit after tax of $0.5 million, compared to a loss of $0.7 million in the previous corresponding half year.

Net tangible assets increased to $8.41 per share as at 30 June 2009, compared to $8.11 per share as at 31 December 2008.

Earnings per share decreased by 19.3% compared to the previous corresponding half year. However, the underlying EPS excluding the GST on holdback refund in 2008 increased by 35.6%.

Outlook

Federal government stimulus measures, in particular the additional investment allowance for capital expenditure, and lower interest rates have to a degree mitigated the impact of the general economic slowdown on our business. The 50% investment allowance for eligible small business owners is in effect until 31 December 2009, and is likely to generate new vehicle demand in the second half of the year.

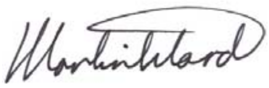
Vehicle manufacturers and distributors have significantly adjusted their production and inventory levels, and this is supporting a more favourable retail environment.

Lower corporate debt levels and the expiration of fixed rate bank bills and an unfavourable interest rate hedge will result in a reduction of some 25% in the second half interest expense.

The full force of the Global Financial Crisis was felt in the second half of 2008, with the company's financial result of $9.6 million underlying profit before tax for the half year to December 2008 reflecting the impact of industry-wide overstocking and a rapidly declining selling environment. The current, more stable, retail environment aligned with a reduced cost base is expected to support an improved trading performance for the second half of 2009 as compared to the corresponding period of 2008. Although a more definitive forecast cannot be given at this time, the Company anticipates being able to provide further guidance in October.

A more robust balance sheet will also allow a greater focus on growth related initiatives in the next year.

Yours faithfully
A.P. Eagers Limited



Martin A Ward
Chief Executive Officer

Further information: Mr Martin Ward
Chief Executive Officer
Ph: (07) 3248 9455

For more information on A. P. Eagers Ltd, visit www.apeagers.com.au

Appendix 4D

Half year report

1. Company details

Name of entity

A.P.Eagers Limited

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
87 009 680 013	30 June 2009	30 June 2008

2. Results for announcement to the market

$A'000's

2.1	Revenues from ordinary activities	Down	9.8%	to	820,412
2.2	Profit (loss) from ordinary activities after tax attributable to members	Down	16.7%	to	16,528
2.3	Net profit (loss) for the period attributable to members	Down	16.7%	to	16,528

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

2.5 +Record date for determining entitlements to the dividend.

15 September 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.

The 2008 profit after tax included $8million relating to refund from the tax office of GST incorrectly paid on manufacturer holdback income. The gross value of claim of $12.1 was also included in the 2008 revenue from ordinary activities. Excluding this non recurring item, the revenues from ordinary activities is down 8.6% and profit from ordinary activities after tax is up 40%.

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	$8.41	$8.37

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
	Interim dividend:	Current year	30/9/2009	22.0¢	22.0¢	Nil¢
		Previous year	30/09/2008	22.0¢	22.0¢	Nil¢

6 Dividend Reinvestment Plans

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

The A.P.Eagers Limited Dividend Reinvestment Plan will not apply to the interim dividend given the success of the company's capital management initiatives including its current on-market share buy-back plan.

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

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	19.43%	19.43%	500	(668)
Adtrans Group Limited	24.54%	25.24%	1,016	1,458

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	2,166	1,128
Income tax on ordinary activities	(650)	(338)
Profit/(loss) from ordinary activities after tax	1,516	790
Extraordinary items net of tax	-	-
Net profit/(loss)	1,516	790
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	1,516	790

Sign here: .... Date: ..28 August 2009.........................
(Company Secretary)

Print name: .............D.G. Stark...

A. P. EAGERS LIMITED
DIRECTORS' REPORT

Your 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 2009.

Directors

The following persons were Directors of A. P. Eagers Limited during the whole of the half year and up to the date of this report:

B W Macdonald, N G Politis, A J Love, M A Ward and P W Henley.

Review of Operations and Results

The consolidated entity achieved a net profit after tax of $16.5 million for the half year ended 30 June 2009 (2008: $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 announcement at the front of this document.

Dividend

A fully franked interim dividend of 22 cents per share (2008: 22 cents) has been declared and will be paid on 30 September 2009 to shareholders registered on 15 September 2009 (the Record Date).

The company's dividend reinvestment plan (DRP) will not be available in respect of the interim dividend.

