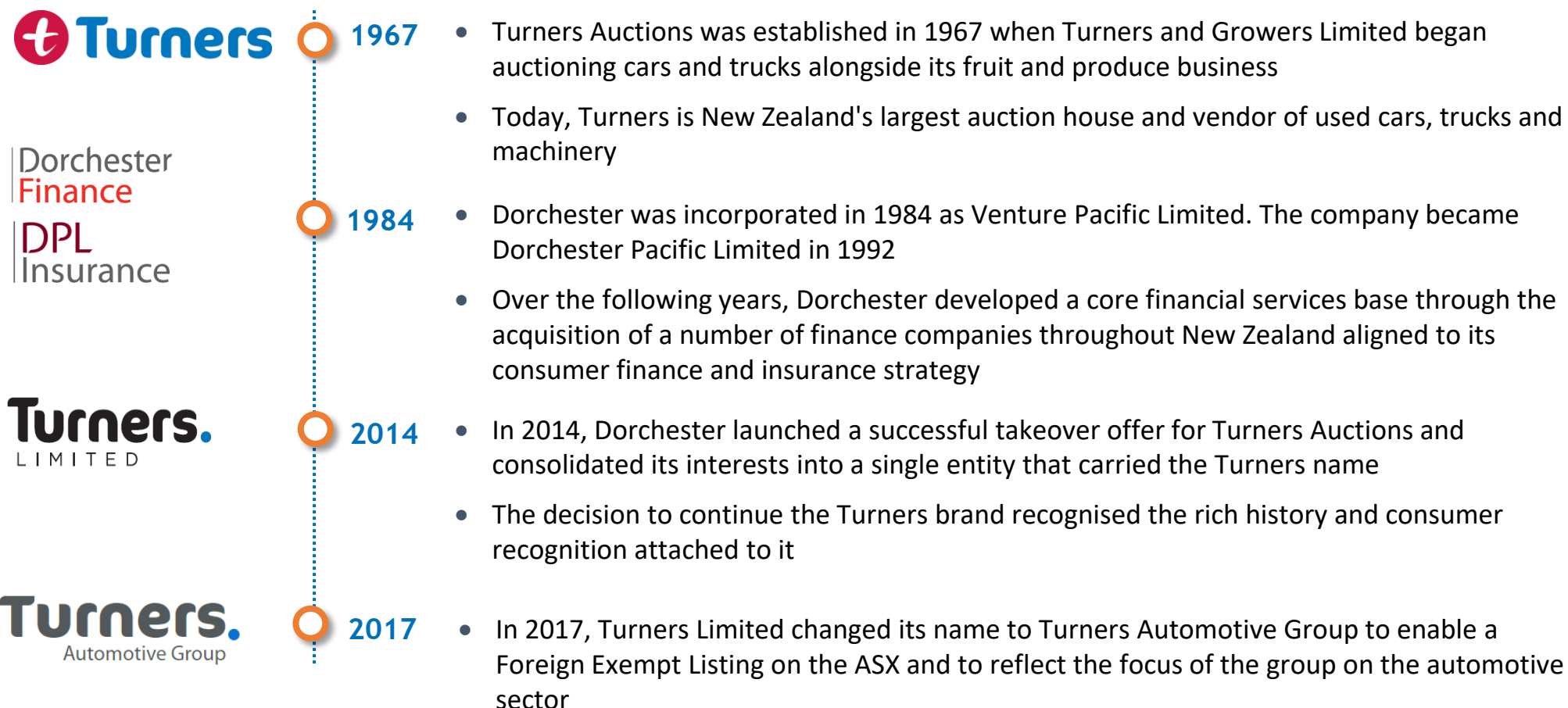


*We Buy, We Sell,
We Finance*

2018 Secured Subordinated Bonds Presentation

HISTORY OF TURNERS AUTOMOTIVE GROUP LIMITED

Turners Automotive Group was formed through the 2014 merger of New Zealand's largest vehicle and machinery retailer, Turners Auctions, and leading consumer finance and insurance business, Dorchester Pacific.



