

*We Buy, We Sell,
We Finance*

Turners Automotive Group Annual Meeting of Shareholders

20 September 2017

BOARD OF DIRECTORS

GRANT BAKER:

Non-executive Chairman

Appointed September 2009

Represents Business Bakery and other interests: 14.54%

PAUL BYRNES:

Deputy Chairman and Executive Director

Appointed February 2004

Personal shareholding: 3.99%

MATTHEW HARRISON:

Non-executive Director

Appointed December 2012

Represents family interests: 8.03% holding

ALISTAIR PETRIE:

Non-executive Director

Appointed February 2016

Represents Bartel Holdings: 8.12% holding

JOHN ROBERTS:

Independent Director

Appointed June 2015

ANTONY VRIENS:

Independent Director

Appointed January 2015

Entrepreneurial Board with a range of skills, expertise and knowledge that are of value to our company

Strong representation of owners at Board table

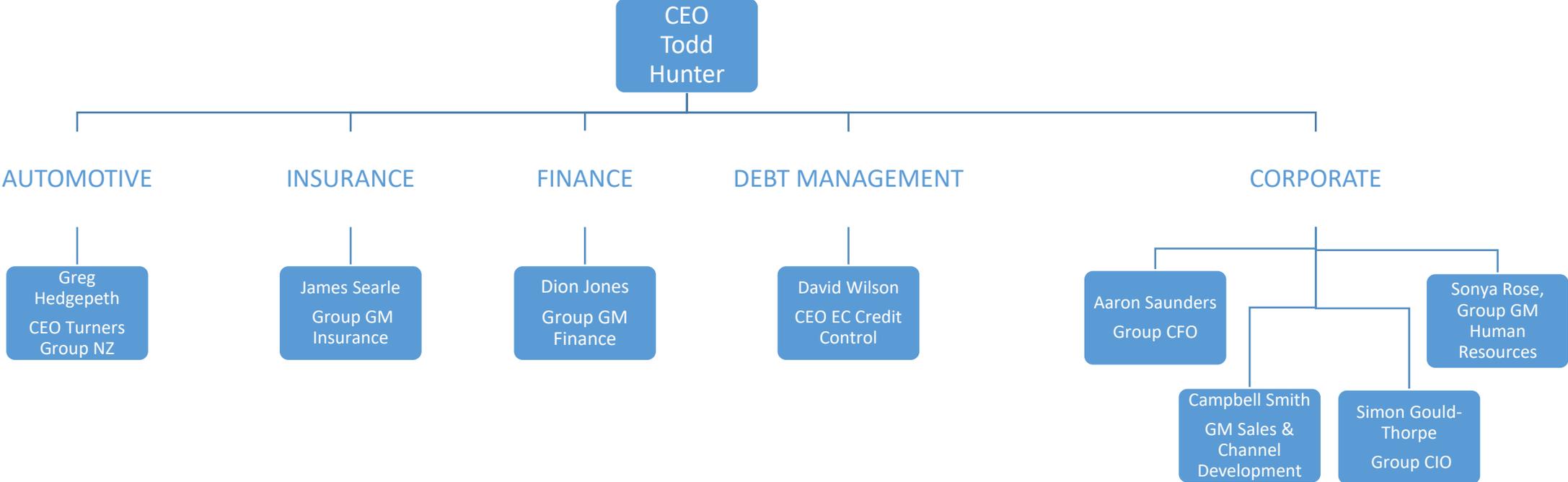
We believe this investment into our company provides further alignment of interests with other shareholders.

*Shareholdings as at 30 June 2017



LEADERSHIP TEAM

Talented, experienced and highly capable leadership team



Chairman's Address

Grant Baker



\$24.6 million

Record net profit before tax

\$17.6 million

13% increase in net profit after tax

47% increase

in revenue for the year

\$171.7 million

Shareholder equity as at 31 March 2017

75% conversion

Conversion of 2014 bonds to equity

\$13.4 million

Successful capital raise in October 2016

14.5 cents per share

Full year fully imputed dividends

AN INTEGRATED AUTOMOTIVE FINANCIAL SERVICES GROUP

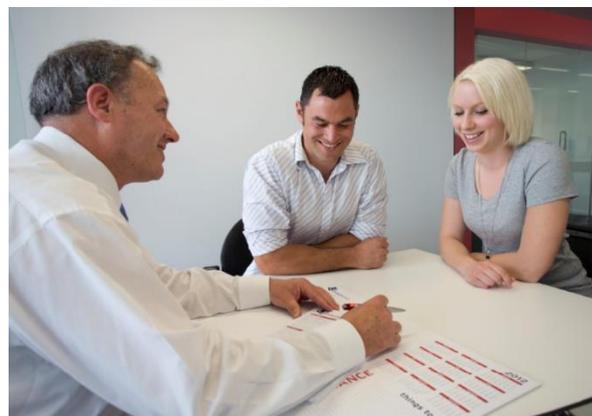
Primarily operating in the automotive sector and providing strength in three key areas:



