



6 October 2006

The Companies Announcements Office
Australian Stock Exchange Limited

ASX and Media Release

\$40M PROPERTY SALE AND UPWARD REVISION OF FULL YEAR FORECAST BY \$14M TO \$37M

Property Sale

A.P. Eagers announces that it has today signed an unconditional agreement with Seymour Group Pty Ltd and its joint venture partner Watpac Ltd to sell a 2 hectare property considered surplus to the Group's needs.

The property bounded by Breakfast Creek Road, Durong, Ross and Edmond Streets, Newstead has been sold for \$40million, yielding a before tax profit of approximately \$14million with a potential additional uplift factor of up to \$3million dependant on specific Development Application criteria. Settlement is set down for 21 December 2006. The transaction was negotiated by Seb Turnbull and Geoff McIntyre of Jones Lang LaSalle acting for the purchaser.

Chief Executive Officer Mr Martin Ward said that a major benefit to the Company resulting from this sale was that the \$40million sale proceeds coupled with the \$26million equity recently raised by the Company would greatly assist the Company's expansion program.

Revised Profit Forecast

As a consequence of the above property sale and its resultant profit effect, the Company has revised its before tax profit forecast for the full year ending 31 December 2006 reported to the market on 25 August 2006, from \$23million to \$37million.

Operational Issues

The Company is presently utilising a portion of the sold property for three of its motor vehicle retail operations which will be progressively relocated to other Company owned sites over the next 15 to 18 months. Plans are already well advanced to relocate one operation, City Subaru, to a new location in the next three months which is expected to yield future operational efficiencies.

Property Valuations

Whilst not speculating on property values, the Company reiterates previous announcements of its intention to obtain an independent valuation of its property portfolio as at 31 December 2006 in line with its stated accounting policy and advises that within its portfolio it owns a further 3.8 hectares of developed property in the Newstead area in close proximity to the sold property.

For more information, please contact Mr Martin Ward on (07) 3248 9455

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