23 August 2017

Company Announcements Office
ASX Limited

Results for Announcement to the Market

Half Year Report and Accounts

- **Record Half Year Net Profit Before Tax of $68.1 million (2016HY: $67.9 million) up 0.3%.**
- **Record Underlying Profit Before Tax[(1)] of $68.3 million (2016HY: $66.6 million) up 2.6%.**
- **Record Statutory Profit After Tax of $49.3 million (2016HY: $49.1 million) up 0.4%.**
- **Half Year Earnings per Share (basic) of 25.4 cents (2016HY: 26.2 cents) down 3.0%.**
- **Record EBITDA of $88.8 million (2016HY: $86.7 million) up 2.5%.**
- **Record Interim Dividend of 13.5 cents per share (2016HY: 13.0 cents) up 3.8%.**

The following documents for our half year ended 30 June 2017 are **attached**:

1. Half Year Report – Appendix 4D and commentary
2. Directors' Report
3. Interim Financial Report
4. Auditor's Report and Declaration of Independence

These are given to the ASX under listing rule 4.2A and are to be read in conjunction with our most recent annual financial report.

Yours faithfully
A.P. Eagers Limited

Denis Stark

Denis Stark
Company Secretary

A. P. EAGERS LIMITED
ABN 87 009 680 013

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Appendix 4D
Half Year Report and Commentary

Half year ended 30 June 2017

(ASX listing rule 4.2A)

Results for Announcement to the Market

- **Record Half Year Net Profit Before Tax of $68.1 million (2016HY: $67.9 million) up 0.3%.**
- **Record Underlying Profit Before Tax(1) of $68.3 million (2016HY: $66.6 million) up 2.6%.**
- **Record Statutory Profit After Tax of $49.3 million (2016HY: $49.1 million) up 0.4%.**
- **Half Year Earnings per Share (basic) of 25.4 cents (2016HY: 26.2 cents) down 3.0%.**
- **Record EBITDA of $88.8 million (2016HY: $86.7 million) up 2.5%.**
- **Record Interim Dividend of 13.5 cents per share (2016HY: 13.0 cents) up 3.8%.**

The Directors of A.P. Eagers Limited (ASX: APE) are pleased to report a 2017 half year Net Profit Before Tax of $68.1 million. This compares to a half year Net Profit Before Tax of $67.9 million in 2016, an increase of 0.3% on the previous corresponding period (pcp). Net Profit After Tax for the 2017 half year was $49.3 million as compared to $49.1 million, an increase of 0.4% on the pcp. Earnings per share (basic) for the 2017 half year is 25.4 cents compared to 26.2 cents on the pcp.

Our Victorian and Tasmanian operations produced strong results, while our New South Wales and South Australian operations have continued to perform well. Our National Truck division produced consistently strong results throughout the half year and continues to improve profitability.

Challenging market conditions in the first four months of the year in our largest geographic market segment of Queensland impacted trading performance versus the pcp, although buoyant trading in May and June partially clawed back the decline for the half year. The increase in profitability in May and June was also due to increased dividend income from our strategic investment in Automotive Holdings Group Ltd (AHG) and increased gains on sale of investments and property of $2.1 million year on year.

Dividend

A fully franked interim dividend of 13.5 cents per share (2016: 13.0 cents) has been approved for payment on 6 October 2017 to shareholders who are registered on 15 September 2017 (Record Date). The Company's dividend reinvestment plan (DRP) will not apply.

(1) Underlying adjustments include property revaluations $0.2 million and benefit from tax refunds associated with previous years' GST payments $0.01 million.

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External Environment

According to Federal Chamber of Automotive Industry statistics, Australia's new motor vehicle sales increased by 0.2% in the half year to 30 June 2017 as compared to the pcp. New vehicle sales in Western Australia, Queensland and Australian Capital Territory decreased on the pcp by -7.1%, -1.5% and -1.1%, respectively. New South Wales and Northern Territory experienced minor decreases on the pcp by -0.1% and -0.2%, respectively. Strong growth was experienced in Victoria (+4.4%) with relatively minor growth in Tasmania (+1.4%) and South Australia (+0.4%).

Private sales decreased by -2.3%, partly offset by a 2.1% increase in business sales. Luxury vehicle segment contracted from 11.7% to 11.1% of total market share, with record sales from brands such as Mercedes-Benz, Jaguar, Mini, Porsche, Infiniti and Maserati, being offset by declines in BMW, Volvo, Land Rover, and Audi.

Australian manufactured vehicles represented only 4.7% (2016: 6.8%) of new cars sold in the national market in the first half of 2017.

Nationally, the Heavy Commercial segment recorded a 7.1% increase with significant increases in light duty trucks and heavy/medium duty sales, +4.0% and +15.0% respectively.