AUTOMOTIVE RETAIL

Controlling the buying and selling of second hand cars, trucks and machinery to earn a transactional margin and delivering cross-sell opportunities for Finance and Insurance

Turners is the largest second hand vehicle retailer in New Zealand



FINANCE AND INSURANCE

Helping customers with simple and attractive finance and insurance products, and building annuity revenue streams

Turners has a portfolio of reputable businesses offering finance and insurance products to customers across New Zealand, including personal, motor vehicle loans and insurance



DEBT MANAGEMENT SERVICES

Helping businesses of any size in New Zealand and Australia with better management of their credit challenges

Turners has a growing presence in the debt management sector in both New Zealand and Australia through its EC Credit business

WHY THE INTEGRATED MODEL WORKS



- Diversification of earnings
- Capturing both underwriting (finance and insurance) and retail commissions
- Integrated model provides insulation against market and regulatory changes
- Annuity revenue from finance and insurance means more predictable and consistent earnings
- In Turners' controlled channels, more margin per transaction is earned
- Enabling faster and higher quality development of systems (Turners has its own test platform internally)

AUTOMOTIVE
RETAIL

FINANCE AND
INSURANCE

DEBT
MANAGEMENT
SERVICES

OUR STRATEGY



ORGANIC GROWTH: Identify opportunities to grow each business: More customers, more products and services, more channels, better technology

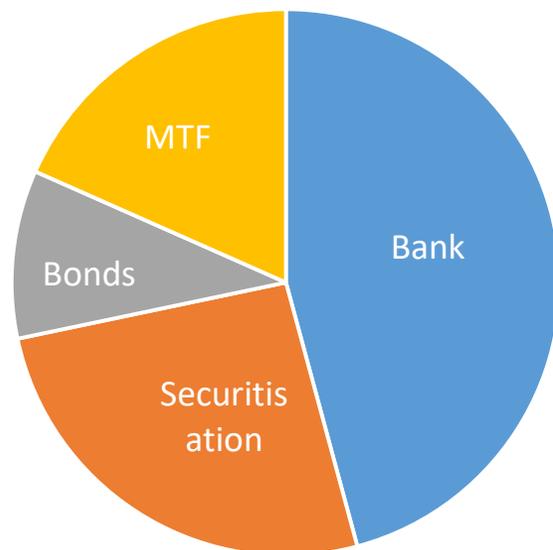
GROUP INTEGRATION: Cross selling product across the group, and building a common operating and funding platform for the finance businesses

MERGERS AND ACQUISITIONS: Target businesses that build capability/scale and have sustainable earnings and growth potential

OUR PEOPLE: Invest into upskilling and rewarding our people to encourage them to strive for growth

FUNDING FOR GROWTH

FY17 Borrowings by Source



- Securitisation has diversified funding mix
- Funding for different purposes eg. inventory and property acquisitions (\$28m)
- Significant headroom in Securitisation facility to support ongoing growth in finance book
- Strong support from BNZ for funding growth

DEBT

Borrowings primarily for acquisition
 Conservative balance sheet with funding headroom
 Supportive, long term banking partner
 FY17: Securitisation model now in place with credit approval for an initial \$150 million

BONDS

Provides additional funding for Turners acquisition programme
 FY17: \$25.56m Convertible Bond Issue
 \$17.5m of 2014 bonds converted into fully paid shares

EQUITY

New shares can be issued as part payment for acquisitions
 FY17: \$13.4 million Placement and SPP

NEW \$30M EQUITY RAISE



STRUCTURE:

\$25 million underwritten placement; and

Up to \$5 million through a Share Purchase Plan to shareholders and secured convertible bond holders

- Pricing for the SPP will be the same as the Placement price of \$3.02 per share
- Maximum application size of NZ\$15,000 per shareholder
- Subject to demand, scaling to be pro rata based on shareholding as at the Record Date

