

# A.P. Eagers

**Broker Briefing**

**6 July 2011**

- **98** year old automotive retail group founded in **1913**
- **53** years as a listed public company – dividend paid every year
- A.P. Eagers owns more than **70** acres of prime real estate with land and buildings of **\$321m**
- Represents all **12** of the top **12** selling vehicle brands in Australia and **31** car brands in total along with **12** truck / bus brands
- **97** dealership locations in Qld, NT, NSW, Vic and SA
- **2,900** employees

# A.P. Eagers Volume Car Brands



Represents 12 of the top 12 selling volume car brands in Australia



# A.P. Eagers Luxury Car Brands

Represents 8 of the top 9 selling luxury car brands in Australia



# A.P. Eagers Truck and Bus Brands



Representing 12 truck and bus brands



**IVECO**

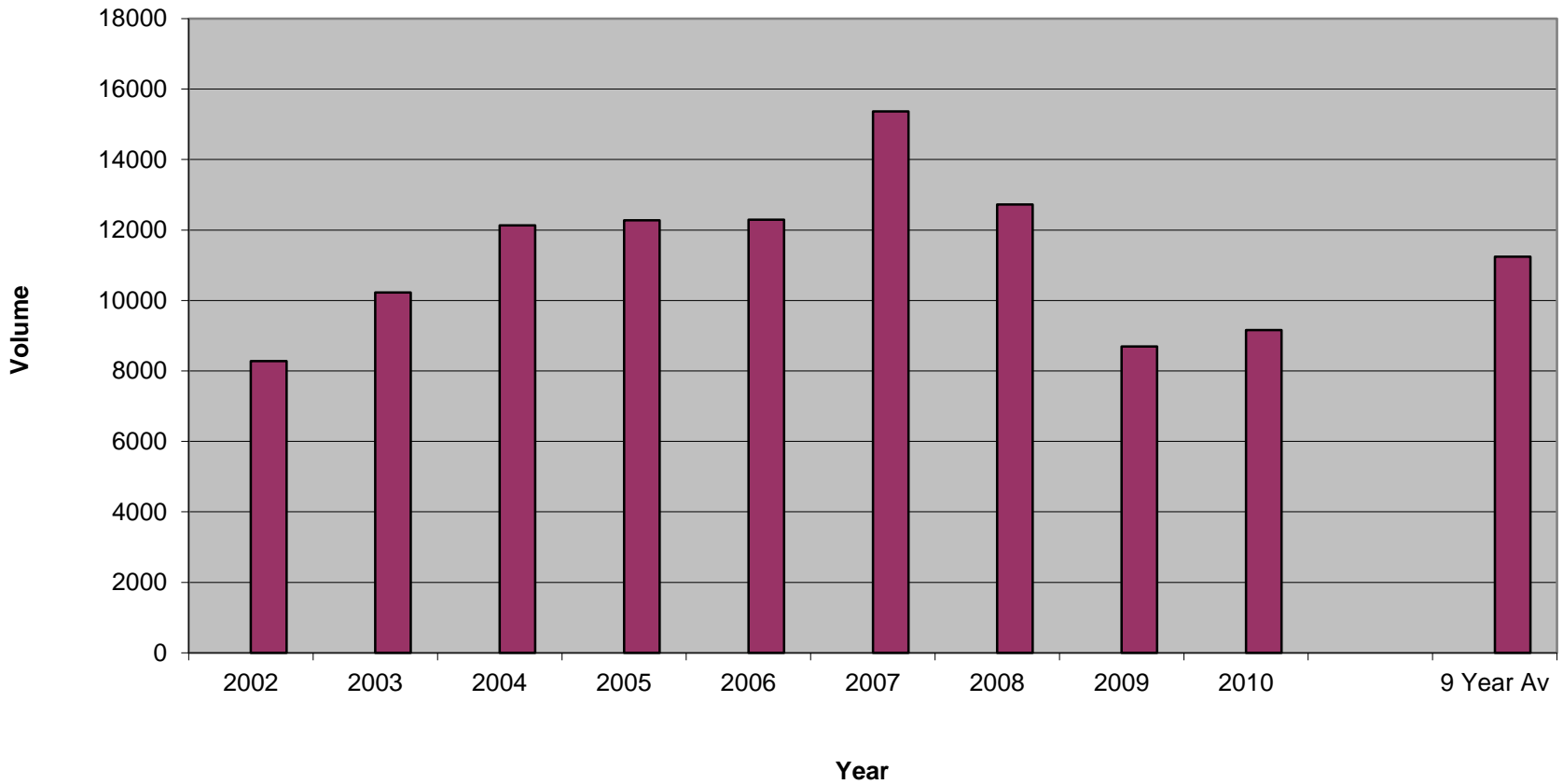
**FUSO**



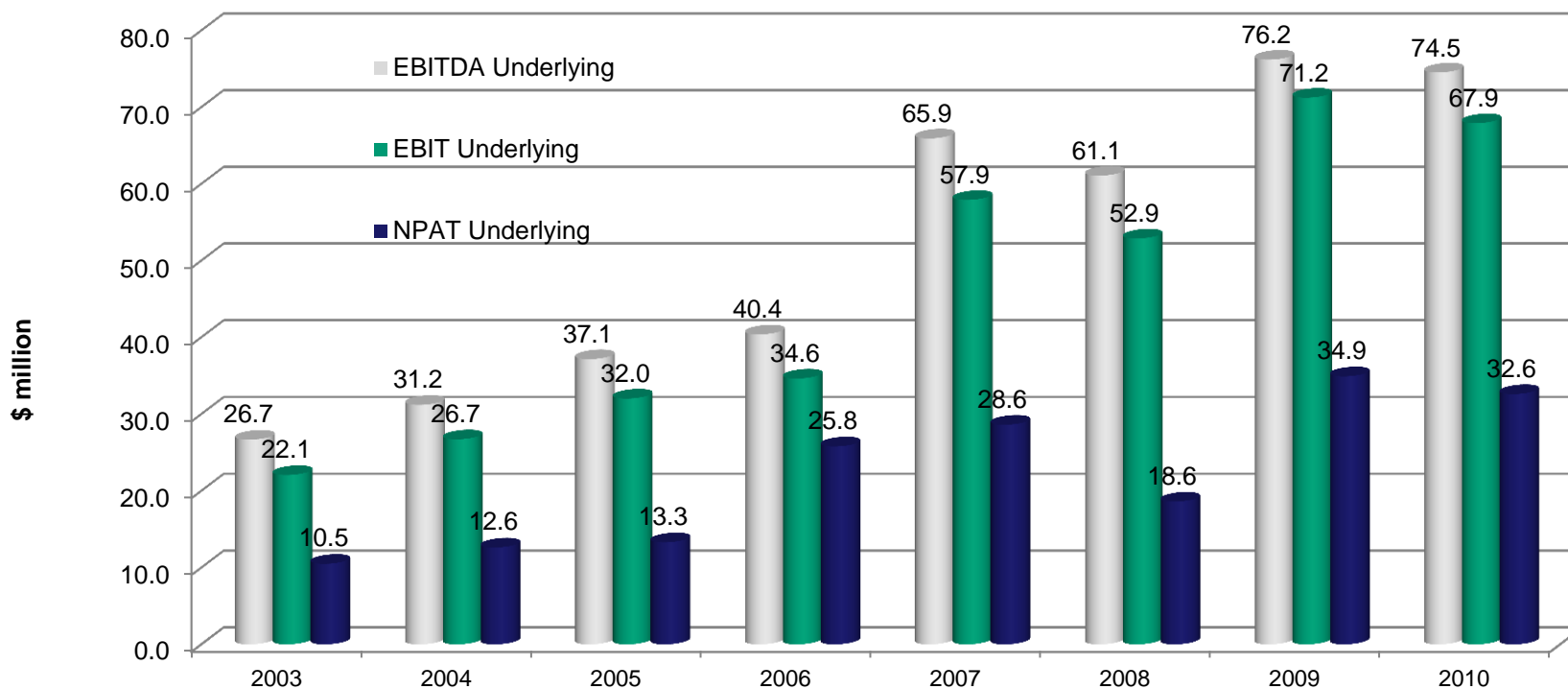
**HYUNDAI**



# National Heavy Commercial Sales - 2002 to 2010 (15,001 kgs GVM and over)

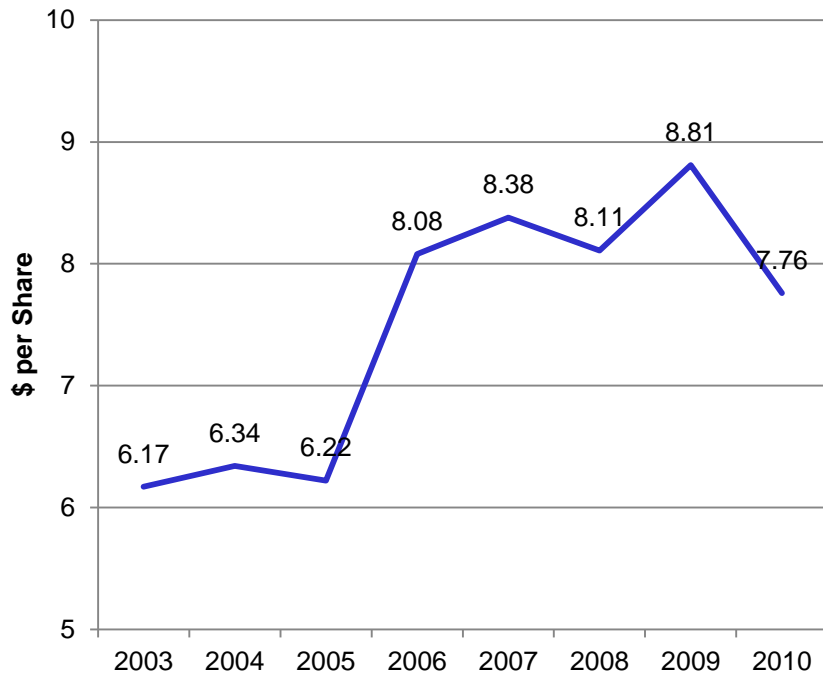


# Financial Trends

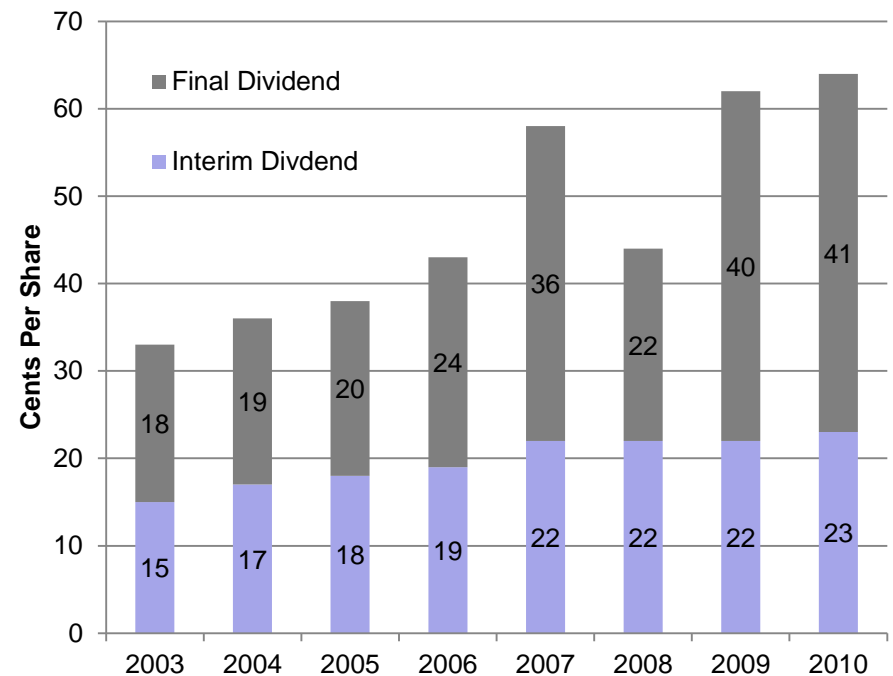


# Financial Trends

## Net Tangible Assets



## Dividend





# Vehicle Sales for June 2011

Source: FACI VFACTS

**AP EAGERS**

	Month		YTD		MTH	YTD
	2011	2010	2011	2010		
<b>Total Market</b>						