Business Initiatives

Our Birrell Group acquisition in Victoria/ Tasmania performed strongly in the first half of 2017 benefiting from full integration into the A.P. Eagers operating structure, strong market conditions in Victoria and an improved truck division performance in Tasmania. Encouragingly, these results have been achieved despite a material decline in Holden operations in Tasmania.

The Crampton and Ireland Group acquisitions, while trading below expectations, have now been fully integrated into the A.P. Eagers operating structure and we have started to see improved trading which is expected to continue in the second half of 2017.

Carzoos, while still in its early stages, continues to grow and impress customers with our entirely new way to buy and sell a used car. The key metrics for any start up around rapid growth in awareness, leads and engagement have been supported by exceptionally strong advocacy from our rapidly growing customer base. We are now targeting transactional volume as we switch our investment focus from technology and process testing to more traditional marketing activity aimed at building awareness in a business model we are extremely confident in. We will continue to refine and evolve the Carzoos offering to ensure scalability benefits can be realised and maximised in the mid-term.

We are also pleased to communicate that our Carzoos business has received recent independent, critical acclaim via the International Business Awards, more commonly known as the Stevies. Carzoos has been awarded a Gold Stevie Award in the Most Innovative Company of the Year (up to100 employees) Category from a global panel of judges. This follows Carzoos receiving the award for 'Innovation and Tech Excellence' at the inaugural CXO Leaders Awards in Sydney.

Our strategic 23.00% shareholding in AHG as at 30 June was valued at $255.5 million based on their closing share price of $3.35 per share. While not included in our Statutory Profit after Tax, a before tax unrealised loss of $44.9 million has been recognised in the Statement of Comprehensive Income for the first half of 2017.

Results Summary

Consolidated results

Half Year Ended 30 June 2017	2017 $'000	2016 $'000	Increase/(Decrease)
Revenue	2,033,375	1,838,307	10.6%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**88,799**	**86,651**	**2.5%**
Depreciation and Amortisation	(8,312)	(6,409)	29.7%
Earnings before interest and tax (EBIT)	**80,487**	**80,242**	**0.3%**
Borrowing costs	(12,392)	(12,380)	0.1%
Profit before tax	**68,095**	**67,862**	**0.3%**
Income tax expense	(18,780)	(18,731)	0.3%
Profit after tax	**49,315**	**49,131**	**0.4%**
Non-controlling interest in subsidiaries	(960)	(649)	
Attributable profit after tax	**48,355**	**48,482**	**0.3%**
Earnings per share - basic	25.4	26.2	(0.3)%

Financial Performance

Total revenue increased by 10.6% to $2.034 billion in the 2017 half year, with all business units reflecting increases in vehicle sales. The additional contribution from business acquisitions in 2016 and strong trading in the New South Wales and South Australia car divisions also combined to boost total revenue. On a like-for-like basis, revenue decreased by -1.2% compared to the pcp, impacted by challenging trading conditions in Queensland.

EBITDA increased by 2.5% to $88.8 million in the 2017 half year (2016 half year: $86.7 million). Profit margins declined slightly as indicated by the EBITDA/Revenue ratio of 4.4% (2016 half year: 4.7%) and the NPBT/Sales ratio also declined slightly to 3.3% from 3.7% (2016 half year), again impacted by challenging trading conditions in Queensland.

Borrowing costs were consistent at $12.4 million for the 2017 half year (2016 half year: $12.4 million), with higher average debt (including additional bailment finance for the 2016 acquired businesses) being offset by lower interest rates and hedging costs. The increase in depreciation and amortisation costs of 29.7% to $8.3 million (2016 half year: $6.4 million) reflects the additional depreciation contributed by the businesses and properties acquired in 2016 and the redevelopment of the Jaguar Land Rover building completed in March 2017.

Profit before tax included a half year dividend from AHG of $7.2 million, compared to $5.8 million in the pcp.

Segments [(2)]

Profit before tax from our Car Retail segment for the half year was $45.3 million, a decrease from $50.7 million for the period ended 30 June 2016. Revenue increased by 12.1%, with the increase primarily attributable to the strong trading in New South Wales and South Australia and an additional 3 months' trading from the Birrell Group and additional 6 months' trading from the Crampton and Ireland Groups, offset by lower like-for-like results in Queensland. The strong trading was also reflected in the parts and service businesses with improvements across the Group.

The National Truck division (Truck Retail segment) continued to improve profitability, delivering a strong profit before tax result of $3.7 million for the half year compared to $3.2 million for the pcp, including improved profits from the new truck division. Revenue decreased by 1.9% due to the divestment of Sydney Truck Centre at the end of May 2017 in order to create improved future returns.