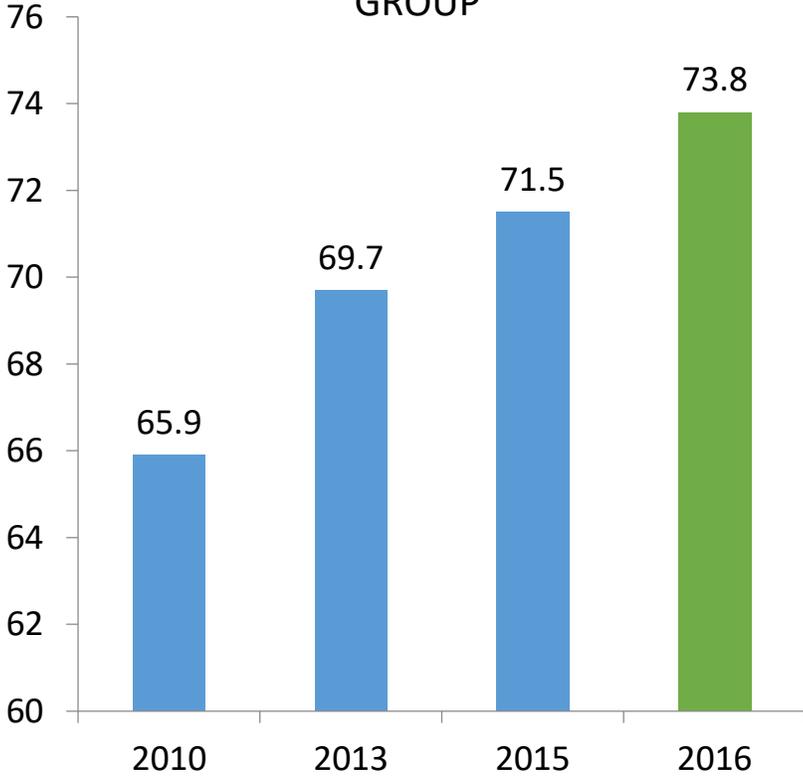
USE OF FUNDS:

- Support the growth of the Turners finance book, which is growing at c.\$10 million of receivables per month
- Allow for investment in strategic dealer and property acquisitions to grow Turners' distribution network and the capabilities of the Automotive Retail Division