TURNERS LEADERSHIP TEAM

Grant Baker - Chairman



- Chairman of Turners since 2009
- Co-founder of Business Bakery and formerly a significant shareholder in 42 Below Vodka and Trilogy International
- Major shareholder in Turners (7%)

Todd Hunter - CEO



- CA
- Nine years with Microsoft in a range of commercial, marketing and sales roles
- Joined Turners Auctions in 2006, appointed CEO in 2013
- Appointed Group CEO in June 2016

Aaron Saunders - CFO



- CA
- Industry experience in vehicle importing and distribution, broadcasting and finance
- Joined Turners Auctions in 2006 as CFO
- Appointed Group CFO in April 2017



Overview and Market Analysis

ROGERS

ROGERS

TURNERS: AN INTEGRATED AUTOMOTIVE GROUP

Turners Automotive Group - the largest seller of cars, trucks and machinery in NZ. We finance them and insure them for mechanical breakdown, accident and loan repayments with a wide range of products.

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



FINANCE AND INSURANCE

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



CREDIT MANAGEMENT SERVICES

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



TURNERS OVERVIEW



“Ollie” star of the Turners TV commercials

- Turners employs approximately 800 New Zealanders
- Operations from Whangarei down to Invercargill within NZ, and in Australia
- NZ’s largest seller and buyer of used vehicles
- Importing approximately 6,000 cars from Japan per annum
- Currently lend around \$290M to kiwis for buying cars, trucks, plant and machinery
- Operate in 4 broad segments – auto retail, finance, insurance, debt management
- NZX & ASX listed business with around 4,000 shareholders

KEY BUSINESS STRENGTHS

- 1 Leading market position in our core business of automotive retail provides new business opportunity across the group for transactional margins and annuity finance and insurance revenues.
- 2 Used vehicle sales is a growing industry, and the high level of industry fragmentation presents an opportunity for Turners to consolidate
- 3 Focus on growing organic market share in all operating sectors through improving customer experience, and integration opportunities through cross-selling of finance and insurance products.
- 4 Strong capital structure and debt headroom as a result of recent banking syndication and equity raises
- 5 Sustainable growth strategy is delivering increasing shareholder value with track record of improving financial results, increasing dividend pay-out with quarterly dividend payments
- 6 Experienced management team with oversight from professional and engaged Board of Directors

THE KIWI USED CAR ECONOMY IS LARGE

3.85m

Light vehicles in the NZ vehicle fleet



7,232 EVs

7,232 as at the end of March 2018, more than double its size in March 2017.

164,000

used cars were imported into NZ in year ended Mar 18

153,000

New passenger and light commercial vehicles sold into NZ in year ended Mar 18



20%

Of the vehicle fleet are more than 20 years old

61%

of people ended up spending less than \$10,000 on their car, 80% were less than \$20,000