Property valuations were stable and the portfolio's total value increased to $304 million as at 30 June 2017 compared with $299 million as at 31 December 2016. The Property segment contributed profit of $11.0 million before tax for the half year compared to $8.7 million for the pcp.

The Investment segment registered a pre-tax loss of $38.3 million for the half year compared to a loss of $39.9 million for the pcp, due primarily to an unrealised revaluation loss on the AHG investment of $44.9 million.

As at 30 June 2017, the 23.00% strategic investment in AHG had a market value of $255.5 million based on a closing share price of $3.35 per share.

(2) Note: changes in fair value of property and investments are recognised as profit and loss adjustments for segment reporting purposes but are not recorded in the Group's Statutory Net Profit After Tax.

Financial Position

The Company's financial position was strong during the half year. EBITDA interest cover (EBITDA/Borrowing Costs) was 7.2 times as at 30 June 2017, as compared to 7.0 times as at 30 June 2016 and 7.4 times as at 31 December 2016.

Corporate debt (Term and Capital Loan Facility) net of cash on hand was lower at $241.3 million as at 30 June 2017 (31 December 2016: $266.0 million) due to strong operating cash generation. Total debt including vehicle bailment net of cash on hand was $745.8 million as at 30 June 2017, as compared to $751.9 million as at 31 December 2016.

Total gearing (Debt /Debt + Equity), including bailment inventory financing and finance leases, was 51.6% as at 30 June 2017, as compared to 50.2% as at 31 December 2016. Bailment finance is cost effective short-term finance secured against vehicle inventory on a vehicle by vehicle basis. Gearing excluding bailment, and including cash on hand, was 24.6% as at 30 June 2017, compared to 25.8% as at 31 December 2016.

Total inventory levels decreased to $611.1 million at 30 June 2017 from $625.0 million at 31 December 2016. The movement was consistent with seasonal inventory movements.

Net tangible assets reduced to $2.30 per share as at 30 June 2017, as compared to $2.44 per share at 31 December 2016, due to lower valuation of the AHG investment at 30 June 2017.

The Company's cash flow from operations was $100.3 million for the six months to June 2017 (2016 half year: $71.0 million) with the increase due to timing of receipts from customers, payments to suppliers, and lower tax payments.

Outlook and Strategy Update

Although market dynamics remain challenging, we are encouraged by the National new vehicle market volumes remaining in line with previous record levels with low interest rates supporting customer affordability and exceptional product offerings driving customer demand.

Strategically, we remain focussed on automotive retail and our two-pronged approach of driving value from existing businesses through process improvement, operating synergies, portfolio management and organic growth, while taking advantage of value adding acquisition opportunities as they present themselves.

Our key focus areas in the second half of 2017 are:

- Earnings accretive dealership and ancillary market acquisition opportunities;
- Driving further Earnings Per Share growth from our recent Birrell, Crampton and Ireland Group acquisitions;

- Restoring the profitability of all our existing like-for-like dealerships to prior year levels;
- Continued refinement and evolution of our Carzoos offering to ensure scalability benefits can be realised and maximised in the mid-term;
- Further rationalisation of our Parts business, with the merging of two major Brisbane warehouses onto one site from September 2017 continuing to reduce the cost base and improve efficiency; and
- Continued improvement in the performance of our national truck business.

Martin Ward
Managing Director

23 August 2017

For more information: Martin Ward
Managing Director
(07) 3608 7100

www.apeagers.com.au

Note: All national sales figures are based on Federal Chamber of Automotive Industry statistics sourced through VFACTS.

Appendix 4D

Half year report

1. Company details

Name of entity

A.P.Eagers Limited

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
87 009 680 013	30 June 2017	30 June 2016

2. Results for announcement to the market

$A'000's

2.1	Revenues from ordinary activities	Up	10.6%	to	2,033,375
2.2	Net profit (loss) for the period	Up	0.4%	to	49,315
2.3	Net profit (loss) for the period attributable to members	Up	0.3%	to	48,355

2.4 **Dividends**	Amount per security	Franked amount per security
Interim dividend declared	13.5 cents	13.5 cents

2.5 +Record date for determining entitlements to the dividend. | 15 September 2017

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

Refer attached commentary.

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	$2.30	$2.33

+ See chapter 19 for defined terms

4.1 Control gained over entities

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/ (loss) before tax, and internal rent from ordinary activities during the period (where material).	N/A
Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	N/A

4.2 Loss of control over entities N/A

Name of entity (or group of entities)	
Date control lost	
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	$
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	$

5 Dividends

Individual dividends per security

			Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Interim dividend:	Current year	06/10/2017	13.5¢	13.5¢	Nil¢
		Previous year	07/10/2016	13.0¢	13.0¢	Nil¢

6 Dividend Reinvestment Plans

The +dividend or distribution plans shown below are in operation.