OUR PEOPLE



ENGAGEMENT INDEX FOR TURNERS GROUP

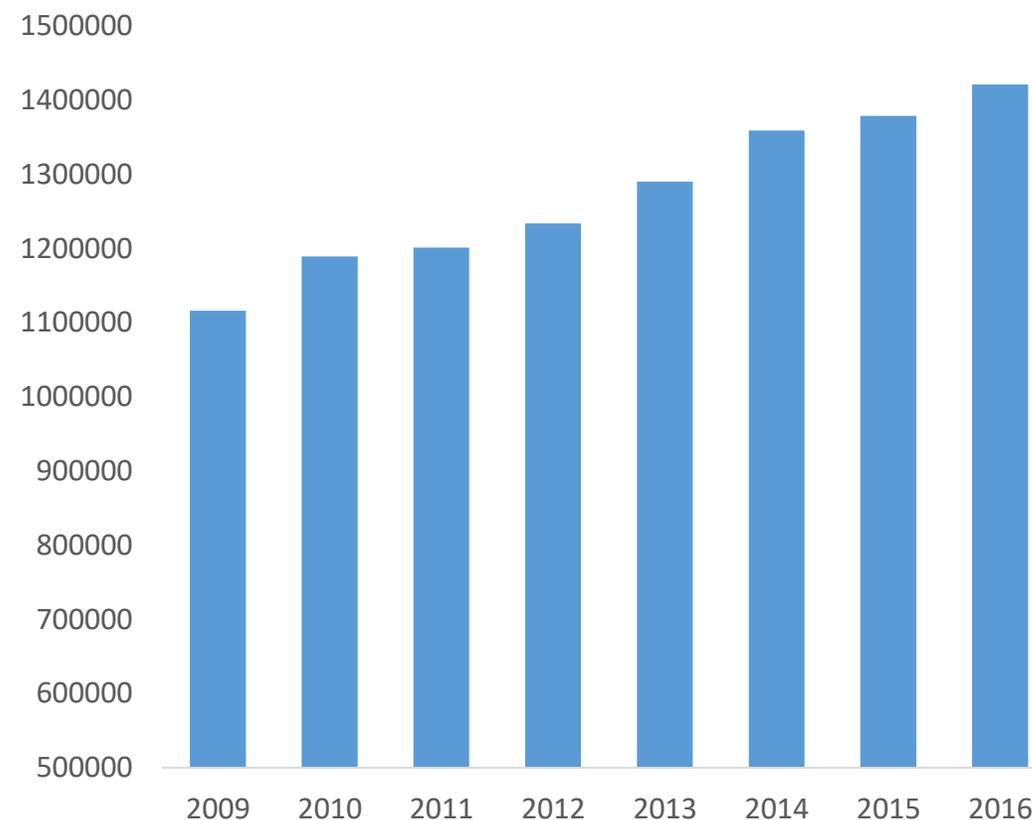


STRONG PLATFORM FOR CONTINUING GROWTH

FY18 Guidance: NPBT \$29m to \$31m

- Portfolio of strong businesses providing sustainable profits and increasing cashflows
- Leading market position in automotive retail
- Used vehicle sales is a growing industry; fragmented market provides opportunity for consolidation
- Significant growth opportunities across all businesses, due to integration, cross selling and M&A activity
- Strong capital structure and ability to fund acquisitions
- Conservatively geared balance sheet
- Experienced management team with oversight from professional and engaged Board
- Focus on continuing profit growth and increasing shareholder value

Used Vehicle Sales



CEO's Address

Todd Hunter

FY17 GROWTH INITIATIVES



Buy Right Cars Branch Papatoetoe

ACQUISITION GROWTH:

- Pacific Life insurance May 2016 – Bolt on acquisition, access to highly profitable customer base
- Buy Right Cars Group August 2016 - Significantly increases Turners' footprint in the key Auckland market; Compliance and Service Centre adds capability
- Autosure Insurance December 2016 - Gives much needed scale and market leadership ; Transfer of inforce portfolio from 1 April 2017

ORGANIC GROWTH:

- Launch of MTF non-recourse lending product.
- Launch of online initiatives Cartopia (online car store) and AutoApp
- Implementation of Securitisation Funding program with BNZ
- Expansion of Trucks and Machinery footprint, with acquisition of two new strategic sites (now five in total)

A GROWING NATIONAL FOOTPRINT

Rapidly Expanding Through Acquisition And Organic Growth

Turners operates a national network of 27 branded automotive retail sites as well as a referral network for its Finance and Insurance business of approximately 1,500 sites across the country.

Our Debt Management business has offices in New Zealand and Australia.

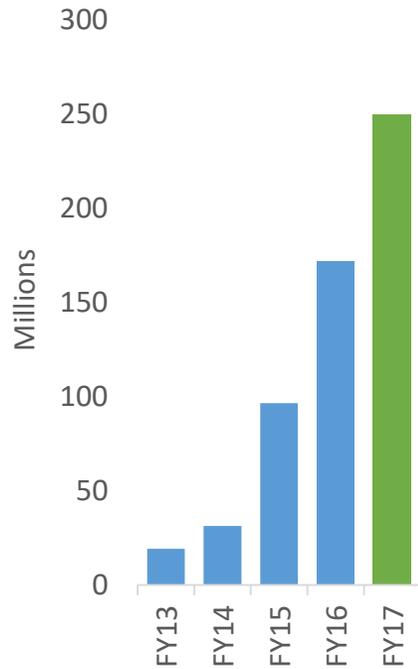
- **Turners Group**
19 branches in 12 cities and 350 staff
- **Buy Right Cars**
Eight sites in Auckland and 90 staff
- **Finance**
Three regional offices and 55 staff
- **Insurance**
Two offices and 55 staff
- **Debt Management**
Five offices and 145 staff