14yrs

Is the average age of used vehicle in NZ since 2013

3,500

Registered dealers in NZ

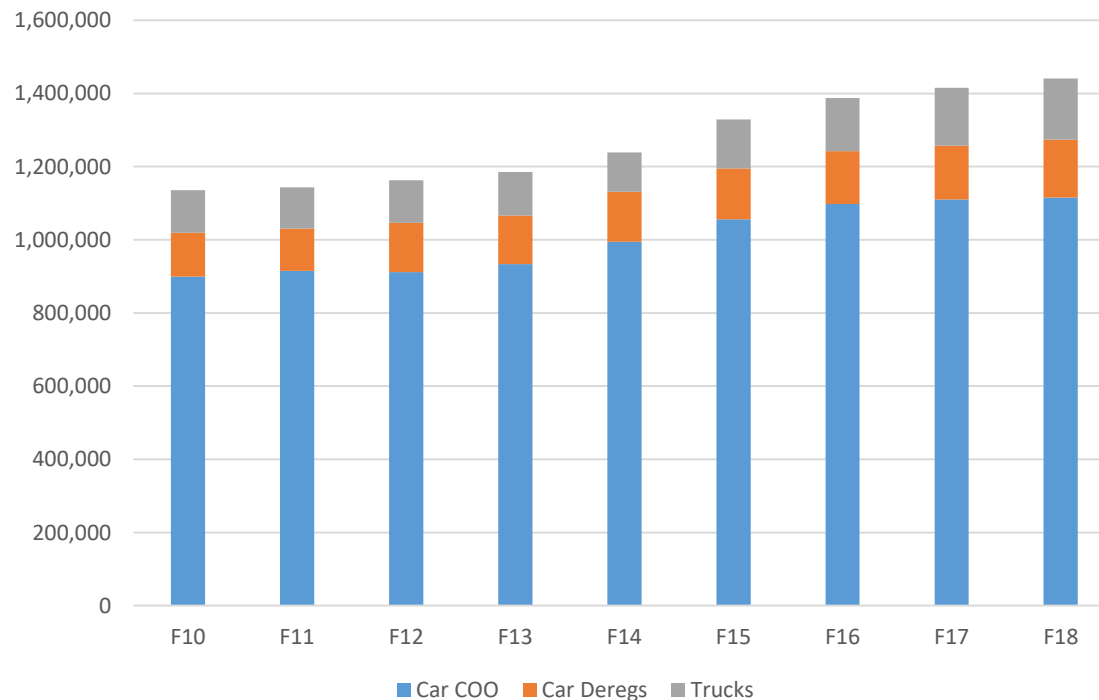


21 years

The average age light vehicles were scrapped from fleet was 22 years for an import and 21 years for NZ new

FY18 OPERATING ENVIRONMENT

Total Used Vehicle Sales
Financial Year



Used vehicle transactions in NZ (including deregistered vehicles and trucks)

- Used vehicle market continuing to grow:
 - Used cars in line with previous year
 - Used trucks up 5% YOY
 - Damaged and end of life up 11% YOY
- New car registrations (passenger and light commercial) up 5.4% to 153,000 units registered end-March 2018.
- 164,000 used vehicles imported from overseas (53% of total new registrations for FY18)
- Intense competition for originators
- Indications of a tightening credit market

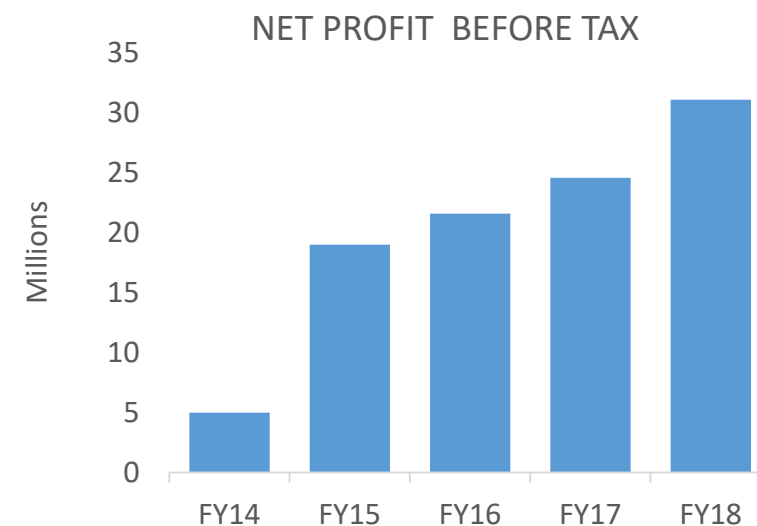
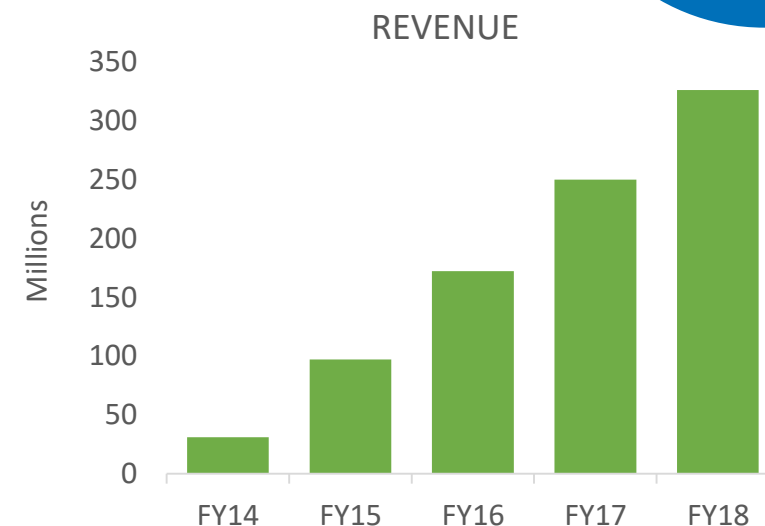