The A.P.Eagers Limited Dividend Reinvestment Plan will not apply to the interim dividend.

The last date(s) for receipt of election notices for the +dividend or distribution plans	

7 Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period $'000	Previous corresponding period $'000
Norna Limited (formerly MTA Insurance Services Limited)	20.65%	20.65%	Nil	Nil
DealerMotive Limited	25.46%	Nil	251	Nil

Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):	Current period $A'000	Previous corresponding period - $A'000
Profit/(loss) from ordinary activities before tax	285	Nil
Income tax on ordinary activities	(34)	-
Profit/(loss) from ordinary activities after tax	251	Nil
Extraordinary items net of tax	-	-
Net profit/(loss)	251	Nil
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	251	Nil

Sign here: Denis Stark. (Company Secretary) Date: 23 August 2017

Print name: .............D.G. Stark...

+ See chapter 19 for defined terms

A.P. EAGERS LIMITED ACN 009 680 013
DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of A.P. Eagers Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2017.

Directors

T B Crommelin, N G Politis, M A Ward, D T Ryan, D A Cowper and M J Birrell were Directors of A.P. Eagers Limited during the whole of the half year and they continue in office at the date of this report. P W Henley was a Director during the half year until his retirement on 22 February 2017. S A Moore was appointed as a Director on 29 March 2017 and continues in office at the date of this report.

Review of Operations and Results

The consolidated entity achieved a net profit after tax of $49.3 million for the half year ended 30 June 2017 (2016: $49.1 million). Further review of the consolidated entity's operations during the half year and the results of those operations are included in pages 1 to 5 of the commentary at the front of this report.

Dividend

The Board has determined that a fully franked interim dividend of 13.5 cents per share (2016: 13.0 cents) will be payable on 6 October 2017 to shareholders registered on 15 September 2017 (the Record Date).

The company's dividend reinvestment plan (DRP) will not operate in relation to the interim dividend.

Auditor's Independence Declaration

A copy of the Auditor's independence declaration under section 307C of the Corporations Act 2001 is **attached**.

Rounding of Amounts to Nearest Thousand Dollars

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.

Martin Ward

Martin Ward
Director

Brisbane
23 August 2017

Deloitte Touche Tohmatsu
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The Board of Directors
A.P. Eagers Limited
5 Edmund Street
Newstead, QLD, 4006

23 August 2017

Dear Board Members

A.P. Eagers Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of A.P. Eagers Limited.

As lead audit partner for the review of the financial statements of A.P. Eagers Limited for the half-year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants

A.P. Eagers Limited

ABN 87 009 680 013

Interim financial report 30 June 2017

A.P. Eagers Limited
Directors' declaration
30 June 2017

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

M A Ward
Director

Brisbane
23 August 2017

	Half-year ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Revenue	**2,033,375**	1,838,307
Other gains and losses excluding impairment	**5,849**	-
Changes in inventories of finished goods and work in progress	**(13,893)**	67,347
Raw materials and consumables used	**(1,663,437)**	(1,575,632)
Employee benefits expense	**(164,264)**	(143,195)
Finance costs	**(12,392)**	(12,380)
Depreciation and amortisation expense	**(8,312)**	(6,409)
Other expenses	**(109,082)**	(100,176)
Share of net profits of associate accounted for using the equity method	**251**	-
Profit before income tax	**68,095**	67,862
Income tax expense	**(18,780)**	(18,731)
Profit for the period	**49,315**	49,131
Attributable to:		
Owners of the parent	**48,355**	48,482
Non-controlling interests	**960**	649
	49,315	49,131
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share (cents per share)	**25.4**	26.2
Diluted earnings per share (cents per share)	**24.9**	25.3

The above Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

	Half-year ended	
	30-Jun-17	30-Jun-16
	$'000	$'000
Profit for the period	**49,315**	49,131
Other comprehensive income		
Items that may be reclassified to profit or loss		
Gain/(loss) on revaluation of available for sale investment	**(46,321)**	(46,827)
Income tax (expense)/benefit	**13,482**	14,048
	(32,839)	(32,779)
Fair value gain/(loss) arising from cash flow hedges during the year	**174**	(74)
Income tax (expense)/benefit	**(52)**	22
	122	(52)
Items that will not be reclassified to profit or loss		
Gain/(loss) on revaluation of property	**(199)**	-
Income tax (expense)/benefit relating to items that will not be reclassified subsequently	**60**	-
	(139)	-
Total other comprehensive income for the period, net of tax	**(32,856)**	(32,831)
Total comprehensive income for the period	**16,459**	16,300
Total comprehensive income is attributable to:		
Owners of the parent	**15,499**	15,651
Non-controlling interests	**960**	649
	16,459	16,300