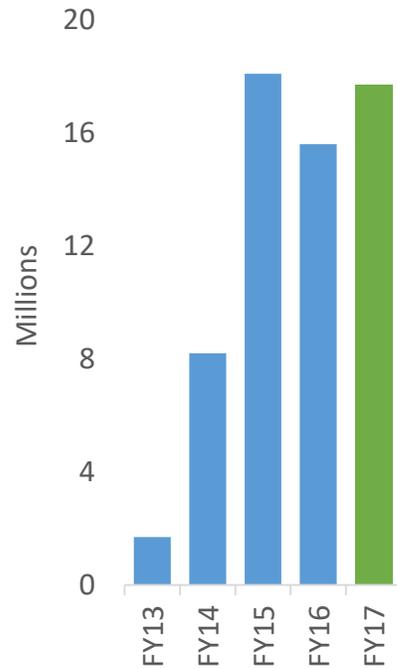
FY17 FINANCIAL HIGHLIGHTS

Continuing To Deliver Growth

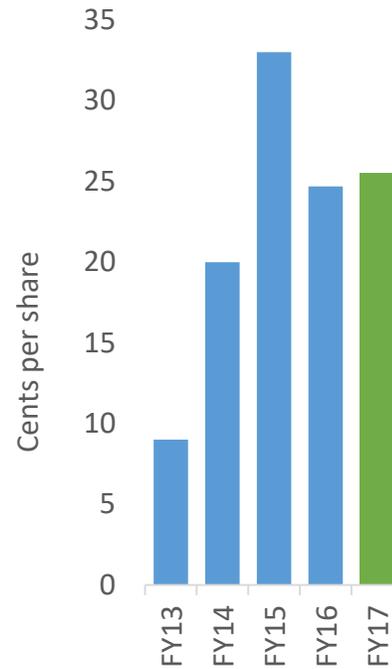
REVENUE \$251.0M
Up 47% year on year



NPAT \$17.6M
up 13% year on year



EPS 25.5 CPS



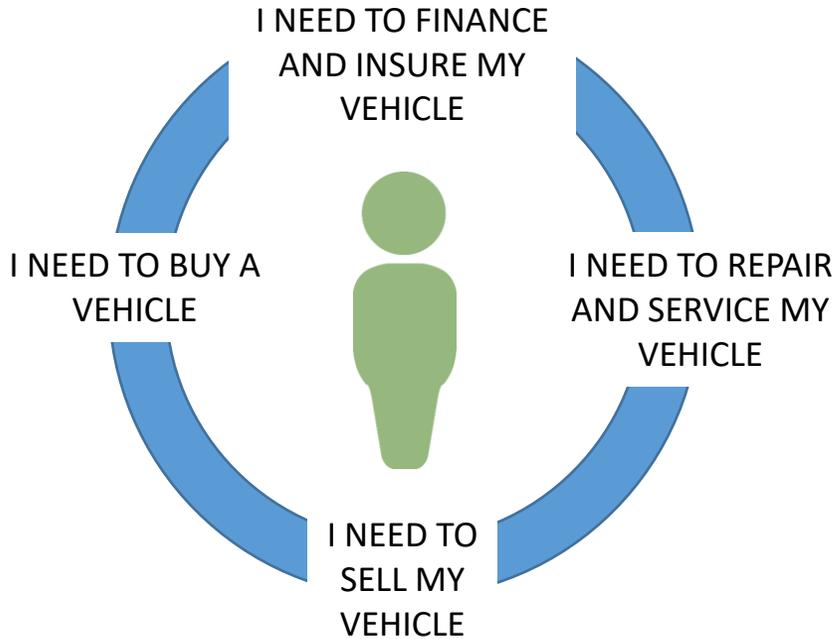
Operating Revenue	\$251.0m	↑47%
Record Op Profit (NPBT)	\$24.6m	↑14%
Strong NPAT	\$17.6m	↑13%
Shareholders Equity	\$171.7m	↑32%
Finance Receivables	\$207.1m	↑24%
Total FY17 Dividend	14.5 cps	↑12%

THE OPPORTUNITY FOR TURNERS

Lifetime relationships with customers

1,500 referral partners
 AutoApp digital platform
 Finance and Insurance integration
 Dealer loyalty scheme

Brand agnostic
 Turners brand = Trust
 Extensive footprint
 Diversified vehicle sourcing



