



10 February 2006

The Companies Announcements Office
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Dear Sir

A.P. Eagers Limited terminates agreement to merge with Auto Group Limited

A.P. Eagers Limited (AP Eagers) has today terminated the Implementation Agreement with Auto Group Limited (Auto Group) (previously announced to the market on 8 December 2005).

AP Eagers notified the Board of Auto Group on Tuesday 7 February 2006, that the Auto Group material adverse change condition in the Implementation Agreement had become incapable of being satisfied due to a substantial deterioration in Auto Group's financial position.

The Board of AP Eagers has considered various options that might allow the merger to proceed on revised terms, but has today decided that it is in the best interests of AP Eagers' not to proceed with the merger.

Yours faithfully
A.P. Eagers Limited

A handwritten signature in black ink, appearing to read 'B W Macdonald'.

B W Macdonald
Chairman

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