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	30-Jun-17 $'000	31-Dec-16 $'000
Current assets		
Cash and cash equivalents	**42,344**	17,615
Trade and other receivables	**165,924**	148,746
Inventories	**611,114**	625,007
Property sale receivable	**-**	9,466
Current tax receivables	**-**	3,817
Prepayments and deposits	**11,092**	8,843
Total current assets	**830,474**	813,494
Non-current assets		
Other loans receivable	**9,693**	10,612
Available-for-sale financial assets	**255,488**	264,817
Investments in associates	**11,845**	11,893
Property, plant and equipment	**360,174**	354,710
Deferred tax assets	**3,293**	-
Intangible assets	**298,861**	298,908
Total non-current assets	**939,354**	940,940
Total assets	**1,769,828**	1,754,434
Current liabilities		
Trade and other payables	**157,268**	133,600
Derivative financial instruments	**84**	210
Borrowings - bailment	**504,521**	485,875
Current tax liabilities	**5,964**	-
Provisions	**52,195**	51,111
Total current liabilities	**720,032**	670,796
Non-current liabilities		
Borrowings	**283,650**	283,650
Derivative financial instruments	**158**	206
Deferred tax liabilities	**-**	7,447
Provisions	**8,146**	9,226
Other	**19,468**	19,317
Total non-current liabilities	**311,422**	319,846
Total liabilities	**1,031,454**	990,642
Net assets	**738,374**	763,792
EQUITY		
Contributed equity	**367,622**	364,449
Reserves	**20,068**	55,398
Retained earnings	**343,013**	335,779
Equity attributable to equity owners of the parent	**730,703**	755,626
Non-controlling interests	**7,671**	8,166
Total equity	**738,374**	763,792

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

	Notes	Issued capital $'000	Asset revaluation reserve $'000	Hedging reserve $'000	Share-based payments reserve $'000	Investment revaluation reserve $'000	Retained earnings $'000	Attributable to equity holders of the parent $'000	Non-controlling interests $'000	Total $'000
Balance at 1 January 2016		296,060	45,192	(575)	(3,778)	64,536	293,435	694,870	8,139	703,009
Profit for the period		-	-	-	-	-	48,482	48,482	649	49,131
Other comprehensive income		-	-	(52)	-	(32,779)	-	(32,831)	-	(32,831)
Total comprehensive income for the period		**-**	**-**	**(52)**	**-**	**(32,779)**	**48,482**	**15,651**	**649**	**16,300**
Share based payment expense		-	-	-	1,119	-	-	1,119	-	1,119
Income tax on items taken to or transferred directly from equity		-	-	-	(470)	-	-	(470)	-	(470)
Shares issued pursuant to Staff share plan		10,726	-	-	(10,726)	-	-	-	-	-
Issue of shares on acquisition of Birrell Motors Group		21,450	-	-	-	-	-	21,450	-	21,450
Dividends provided for or paid	3	-	-	-	-	-	(37,015)	(37,015)	(765)	(37,780)
Payments received from employees for exercised shares		-	-	-	1,968	-	-	1,968	-	1,968
Additional NCI arising on the acquisition of Birrell Motors Group		-	-	-	-	-	-	-	(367)	(367)
		32,176	-	-	(8,109)	-	(37,015)	(12,948)	(1,132)	(14,080)
Balance at 30 June 2016		**328,236**	**45,192**	**(627)**	**(11,887)**	**31,757**	**304,902**	**697,573**	**7,656**	**705,229**
Balance at 1 January 2017		364,449	52,781	(291)	(34,486)	37,394	335,779	755,626	8,166	763,792
Profit for the period		-	-	-	-	-	48,355	48,355	960	49,315
Other comprehensive income		-	(139)	122	-	(32,839)	-	(32,856)	-	(32,856)
Total comprehensive income for the period		**-**	**(139)**	**122**	**-**	**(32,839)**	**48,355**	**15,499**	**960**	**16,459**
Share based payment expense		-	-	-	959	-	-	959	-	959
Shares issued pursuant to Staff share plan		3,173	-	-	(3,173)	-	-	-	-	-
Dividends provided for or paid	3	-	-	-	-	-	(41,984)	(41,984)	(1,455)	(43,439)
Payments received from employees for exercised shares		-	-	-	711	-	-	711	-	711
Income tax on items taken to or transferred directly from equity		-	-	-	(108)	-	-	(108)	-	(108)
Transfer to retained earnings		-	(863)	-	-	-	863	-	-	-
		3,173	(863)	-	(1,611)	-	(41,121)	(40,422)	(1,455)	(41,877)
Balance at 30 June 2017		**367,622**	**51,779**	**(169)**	**(36,097)**	**4,555**	**343,013**	**730,703**	**7,671**	**738,374**