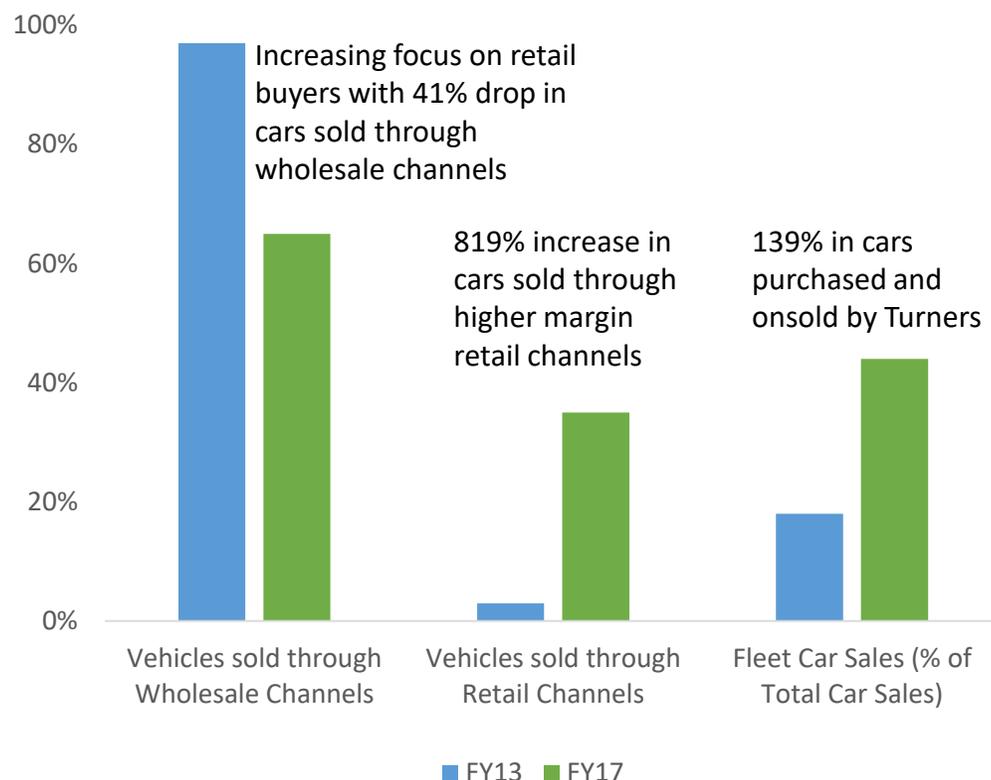
Brand agnostic
 Balance sheet strength
 Access to data
 Range of customer solutions
 27 branches

Opportunity 

- Increase customer relevance and value proposition
- Maintain regular contact with customers in-between periodic purchases
- Leverage existing automotive retail and insurance repairer network

AUTOMOTIVE RETAIL

The Changing Face of Turners FY13 to FY17

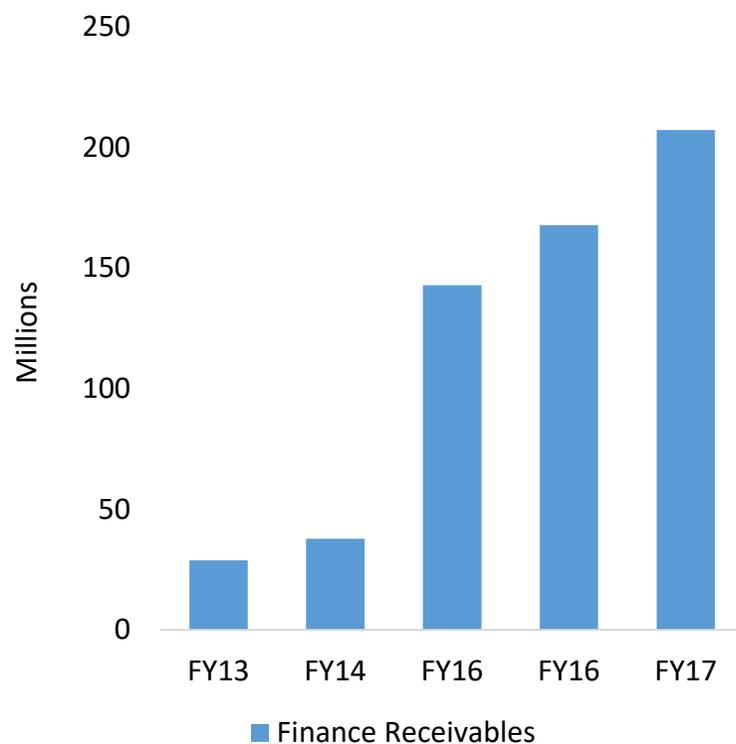


KEY DRIVERS:

- Continuing focus on retail vs wholesale customers driving yield improvement
- Expanding our retail footprint through acquisition and greenfield site development
- Finance and insurance sales to retail customers
- Deliberate strategy to own more of the cars sold by Turners for higher margins and more control
- Growing network of dedicated sites for Trucks and Machinery
- New Buy Right cars sites in planning stage