Highlights and Divisional Performance

FY18 FINANCIAL HIGHLIGHTS

Continued growth in revenue and profit

Revenue	\$330.5m (+32%)
Net Profit Before Tax (Guidance NPBT \$29m to \$31m)	\$31.1m (+26%)
Net Profit After Tax	\$23.4m (+33%)
NPATA	\$24.9m (+42%)
Shareholders' Equity	\$214.3m as at 31 Mar 18
Final Quarter Dividend 5.0 cps	Total FY Dividend 15.5cps (+7%)
Earnings Per Share	29.3cps (+15%)
FY19 NPBT Guidance	\$34m to \$36m (up 13% on mid)

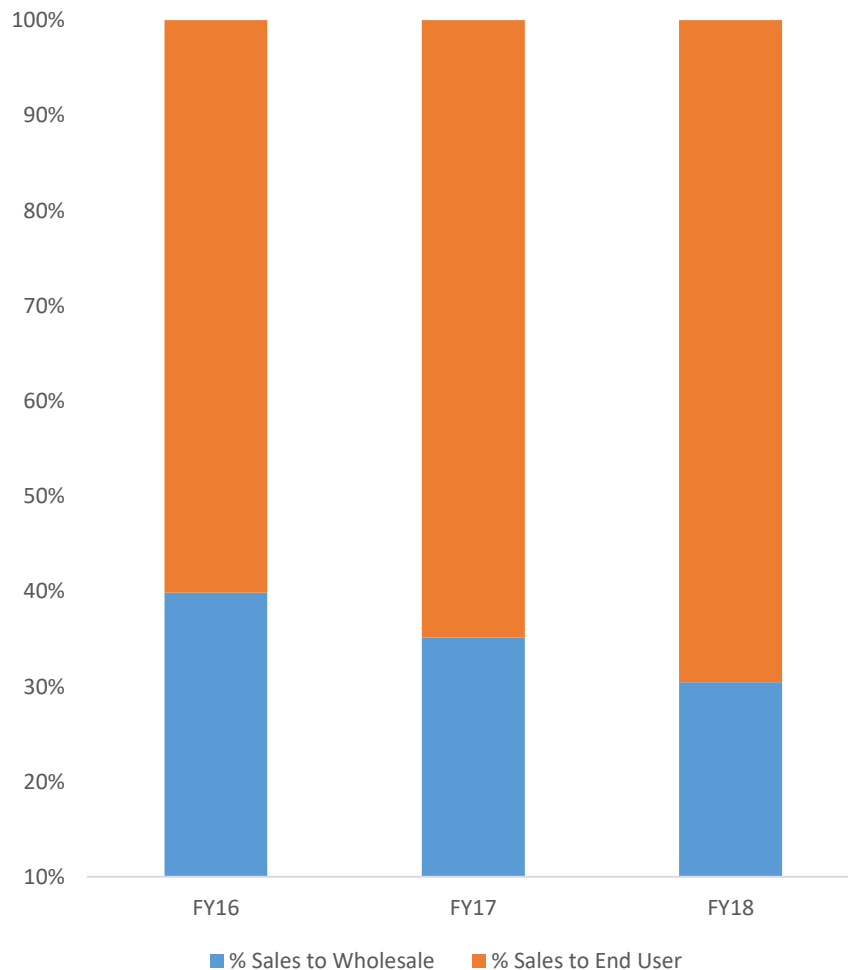


NPATA – is net profit after tax and tax adjusted add back of amortised acquisition intangibles IE. Autosure portfolios inforce and customer relationships
 Percentage changes in this presentation are calculated compared to FY17 unless otherwise stated