<b>Aust. Capital Territory</b>	1,410	1,666	7,738	8,282	-15.4%	-6.6%
<b>New South Wales</b>	29,685	33,240	155,083	160,998	-10.7%	-3.7%
<b>Northern Territory</b>	985	1,133	5,236	5,498	-13.1%	-4.8%
<b>Queensland</b>	21,062	22,956	103,962	109,129	-8.3%	-4.7%
<b>South Australia</b>	6,057	7,109	30,586	34,194	-14.8%	-10.6%
<b>Tasmania</b>	1,443	1,779	7,937	9,384	-18.9%	-15.4%
<b>Victoria</b>	25,091	29,192	131,773	143,896	-14.0%	-8.4%
<b>Western Australia</b>	10,424	11,647	53,921	59,787	-10.5%	-9.8%
<b>Total</b>	96,157	108,722	496,236	531,168	-11.6%	-6.6%

# Vehicle Sales; Qld Floods; Japanese Earthquake



- May month down 13.2%, June month down 11.6%
- Deliveries and therefore reported sales affected by supply constraints.
- Order intake in June only 1% below last year.
- New vehicle carry-overs particularly strong, deliveries in second half.
- Queensland's relative YTD sales suggests replacement vehicles due to flood damage is now occurring.
- 2011 still likely to be circa 1,000,000 new vehicle sales.

## FOCUS: GROW EPS AND PAY LARGER DIVIDENDS

### Short Term

- Continue to improve performance in all business units
- Continue “held for sale” property process
- Continue integration process of Adtrans

### Medium/Longer Term

- Build on “properties held for growth”