FINANCE

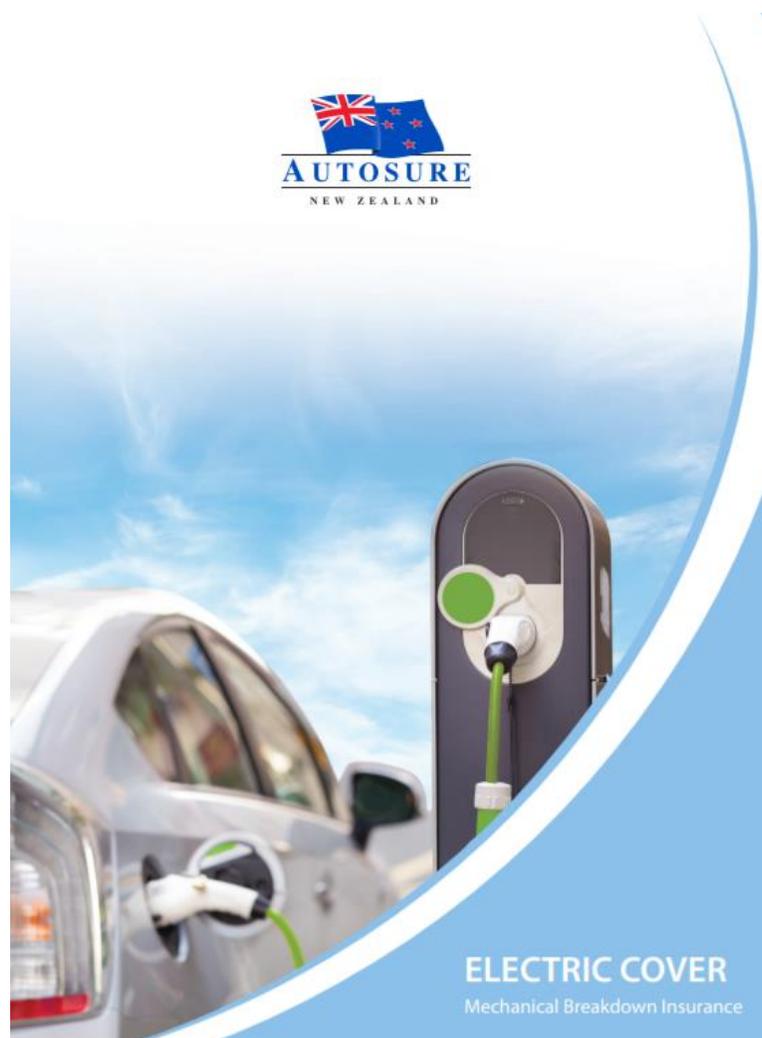
Five Year Growth in Finance Receivables



KEY DRIVERS:

- Leverage technology to deliver faster, better and easier solutions
- Creation of new products and services eg non-recourse lending product for MTF
- Transition to higher quality, lower margin automotive related lending in progress
- Securitisation programme bedded in (\$90m utilised on \$150m approved facility)
- Dealer loyalty scheme launched to reward insurance and finance referrals from dealers

INSURANCE



KEY DRIVERS:

- Strong sales of insurance products through the Turners-controlled Automotive retail businesses
- Autosure acquisition achieves the scale needed in Insurance
- Autosure focuses Turners' underwriting effort on core products (Mechanical breakdown insurance, Loan repayment insurance)
- Product innovation pipeline established, new EV breakdown cover introduced
- Dealer loyalty scheme launched rewarding referrals for insurance and finance with TRA shares

DEBT MANAGEMENT



KEY DRIVERS:

- Business continues to perform well, remains highly cash generative
- Sale of complementary products and services eg Strong Terms of Trade product sales in the Australian market
- Focus on higher quality debt load translating into improved collections performance and commissions
- Retention of key corporate and banking clients and increase of debt load at expense of competitors
- Implementation of automated dialler completed with encouraging initial results
- Strong terms of trade sales in both NZ and Australian markets
- Passed final audit for Australian Trading Bank target customer

MARKET OPPORTUNITY: THE NZ USED CAR ECONOMY

3.7m

Light vehicles in the NZ vehicle fleet



14yrs

The average age of used vehicles in NZ

20%

Of all vehicles in NZ are 20 years or older

153,000

Used cars were imported into NZ in 2016

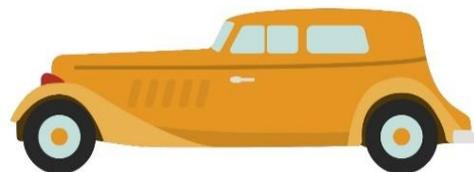
657

Cars owned per 1,000 NZers, higher than Australia and the UK



19.2 and 18.7 years

In 2015, the average age light vehicles were scrapped from fleet was 19.2 years for Import and 18.7 years for NZ new