AUTOMOTIVE RETAIL

Revenue \$223.2m (+16%), Op Profit \$16.6m (+8%)

Sales by Customer Type for Turners Cars



- Turners Group strong result with operating profit up 15% off revenue growth of 10%.
- Continued increase in fixed price sales (cf auction or tender) - up 17% YoY with sales to end users at 70% of all car purchases
- Corresponding increase in finance contract sales (16% increase in loans written, 15% increase in MBI policies sold)
- Percentage of 'owned vehicles' increased to 50% (up from 48%) of transactions – better margins
- Expansion of physical footprint with new sites for both Cars and Trucks & Machinery
- Recent market research confirms Turners as most trusted used car brand in NZ (Source: Turners Customer Research Project November 2017)
- Recently inked partnership with Auto Super Shoppes (83 workshops in NZ) for delivery of service and maintenance products

AUTO RETAIL: BUY RIGHT CARS



PART OF
Turners.
Automotive Group

Turners Automotive Group is New Zealand's largest automotive company.

Customer view of Buy Right Car and Turners TRA Market Research Nov 2017

Recent brand research reflects positively on quality customer experience that Buy Right Cars provides

	Turners	Buy Right Cars
Satisfaction	87%	88%
Likelihood to Repurchase	71%	77%

- Revenue growth of 34% reflecting full year of operation, operating profit down 21%.
- Financial performance has disappointed as new management team deals with legacy issues
- New management team in place since November 2017
- Dealing with aged inventory issue
- Earn-out mechanism working as intended
- Closer association with Turners Auto Group branding to be implemented
- Grown physical footprint by one branch in FY18 (Penrose). Targeting three new branches over the next two years