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
28 August 2009

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
A.P. Eagers Limited
80 McLachlan Street
FORTITUDE VALLEY QLD 4006

28 August 2009

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 audit lead partner for the review of the financial statements of A.P. Eagers Limited for the half year ended 30 June 2009, 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

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

A.P. Eagers Limited
ABN 87 009 680 013

Interim Financial Report

30 June 2009

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 the accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity

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 - 28 August 2009

A.P. EAGERS LIMITED

Condensed Consolidated Income Statement
For the half-year ended 30 June 2009

		Half-year ended 30-Jun-09	Half-year ended 30-Jun-08
		$'000	$'000
Revenue		817,696	895,714
Other income	- GST refund (see note 2)	-	12,073
	- Other	2,716	1,877
Changes in inventories of finished goods and services		(16,021)	57,516
Raw materials and consumables used		(669,015)	(821,513)
Employee benefits expense		(60,785)	(62,273)
Finance costs		(12,014)	(12,642)
Depreciation and amortisation expenses		(4,923)	(4,280)
Other expenses		(36,054)	(39,150)
Share of net profits of associate accounted for using the equity method		1,516	790
Profit before income tax		23,116	28,112
Income tax expense		(6,588)	(8,276)
Profit attributable to members of A.P. Eagers Limited		16,528	19,836

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

Basic earnings per share (cents per share)	54.8	67.9
Diluted earnings per share (cents per share)	54.4	67.1

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 2009

	Half-year ended 30-Jun-09	Half-year ended 30-Jun-08
	$'000	**$'000**
Profit for the period	16,528	19,836
Other comprehensive income		
Gain(loss)on cash flow hedge taken to equity	2,055	(163)
Gain(loss)on revaluation of property	(2,042)	-
Income tax relating to components of other comprehensive income	(4)	49
Other comprehensive income for the period (net of tax)	9	(114)
Total comprehensive income for the period	16,537	19,722

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 2009

	30-Jun-09	31-Dec-08
	$'000	$'000
Current Assets		
Cash and cash equivalents	10,922	46
Trade and other receivables	61,594	57,150
Property sale receivable	5,500	-
Leasebook receivables	7,919	9,319
Inventories	190,786	206,807
Other	1,921	3,771
Total Current Assets	278,642	277,093
Non-Current Assets		
Leasebook receivables	13,206	17,037
Investments accounted for using the equity method	18,717	17,638
Property, plant and equipment	332,577	358,748
Intangible assets	67,615	67,615
Total Non-Current Assets	432,115	461,038
Total Assets	710,757	738,131
Current Liabilities		
Trade and other payables	55,326	45,728
Derivative financial instruments	1,080	3,135
Borrowings - Bailment and bank overdraft	162,895	168,470
Borrowings - Leasebook liabilities	6,422	7,553
Current tax liabilities	7,915	-
Provisions	8,875	8,452
Other	343	250
Total Current Liabilities	242,856	233,588
Non-Current Liabilities		
Borrowings - Leasebook liabilities	13,537	17,616
Borrowings - Other	107,217	145,860
Deferred tax liabilities	20,505	25,085
Provisions	3,949	3,904
Other	601	971
Total Non-Current Liabilities	145,809	193,436
Total Liabilities	388,665	427,024
Net Assets	322,092	311,107
Equity		
Contributed equity	149,156	148,135
Reserves	97,665	106,672
Retained profits	75,271	56,300
Total Equity	322,092	311,107

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 2009

	Issued capital	Asset revaluation reserve	Capital reserve	Hedging reserve	Share-based payments reserve	Retained earnings	Total
Balance at 1 January 2008	135,812	86,296	21,158	532	876	58,870	303,544
Profit for the period	-	-	-	-	-	19,836	19,836
Loss on cash flow hedge	-	-	-	(114)	-	-	(114)
Total comprehensive income for the period	-	-	-	(114)	-	19,836	19,722
Accrual of share based payments	-	-	-	-	627	-	627
Issue of shares to staff	1,704	-	-	-	(719)	-	985
Issue of shares to vendors of Bill Buckle Group	2,836	-	-	-	-	-	2,836
Dividend reinvestment plan	5,246	-	-	-	-	-	5,246
Payment of dividend	-	-	-	-	-	(10,546)	(10,546)
Balance 30 June 2008	145,598	86,296	21,158	418	784	68,160	322,414
Balance at 1 January 2009	148,135	87,363	21,158	(2,194)	345	56,300	311,107
Profit for the period	-	-	-	-	-	16,528	16,528
Loss on revaluation of property	-	(1,429)	-	-	-	-	(1,429)
Gain on cash flow hedge	-	-	-	1,438	-	-	1,438
Total comprehensive income for the period	-	(1,429)	-	1,438	-	16,528	16,537
Share based payments	-	-	-	-	358	-	358
Transfers	-	(9,062)		-	-	9,062	-
Issue of shares to staff	312	-	-	-	(312)	-	-
Dividend reinvestment plan	1,074	-	-	-	-	-	1,074
Share buy-back scheme	(365)	-	-	-	-	-	(365)
Payment of dividend	-	-	-	-	-	(6,619)	(6,619)
Balance 30 June 2009	149,156	76,872	21,158	(756)	391	75,271	322,092