3,500

Registered dealers in NZ

79%

Of all household trips taken in a car



STRATEGIC INITIATIVES UPDATE

ORGANIC GROWTH

- Organic growth achieved across all divisions FY18 YTD
- Exceeding market growth through innovation, service quality and product offering (including cross-selling)
- Launch of MTF non-recourse product and online initiatives (online car store and AutoApp)
- Servicing and maintenance business case in development

GROUP INTEGRATION

- Finance companies to combine into a single operating entity by end of Q3 (technology platform, branding)
- Consolidation of insurance businesses into single operating business progressing
 - Insurance integration into AutoApp (finance origination platform) in testing
- Dealer loyalty share scheme introduced across the business to promote cross-selling

MERGERS & ACQUISITIONS

- Buy Right Cars increased Auckland footprint and cross-selling opportunities
- Several smaller property and dealer acquisitions increased our footprint, including trucks and machinery specialist sites in Palmerston North, Hamilton and Wiri
- Autosure provided scale for a competitive insurance product offering

DRIVEN BY OUR PEOPLE

- Staff training and tools are taking advantage of the expanded product offering and capturing greater customer value
 - e.g. increased proportion of fixed price sales and cross-selling
- New executive team structure to support continued growth in the business

TRADING UPDATE AND GUIDANCE

First Half Year to Date: All business trading well and in line with or slightly above Board expectations

FY18 First Four Months Op Profit (compared to prior year)

AUTOMOTIVE RETAIL	Up 60%. Excluding acquisitions, up 21%
FINANCE	Up 13%
INSURANCE	Up 547%. Excluding Autosure, up 36%
EC CREDIT CONTROL	Up 8%

Uplift expected in H2 operating profit due to the positive impact of a growing finance book

Full year FY18 Operating Profit (Net Profit Before Tax*) is expected to be between \$29m and \$31m

Represents an increase of 18-26% on FY17, or 11-14% excluding acquisitions

* Net profit before tax guidance is inclusive of amortisation and intercompany eliminations

TURNERS 50TH CELEBRATION



QUESTIONS AND DISCUSSION

RESOLUTIONS

RESOLUTION 1

That Staples Rodway be reappointed as auditors of the Company and that the directors be authorised to fix the auditors' remuneration

RESOLUTION 2

That Matthew Harrison, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

RESOLUTION 3

That John Roberts, who retires by rotation and has offered himself for re-election, be re-elected as a Director of the Company.

POLL INSTRUCTIONS

- Voting on each of the resolutions in the Notice of Meeting will be by way of poll
- Staples Rodway, the company's auditors, will act as scrutineers
- Please use the voting paper you received in the mail or were given when you registered for this meeting. If you do not have a voting paper, please raise your hand for assistance
- Only shareholders, proxy holders or corporate representatives of a shareholder may vote on today's resolutions
- Please complete your voting paper by ticking "FOR", "AGAINST" or "ABSTAIN" in the appropriate place on the form and ensure you have signed the form. Please do not tick the "DISCRETION" box
- If you have any difficulty, or do not have a voting paper, please raise your hand and someone will assist you
- Once everyone has finished voting, scrutineers will collect the voting papers
- The results of today's voting will be posted to the NZX as soon as practicable

GENERAL BUSINESS

CLOSE OF MEETING

Presentation and addresses are available at

www.turnersautogroup.co.nz

Contact:

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DISCLAIMER

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This document or any other written or oral statements made by, or on behalf of, the company may include forward-looking statements that reflect the company's current views with respect to future events and financial performance. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These uncertainties and other factors include, but are not limited to:

- I. Uncertainties relating to government and regulatory policies;
- II. The occurrence of catastrophic events with a frequency or severity exceeding our estimates;
- III. The legal environment;
- IV. Loss of services of any of the company's officers;
- V. General economic conditions; and
- VI. The competitive environment in which the company, its subsidiaries and its customers operate; and other risks inherent in the company's industry

The words "believe," "anticipate," "investment," "plan," "estimate," "expect," "intend," "will likely result," or "will continue" and other similar expressions identify forward-looking statements. Recipients of this document are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. The company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.