AUTO RETAIL: PROPERTY OPPORTUNITY



Concept design for Cambridge Terrace site in Wellington

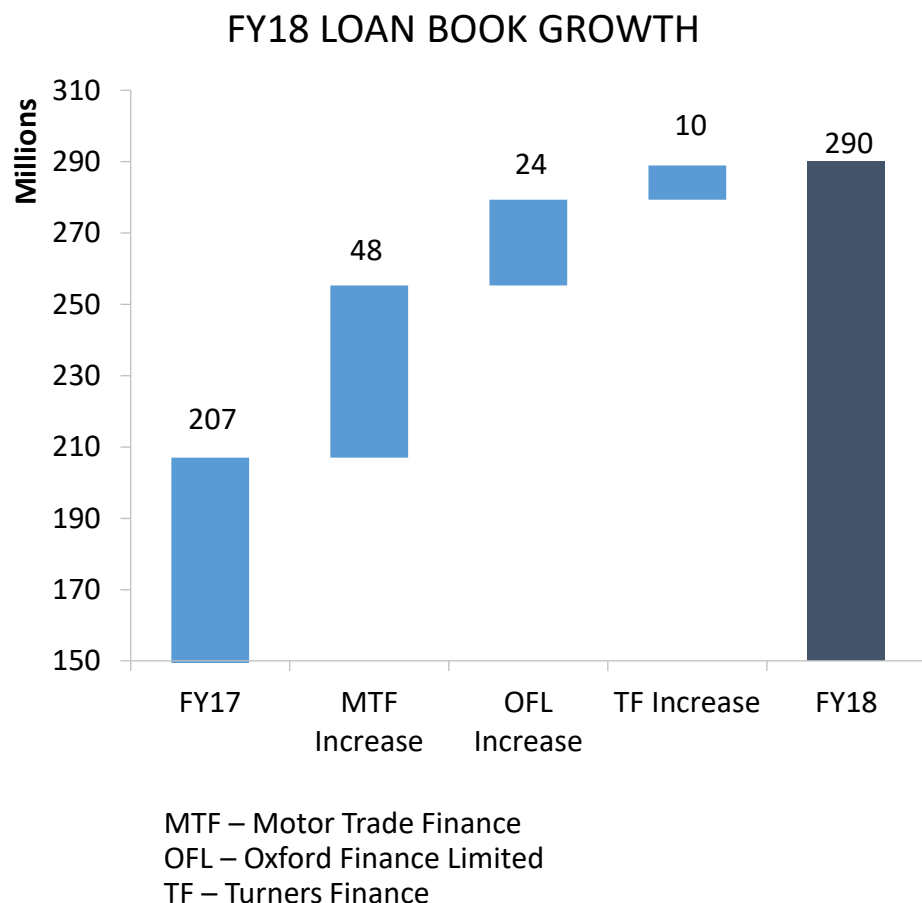


New branch in Porirua purchased and developed by Turners

- Property reconfiguration to drive improved retail experience for further growth
- Used vehicle business creates opportunity to be innovative in location and configuration eg container offices
- Purchasing either brown fields or bare land with straight forward developments with customised lease
- Sale and lease back provides profit opportunity to capitalise on “Turners” brand as a tenant
- Allocating pool of capital for property opportunities which will be recycled
- Five years of property opportunities ahead including large projects in Auckland and Christchurch
- Completed 2 major projects value \$16M during FY18 (Porirua Turners Cars and Wiri Trucks and Machinery)

FINANCE

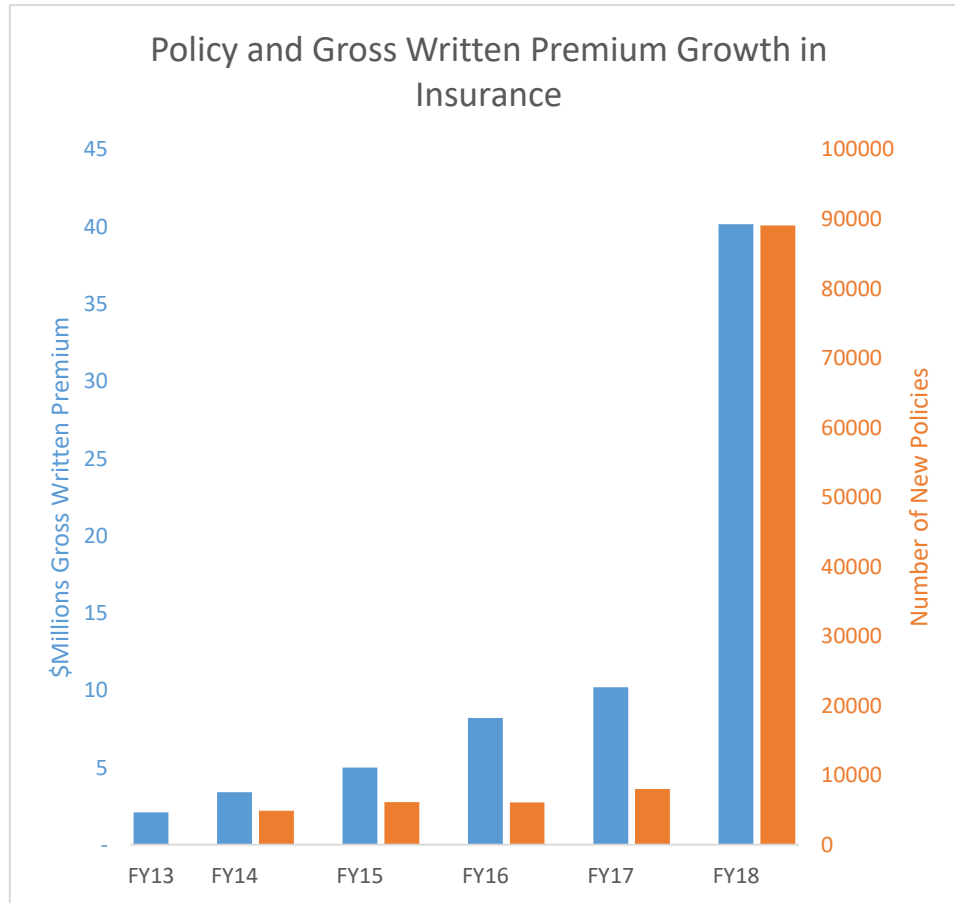
Revenue \$39.7m (+48%), Op Profit \$11.7m (+16%)