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

	Notes	Half-year ended 30-Jun-17 $'000	30-Jun-16 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**2,208,809**	1,950,216
Payments to suppliers and employees (inclusive of GST)		**(2,097,723)**	(1,855,201)
Receipts from insurance claims		**445**	920
Interest and other costs of finance paid		**(12,241)**	(12,218)
Income taxes paid		**(6,456)**	(19,592)
Dividends received		**7,256**	5,857
Interest received		**167**	1,042
Net cash provided by operating activities		**100,257**	71,024
Cash flows from investing activities			
Payment for acquisition of businesses - net of cash acquired		**(163)**	(86,631)
Payments for property, plant and equipment		**(9,430)**	(43,092)
Payments for intangible assets		**-**	(550)
Proceeds from sale of property, plant and equipment		**11,036**	32,013
Proceeds from sale of available-for-sale financial assets		**2,959**	1,407
Payments for shares in other corporations		**(38,444)**	-
Net cash used in investing activities		**(34,042)**	(96,853)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**711**	1,968
Proceeds from borrowings		**27,500**	104,650
Repayment of borrowings		**(27,500)**	(352)
Dividends paid to members of A.P. Eagers Limited	3	**(41,984)**	(37,015)
Dividends paid to minority shareholders of a subsidiary		**(213)**	(120)
Net cash provided by/(used in) financing activities		**(41,486)**	69,131
Net increase in cash and cash equivalents		**24,729**	43,302
Cash and cash equivalents at the beginning of the financial year		**17,615**	37,535
Cash and cash equivalents at end of period		**42,344**	80,837

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1 Significant accounting policies

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by A.P. Eagers Limited made during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The Company is an entity of the kind referred to in ASIC Corporations Instrument 2016/191, dated 24 March 2016. In accordance with that Corporations Instrument, amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2016 annual financial report for the financial year ended 31 December 2016. These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current half-year.

In the period ended 30 June 2017, the Group increased its shareholding in AHG Limited to 23.00% of the equity shares. Although the Group owns over 20% of the voting power of AHG Limited, the Directors have rebutted the presumption of exercising significant influence on the basis that the Group have no representation on the Board of Directors of AHG limited and limited ability to participate in policy making decisions. Therefore the investment in AHG limited will continue to be accounted for as an available for sale financial asset.

In preparation of the financial report, the Group has reclassified certain liabilities from “trade and other payables” to “current provisions”. The comparatives have been reclassified for the purposes of consistency.

2 Segment information

Segments are identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker, being the board of directors, in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in four operating and reporting segments being (i) Car Retailing (ii) Truck Retailing (iii) Property and (iv) Investments, these being identified on the basis of being the components of the consolidated entity that are regularly reviewed by the chief decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the consolidated entity's reporting segments is presented below.

(i) Car Retailing

Within the Car Retail segment, the consolidated entity offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, extended service contracts, vehicle brokerage, vehicle protection products, and other aftermarket products. They also facilitate financing for vehicle purchases through third-party sources. New vehicles, vehicle parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers. This segment also includes the Motors Tasmania truck retailing business, as it is managed inside the Motors Tasmania Car business, a motor auction, and forklift rental business.

2 Segment information (continued)

(ii) Truck Retailing

Within the Truck Retail segment, the consolidated entity offers a diversified range of products and services, including new trucks, used trucks, truck maintenance and repair services, truck parts, extended service contracts, truck protection products, and other aftermarket products. They also facilitate financing for truck purchases through third-party sources. New trucks, truck parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

(iii) Property

Within the Property segment, the consolidated entity acquires commercial properties principally for use as facility premises for its motor dealership operations. The Property segment charges both the Car Retailing segment and Truck Retailing segment commercial rentals for owned properties occupied by that segment. The Property segment reports property assets at fair value, based on annual assessments by the directors supported by periodic, but at least triennial valuations by external independent valuers. Revaluation increments arising from fair value adjustments are reported internally and assessed by the chief operating decision maker as profit adjustments in assessing the overall returns generated by this segment to the consolidated entity.

(iv) Investments

This segment includes the investments in DealerMotive Limited, and Automotive Holdings Group Limited.