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 2009

	6 months ended 30-Jun-09 $'000	6 months ended 30-Jun-08 $'000
Cash flows from operating activities		
Receipts from customers	898,851	971,883
Payments to suppliers and employees	(838,455)	(942,051)
Dividends received	437	513
Interest received	123	1,010
Interest and other costs of finance paid	(11,134)	(11,988)
Income tax paid	(2,032)	(7,004)
Net cash provided by operating activities	47,790	12,363
Cash flows from investing activities		
Payment for shares in an associate	-	(513)
Payment for shares in subsidiaries net of cash acquired (including payment for land and buildings occupied by subsidiaries acquired)	-	(32,436)
Proceeds from sale of property, plant and equipment	18,318	459
Payments for property, plant and equipment	(4,262)	(6,314)
Net cash used in investing activities	14,056	(38,804)
Cash flows from financing activities		
Payment for share buy backs	(365)	-
Proceeds from borrowings	67,000	39,900
Repayment of borrowings	(110,853)	(3,066)
Dividends paid	(5,545)	(5,300)
Net cash provided by financing activities	(49,763)	31,534
Net increase (decrease) in cash and cash equivalents	12,083	5,093
Cash and cash equivalents at the beginning of the period	(1,161)	965
Cash and cash equivalents at the end of the period	10,922	6,058

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 2009

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 shall be read in conjunction with the most recent annual financial report

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 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 2008 annual financial report for the financial year ended 31 December 2008, except for the impact of the Standards and Interpretations described below. 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 Other Income - GST refund in 2008

In a judgement made on 28 February 2008 the Federal Court ruled in favour of a motor vehicle dealer to require the Australian Taxation Office (ATO) to refund GST in relation to payments received from Motor Vehicle Distributors called "holdback payments" from 1 July 2000 when the GST was introduced to 30 June 2005. The ruling enabled the majority of motor vehicle dealers to lodge claims on the ATO for overpaid GST on holdback payments.

At 30 June 2008, the Company accrued in its accounts $12,073,135 as receivable from the ATO and at the same time accrued $603,657 as payables for fees incurred in handling the claim.

The income statement impact of the GST refund at 30 June 2008 was a follows:

	$'000
GST refund claim	12,073
Claim expenses	(604)
	11,469
Tax expense	(3,441)
Net after tax	8,028

Subsequent to 30 June 2008, as a result of a Decision Impact Statement from the Australian Taxation Office, the tax impact of the refund was reduced to $1,234,000 and the difference of income tax expense was adjusted in the accounts to 31 December 2008.

3 Sale of property, plant and equipment

Material movement in property, plant and equipment during the period included the sale of two property assets as follows:

	$'000
Carrying value of properties sold	25,280
Impairment loss adjusted against asset revaluation reserve and deferred tax liabilities accounts	(1,462)
Written down value/Proceeds (net of selling costs)	23,818

For taxation purposes, the group recorded a capital gain of approximately $11.5 million and the tax theron of approximately $3.5 million has been included in the current tax provision.

