



13 December 2007

The Companies Announcements Office  
ASX Limited

#### ASX ANNOUNCEMENT

##### **A.P. Eagers Signs Heads of Agreement to Acquire the Bill Buckle Auto Group, Sydney**

A.P. Eagers Limited today announced it had entered into a Heads of Agreement to acquire the Bill Buckle Auto Group located on the Northern Beaches of Sydney.

A.P. Eagers has agreed to pay approximately \$14m to acquire 100% of the shares in the business trading as Bill Buckle Auto Group which represents the goodwill and estimated net assets of the group on completion on the 31<sup>st</sup> of March 2008.

Concurrently A.P. Eagers has agreed to purchase all the land and buildings used by the Bill Buckle Auto Group that are owned by the vendors for a total price of \$22m.

The acquisition will be funded through the payment of \$33m in cash and \$3m in A.P. Eagers shares and is subject to satisfactory due diligence, agreement on satisfactory transaction documentation and the approval of each of the motor vehicle manufacturers involved.

The Bill Buckle Auto Group operates Toyota, Subaru, Audi and Volkswagen franchises and is the premier motor dealership group on the Northern beaches of Sydney. With a rich history, established in 1927 by William G Buckle in William Street, Sydney, starting with Triumph and Talbot franchises for NSW, three generations of Buckles have served the Sydney area for 80 years.

A.P. Eagers is delighted that the current Managing Director, Bill Buckle, will continue in the business as Dealer Principal and take shares in A.P. Eagers.

Bill Buckle said "Our philosophy is to only be involved in high quality products and brands which allow us to compete in the segments popular in our market place and to focus on developing "whole of life" ownership cycles with our customers. We believe our brands complement our business plan to provide customers in our target market (Northern beaches, Brookvale and Mosman) with the best available in innovative, reliable and value for money motor vehicles".

A.P. Eagers' Chief Executive Officer Martin Ward said the Bill Buckle Auto Group acquisition was exciting for a number of reasons. Physically the business is situated in a prime location in a tightly held automotive strip in Brookvale on Pittwater Road and the four brands Toyota, Subaru, Audi and Volkswagen are all fast growing premium brands that suit the demographics of the Northern Beaches customers. Additionally, the culture within the Bill Buckle Group is not dissimilar to A.P. Eagers in that each have strong track records in delivering success to manufacturers and stakeholders through a combination of great facilities and great people providing outstanding customer satisfaction.

Bill Buckle Auto Group has a turnover of \$170m, employs 180 staff and sells around 4,000 new and pre-owned motor vehicles per year. The business has very recently been geared for growth with the construction of a brand new Subaru showroom (2005) and a brand new Volkswagen showroom (2007) and provides an excellent opportunity through its strategic location and strong brand representation to lift the current geared returns to industry standards in an acceptable timeframe.

For further information please contact:

Mr Martin Ward, Chief Executive Officer on (07) 3248 9455

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