



22 July 2009

Company Announcements Office
ASX Limited

A. P. Eagers Announces Increased Underlying Profit for Half Year

A. P. Eagers Limited (ASX: APE) is pleased to announce an unaudited profit before tax for the half year ended 30 June 2009 of approximately \$23 million following strong trading conditions from April to June.

This compares to \$28.1 million for the corresponding period of 2008; however, the 2008 result included a non-recurring \$11.5 million benefit from a tax refund of overpaid GST on holdback payments, as previously announced.

Underlying profit before tax of approximately \$23 million for the 2009 half year compares to \$16.6 million for the corresponding period of 2008, an increase of 39%.

Key features of the 2009 half year results were:

- The continued reduction in net corporate debt from \$147 million at 31 December 2008 to \$96 million at 30 June 2009 was a result of strong operating cash flow and cash generated from surplus property sales.
- An industry-wide reduction in vehicle inventory led to improved selling margins. In combination with the company's lower operating costs, this resulted in A. P. Eagers achieving an underlying profit before tax equal to 2.8% of sales for the half year, as compared to 1.9% for the corresponding period of 2008.
- The federal government's economic stimulus measures are believed to have generated a significant volume of activity during the half year, including a proportion of which has been pulled forward from the second half of 2009. As such, it is difficult to forecast the full year's results, particularly in the current economic environment.
- Due to the strong half year results, the company's Net Tangible Assets increased to \$8.41 per share as at the end of June 2009.

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
Email corporate@apeagers.com.au

It is expected that the interim dividend for 2009 will be maintained at the 2008 level of 22 cents per share and that the company's dividend reinvestment plan (DRP) 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.

At the company's full year balance date of 31 December 2008, a revaluation of all assets resulted in impairments being taken to account at that time. Although the results announced today have not yet been audit reviewed, no further impairment of a material nature is expected.

The final audit reviewed results for the half year will be released in late August 2009.

ENDS

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