A.P. EAGERS LIMITED

Notes to the Condensed Consolidated Financial Statements
30 June 2009

4 Segment information

Primary reporting - Business segment

	Franchise Auto Retail	All Other	Property	Eliminations	Consolidated
6 months ended 30 June 2009	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Sales to external customers	789,564	28,132	179	-	817,875
Inter-segment sales	-	-	14,551	(14,551)	-
Total sales revenue	789,564	28,132	14,730	(14,551)	817,875
Other Revenue	2,394	-	-	-	2,394
Unallocated revenue	-	-	-	-	143
TOTAL REVENUE	791,958	28,132	14,730	(14,551)	820,412
SEGMENT RESULT					
Operating Profit	23,438	258	10,920	-	34,616
External Interest Expense Allocation	(5,850)	-	(6,164)	-	(12,014)
OPERATING CONTRIBUTION	17,588	258	4,756	-	22,602
Share of net profit of equity accounted investments	1,516	-	-	-	1,516
Property revaluation/(devaluation)	-	-	(2,042)	2,042	-
SEGMENT PROFIT	19,104	258	2,714	2,042	24,118
Unallocated corporate expenses					(1,002)
					23,116
Income tax expense					(6,588)
NET PROFIT					16,528
6 months ended 30 June 2008					
Sales to external customers	866,115	29,599	251	-	895,965
Inter-segment sales	-	-	13,383	(13,383)	-
Total sales revenue	866,115	29,599	13,634	(13,383)	895,965
Other Revenue	1,395	-	-	-	1,395
Unallocated revenue	-	-	-	-	12,290
TOTAL REVENUE	867,510	29,599	13,634	(13,383)	909,650
SEGMENT RESULT					
Operating Profit	20,511	(102)	10,029	-	30,438
External Interest Expense Allocation	(7,062)		(5,580)	-	(12,642)
OPERATING CONTRIBUTION	13,449	(102)	4,449	-	17,796
Share of net profit of equity accounted investments	790	-	-	-	790
Profit on sale of property	-	-	14	-	14
GST refund (net after claim expenses)	11,469	-	-	-	11,469
SEGMENT PROFIT	25,708	(102)	4,463	-	30,069
Unallocated corporate expenses					(1,957)
					28,112
Income tax expense					(8,276)
NET PROFIT					19,836

5 Dividends

	6 months ended 30-Jun-09	6 months ended 30-Jun-08
	$'000	$'000
Ordinary shares		
Dividends provided for or paid during the half-year	6,619	10,546
Dividends not recognised at the end of the half-year		
Since the end of the half-year the directors have declared the payment of an interim dividend of 22 cents (2008 - 22 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 30 September 2009 out of retained profits at the end of the half-year, but not recognised as a liability, is	6,656	6,565

6 Equity securities issued

	6 months ended 30-Jun-09	6 months ended 30-Jun-08	6 months ended 30-Jun-09	6 months ended 30-Jun-08
	Shares	Shares	$'000	$'000
Issues of ordinary shares during the half-year				
Senior Executive Deferred Commision plan	76,373	61,242	312	719
Purchase of shares in a subsidiary	-	202,566	-	2,836
Employee share plan *	-	68,379	-	985
Share buy back scheme	(49,707)	-	(365)	-
Dividend reinvestment plan issues	220,983	383,711	1,074	5,246
	247,649	715,898	1,021	9,786

* Issued free to eligible employees but expensed in income statement in accordance with Australian Accounting Standard AASB2: *Share-based Payment*

7 Business combinations

6 months ended 30 June 2009

There were no business combinations during the period.

6 months ended 30 June 2008

On 31 March 2008 the Group acquired 100% of the shares in Bill Buckle Holdings Pty Ltd trading as Bill Buckle Auto Group concurrently with the purchase from the vendors of the land and buildings from which the operations are conducted.
The Bill Buckle Auto Group is the largest motor dealership group in Northern beaches of Sydney with the state of art facilities. They operate Toyota, Subaru, Audi and Volkswagen franchises.
The acquired businesses contributed revenue of $40 million and profit before tax, internal rental, corporate charges and internal interest of $ 860 thousand for the period 1 April 2008 to 30 June 2008.
If the acquisition had occurred on 1 January 2008, the consolidated entity's revenue and profit before tax for the half-year ended 30 June 2008 would have been $ 950 million and $28.4 million respectively.

		$'000
The details of acquisition are as follows:		
Purchase consideration:		
Cash paid		33,106
Direct costs relating to acquisition		1,487
		34,593
Less: cash acquired		(2,157)
		32,436
Issue of shares		2,836
		35,272
Fair value of net identifiable assets acquired:		
Leasebook receivables	30,875	
Other receivables	7,251	
Inventories	18,389	
Property, plant & equipment	24,500	
Deferred tax assets	803	
Leasebook finance	(29,732)	
Creditors and borrowings	(30,036)	22,050
Total intangibles including goodwill		13,222

The allocation between identifiable intangibles and goodwill has not been determined at reporting date.

8 Contingent liabilities

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

9 Subsequent events

Since the end of the financial year no matters or circumstances not otherwise dealt with in this report has significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years

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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 (the consolidated entity), which comprises the condensed consolidated statement of financial position as at 30 June 2009, and the condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of cash flows and the condensed consolidated 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 A.P. Eagers Limited 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 consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2009 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 AP 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.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

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 2009 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

DELOITTE TOUCHE TOHMATSU

MICHAEL KAPLAN
Partner
Chartered Accountants
Sydney, 28 August 2009