6 months ended 30 June 2017	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	1,848,135	175,454	409	9,377	-	2,033,375
Inter-segment sales	-	-	13,246	-	(13,246)	-
TOTAL REVENUE	1,848,135	175,454	13,655	9,377	(13,246)	2,033,375
SEGMENT RESULT						
Operating profit before interest	52,313	4,417	8,985	9,337	-	75,052
External interest expense allocation	(7,010)	(706)	(3,676)	(1,000)	-	(12,392)
OPERATING CONTRIBUTION	45,303	3,711	5,309	8,337	-	62,660
Share of net profit of equity accounted investments	-	-	-	251	-	251
Investment revaluation	-	-	-	(46,912)	46,912	-
Property revaluation	-	-	(199)	-	199	-
Profit on sale of property/businesses	-	-	5,849	-	-	5,849
SEGMENT PROFIT	45,303	3,711	10,959	(38,324)	47,111	68,760
Unallocated corporate expenses						(665)
PROFIT BEFORE TAX						68,095
Income tax expense						(18,780)
NET PROFIT						**49,315**
Depreciation and amortisation	(5,497)	(531)	(2,284)	-	-	(8,312)
ASSETS						
Segment assets	1,107,143	99,140	299,799	263,746	-	1,769,828
LIABILITIES						
Segment liabilities	691,114	83,217	182,099	75,024	-	1,031,454
NET ASSETS	416,029	15,923	117,700	188,722	-	738,374
Acquisitions of non-current assets	5,182	317	3,931	38,444	-	47,874

2 Segment information (continued)

6 months ended 30 June 2016	Car Retailing $'000	Truck Retailing $'000	Property $'000	Investments $'000	Eliminations $'000	Consolidated $'000
Sales to external customers	1,648,705	178,855	3,852	6,895	-	1,838,307
Inter-segment sales	-	-	12,358	-	(12,358)	-
TOTAL REVENUE	1,648,705	178,855	16,210	6,895	(12,358)	1,838,307
SEGMENT RESULT						
Operating profit before interest	57,918	4,198	12,611	6,872	-	81,599
External interest expense allocation	(6,564)	(989)	(3,946)	(881)	-	(12,380)
OPERATING CONTRIBUTION	51,354	3,209	8,665	5,991	-	69,219
Business acquisition costs	(625)	-	-	-	-	(625)
Investment revaluation	-	-	-	(45,923)	45,923	-
SEGMENT PROFIT	50,729	3,209	8,665	(39,932)	45,923	68,594
Unallocated corporate expenses						(732)
PROFIT BEFORE TAX						67,862
Income tax expense						(18,731)
NET PROFIT						49,131
Depreciation and amortisation	(4,011)	(496)	(1,902)	-	-	(6,409)
ASSETS						
Segment assets	999,362	112,958	371,605	243,442	-	1,727,367
LIABILITIES						
Segment liabilities	706,304	90,162	178,472	47,200	-	1,022,138
NET ASSETS	293,058	22,796	193,133	196,242	-	705,229
Acquisitions of non-current assets	116,613	110	37,531	300	-	154,554

Geographic Information

The Group operates in one principal geographic location, being Australia.

3 Dividends

	Half-year ended 30-Jun-17 $'000	30-Jun-16 $'000
Ordinary shares		
Dividends paid during the half-year	**41,984**	37,015
Dividends not recognised at the end of the half-year		
Since the end of the half-year the Directors have determined the payment of an interim dividend of 13.5 cents (2016 - 13.0 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividend expected to be paid on 6 October 2017 out of retained profits at the end of the half-year, but not recognised as a liability, is:	**25,786**	24,620

4 Equity securities movements

	Half-year ended			
	30-Jun-17 Shares	30-Jun-16 Shares	**30-Jun-17 $'000**	30-Jun-16 $'000
Movements in ordinary shares during the half-year				
Issue of shares to staff under the share incentive schemes	**343,263**	999,636	**3,173**	10,726
Issue of shares as partial consideration for acquisition of Birrell Motors Group	**-**	2,200,000	**-**	21,450
	343,263	3,199,636	**3,173**	32,176

5 Fair Value

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value (2016: fair value).

The fair value and net fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

Details of the Group's available for sale investments and information about the fair value hierarchy as at 30 June 2017 are as follows:

Unobservable Inputs used in determination of fair values				
Class of Financial Assets and Liabilities	**Carrying Amount 30/06/17 $000's**	**Carrying Amount 31/12/16 $000's**	**Valuation Technique**	**Key Input**
Level 1 Available for sale investments - listed entities	**255,468**	264,817	Quoted bid prices in an active market	Quoted bid prices in an active market

There were no transfers between Levels in the period.

Details of the Group's freehold land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

Explanation of asset classes; Car - HBU Alternate Use refers to properties currently operated as car dealerships but for which have a higher and best use ('HBU') greater than that of a car dealership; Car Dealership refers to properties operating as a car dealership with a HBU consistent with that use; Development Car Dealership refers to properties which are in the progress of, or are being held for future development as a car dealership; Truck Dealership refers to properties being operated as a truck dealership with a HBU consistent with that use; Other Logistics are industrial properties used for parts warehousing and vehicle logistics.