# North Lakes



## FOCUS: GROW EPS AND PAY LARGER DIVIDENDS

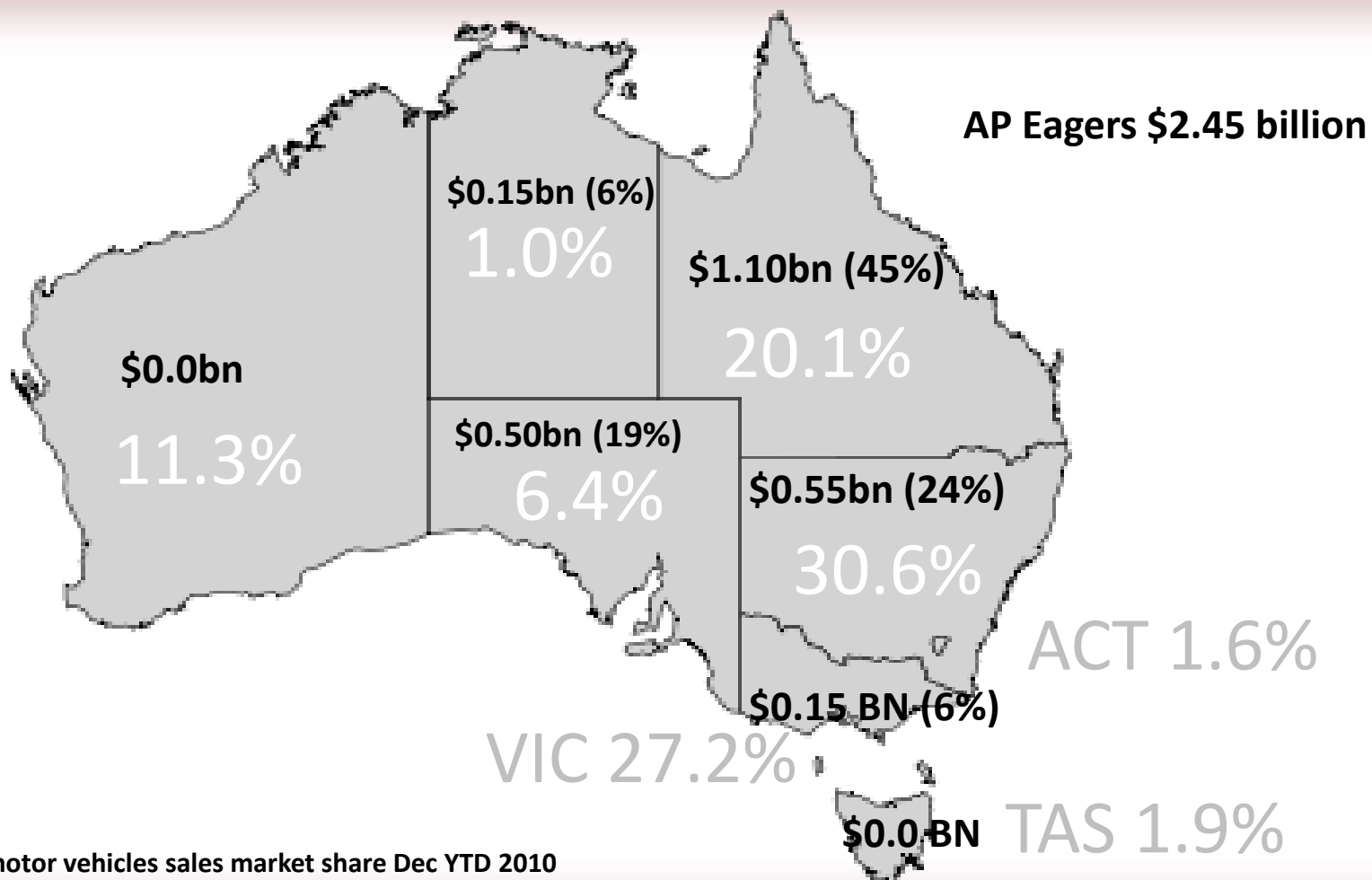
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### Medium/Longer Term

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- Continue selective growth via acquisitions (geographical and brand) that are EPS accretive

# AP Eagers



Shaded %'s = New motor vehicles sales market share Dec YTD 2010

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- Build on “properties held for growth”
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- Ensure new JV Carsguide achieves its goals

# The New and Improved



## Ownership

- 50% owned by News Ltd, the world's largest media organisation
- 50% owned by car dealers
- Now over-subscribed due to large interest by foundation dealers through IM
- Final investors (%'s) and dealership numbers are being worked through
- Virtually all brands and all major geographical areas represented by an equity participating dealer
- AP Eagers expects to own 7.5%



# The New and Improved



## Reason for Success

- Success requires Inventory and Eyeballs (UB's)
- Smart business plan that will particularly challenge competitors on pricing and model structure
- Smart advertising and unique selling propositions that combined with the above is planned to deliver The Eyeballs
- Australia's largest car retailers (Public & Private) are committed to its success.

# The New and Improved



AP Eagers accepts that it is a real challenge to compete with an established dominant competitor particularly within the “Internet Arena” and is not expecting the New and Improved Cars Guide.com.au to either be an instant success or an automatic success.

However AP Eagers does believe that the foundation partners, their investments in kind, dollars and commitment along with the likely equity participation by a large proportion of Australia’s leading private dealerships gives the venture a significant chance of outstanding success.

# Why Invest in AP Eagers?



- Consistent profits, strong dividends
- Track record of EPS growth from acquisitions
- Underpinned by \$320m of property assets with an average value of \$7m
- Structurally the retail automotive segment is consolidating and has to continue to consolidate.
- The new “Carsguide” might win. Invest via AP Eagers shares.