



1 October 2008

The Company Announcements Office
ASX Limited

**Re: A. P. EAGERS EXPANDS INTO MELBOURNE, VICTORIA, THROUGH ACQUISITION
OF MELBOURNE CITY TOYOTA**

A.P. Eagers Limited today announced it has entered into a Heads of Agreement to acquire Melbourne City Toyota, the third largest Toyota dealership in Victoria. The company has agreed to pay approximately \$13 million for the goodwill and net assets of the business which has an annual turnover of \$158 million. Land and buildings will not be acquired as part of the transaction.

The acquisition is subject to satisfactory due diligence, agreement on transaction documentation and manufacturer approval being obtained, with completion expected on 1 December 2008.

The acquisition will be immediately earnings accretive and will be funded through the payment of cash available from debt facilities previously agreed with the company's financiers.

A.P. Eagers is delighted that the current Dealer Principal, Mr Wayne Stewart will remain with the business. Mr Stewart is an experienced industry operator with over 25 years total industry experience, including more than 20 years in Dealer Principal roles and the last 6 years as Dealer Principal of Melbourne City Toyota.

This is A.P. Eagers' first acquisition in the strategically important Victorian retail car market. The acquisition also increases A.P. Eagers' exposure to the market leader Toyota.

Melbourne City Toyota sold approximately 4,600 new and used Toyotas over the last 12 months and employs 150 staff. It is a financially strong, well balanced dealership, in a good location, with an experienced operator capable of delivering growth over future years.

The acquisition reinforces A.P. Eagers' strategy of expanding its core motor dealership activities by identifying and acquiring strong and profitable operations in key market areas both locally and interstate.

Melbourne City Toyota is owned by a consortium, the principal shareholder of which is Mr Nick Politis, a non-executive director and the largest shareholder of A.P. Eagers. A.P. Eagers' independent directors are satisfied that the acquisition is on reasonable terms and has been negotiated on an arm's length basis.

ENDS

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

For more information on A. P. Eagers Limited, visit www.apeagers.com.au

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