5 Fair Value (continued)

Unobservable inputs used in determination of fair values										
Class of Financial Assets & Liabilities	**Carrying Amount 30/06/17 $000**	**Carrying Amount 31/12/16 $000**	**Valuation Technique**	**Key Input**	**Input**	**Average / Range 2017**	**Average / Range 2016**	**Other Key Information**	**Range (weighted avg) 2017**	**Range (weighted avg) 2016**
Level 3 Car – HBU Alternate Use	**58,933**	49,747	Direct comparison	External valuations	Price/sqm land	**Average $1,624/sqm** **Range $1,247 - $3,577/sqm**	Average $1,563/sqm Range $1,262 - $3,584/sqm	Land size	**Average 6,046 sqm** **Range 779 - 24,160 sqm**	Average 7,952 sqm Range 779 to 24,160 sqm
Level 3 Car Dealership	**206,903**	205,157	Summation method, income capitalisation and direct comparison	External valuations industry benchmarks	Capitalis-ation rate	**Average 7.3%** **Range 3.1% - 10.0%**	Average 7.3% Range 3.1% - 9.9%	Net rent /sqm land	**Average $102/sqm** **Range $25 - $297/sqm**	Average $102/sqm Range $25 - $297/sqm
								Net rent /sqm GBA	**Average $212/sqm** **Range $73 - $806/sqm**	Average $212/sqm Range $73 to $806/ sqm
Level 3 Development - Car Dealership	**4,356**	9,328	Direct comparison	External valuations	Price /sqm land	**Average $813/sqm** **Range $813 - $813/sqm**	Average $458/sqm Range $330 - $817/sqm			
Level 3 Truck Dealership	**18,221**	18,319	Direct comparison	External valuations	Price/sqm land Price/sqm GBA	**Average $326/sqm** **Range $203 - $431/sqm**	Average $328/sqm Range $203 - $434 /sqm	Land size	**Average 18,641 sqm** **Range 7,218 - 25,700 sqm**	Average 18,641 sqm Range 7,218 - 25,700 sqm
								Net rent/land sqm	**Average $30/sqm** **Range $17 - $43/sqm**	Average $30/sqm Range $17 - $43/sqm
								Capitalis-ation rate	**Average 9.3%** **Range 7.9% - 9.9%**	Average 9.2% Range 7.9% to 9.8%
Level 3 Other Logisitics	**12,330**	12,250	Income capitalisation method supported by market comparison	External valuations	Capitalis-ation Rate	**Average 7.7%** **Range 6.4% - 9.5%**	Average 7.8% Range 6.9% to 8.4%	Net rent /sqm GBA	**Average $109/sqm** **Range $79 - $179/sqm**	Average $109/sqm Range $79 to $179/ sqm
Sub Total	**300,743**	294,801								
Construction in Progress	**3,344**	3,706								
Total	**304,087**	298,507								

5 Fair Value (continued)

There were no transfers between Levels in the period.

Details of the Group's Derivative financial instruments and information about the fair value hierarchy as at 30 June 2017 are as follows:

Unobservable Inputs used in determination of fair values				
Class of Financial Assets and Liabilities	**Carrying Amount 30/06/17 $000's**	**Carrying Amount 31/12/16 $000's**	**Valuation Technique**	**Key Input**
Level 3 Contingent Consideration in a Business Combination	**19,468**	19,317	Discounted cash flow	Discount rate of 1.82% as greater than 12 months.
Level 2 Cash flow hedges - Interest rate swaps	**242**	416	Discounted cash flow	Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

There were no transfers between Levels in the period.

6 Acquisitions

The initial accounting for the acquisition of Birrell Motors Group and Jeep / Kia Ipswich was provisionally determined as at 31 December 2016, pending further assessment of identifiable intangible assets and deferred tax liabilities. These valuations have since been finalised.

Year	Name of business	Date of acquisition	Principal activity	Proportion acquired
2016	Birrell Motors Group	1-Apr-16	Motor Dealership	100% (1)
2016	Jeep/Kia Ipswich	15-Apr-16	Motor Dealership	100%

(1) As part of the Birrell Motors Group acquisition 80% shares of Motors Group (Glen Waverley) Pty Ltd were acquired. The remaining 20% interest is accounted for as a non controlling interest.

7 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

8 Subsequent events

No material events requiring disclosure have occurred since 30 June 2017.

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Independent Auditor's Review Report to the Members of A.P. Eagers Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of A.P. Eagers Limited ("the company"), which comprises the condensed consolidated statement of financial position as at 30 June 2017, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 1 to 12.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of A.P. Eagers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that

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we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of A.P. Eagers Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of A.P. Eagers Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stephen Tarling
Partner
Chartered Accountants
Brisbane, 23 August 2017