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The Company Announcements Office
ASX Limited

ASX Announcement

A.P.Eagers Trading Profit up 79% Property Values Increased by \$28 Million on Revaluation

A.P. Eagers Limited (APE) announces that its estimated profit before tax for the year ending 31 December 2007 is now expected to be in the range of \$39 million to \$40 million, a substantial increase of at least 79% on the equivalent profit before tax from trading operations for 2006 of \$21.8 million.

The Group's reported profit before tax of \$36.8 million for 2006 included profit on the sale of surplus property of \$15 million, whereas the estimated 2007 result does not include any property sale profits. Guidance on full year 2007 trading profit provided on 7 December 2007 indicated a before tax profit range of \$36 million to \$37 million.

The increase in estimated profit is the result of particularly strong December trading in the Queensland market. New car sales volume for the Queensland market in December 2007 was 18% higher than December 2006 as compared to an Australian market sales volume increase of 12% for the same period. Queensland Government stamp duty changes applicable from 1 January 2008 contributed to the high level of demand in December.

Following a Directors review of the Group's dealership related property portfolio, a \$28 million revaluation surplus for specific property assets will be taken to the asset revaluation reserve account in the Group's Balance Sheet against which a deferred tax liability for capital gains tax of \$8.4 million will be made.

The valuation surplus primarily reflects further growth in value of properties located in the Brisbane city fringe areas of Woolloongabba, Fortitude Valley and Newstead.

The audited financial result will be finalised and released in the Appendix 4E Preliminary Final Report on 29 February 2008.

For further information please contact:

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