- Finance receivables growth has continued, up 40% to \$290m from March 2017
- Continued enhancements of online loan approval platform AutoApp (insurance integration key deliverable)
- Continue to tighten credit criteria to position the business for any change in the credit cycle
- Captive channel lending IE Turners Cars and BRC delivers higher quality loans (more control)
- Total instalment arrears tracking at 2.0% (1.0% at end-March 2017). Arrears deterioration most noticeable in MTF – Non Recourse (NR) book.

INSURANCE

Revenue \$46.9m (+283%), Op Profit \$5.7m, (+518%)



- Autosure acquisition creates step change in scale of insurance business in FY18
- Consolidation of insurance brands into single entity
- Use of data analytics to re-price risk
- GEP at 4% above budget for FY18
- 15% increase in policies sold through Turners captive channels to 8,500 policies.
- Loss ratios at 70% tracking 3% above budget, implementing initiatives to reduce to below 68% for FY19
- Identified potential opportunity to allocate a proportion of insurance reserves to support auto retail property expansion

CREDIT MANAGEMENT

Revenue \$18.7m, Op Profit \$6.1m (in line with FY17)



- Solid and consistent performer, delivering good cashflow and profitable returns
- Continued increase in debt load from key NZ corporate accounts at expense of competitors
- We believe there is still a big opportunity in Australian corporate market (under penetrated)
- Strong Terms of Trade product sales in NZ up 20% v FY17
- Auto Dialler technology performing well and creating significant lift in productivity
- Early stages of a strategic partnership established with IODM, an Australian based online automated accounts receivable solution provider, 23 clients subscriptions signed up at end of Mar 18
- Result includes \$0.4m unredeemed voucher release (\$1.1M FY17)

FUNDING MIX

	FY18 \$m	% of Total	FY17 \$m	% of Total
TOTAL ASSETS	652		557	
Equity	214	33%	172	31%
Convertible bonds	26	4%	26	5%
Securitisation Funding (BNZ)	133	20%	69	12%
Bank Funding [Corporate BNZ & ASB]	97	15%	122	22%
MTF Finance Receivables Funding	59	9%	49	9%
Insurance Contract Liabilities	49	8%	43	8%
Life Investment Contract Liabilities	7	1%	13	2%
Payables and Deferred Revenue	49	8%	43	8%
Deferred tax liability	19	3%	20	4%

- \$30M capital raise in Oct 17
- Convertible Bonds of \$26M mature Sept 2018.
- Growth in Securitisation Warehouse reflects growth in finance book and substitution of corporate bank funding
- \$140m syndication facility with ASB and BNZ completed May 2018.
- Growth in MTF funding driven by growth in Turners Finance.



Opportunities and Strategic Focus

KEY FOCUS FOR FY19



- AUTO RETAIL – Customer experience (people and property), redirect Finance into OFL, leverage trucks and machinery network
- FINANCE – redirect finance from Turners into OFL, Customer experience quicker and easier through smart data analytics, re-position to higher quality lending
- INSURANCE –continue pricing for risk, procurement / cost out initiatives, replace dealer retail selling system
- CREDIT MANAGEMENT - customer acquisition Australia, implement collections scorecard, target higher debt load from existing customers

OUTLOOK

- Used car market is resilient, less discretionary than new
- A large aging vehicle fleet that needs to be replaced
- 80% of people purchasing vehicles under \$20k, with a high demand for finance
- High trust position in the “Turners” brand
- FY19 NPBT guidance of \$34 million to \$36 million



Bonds

2018 Bond Offer

Turners is undertaking a new bond offer to repay existing financing and replace the existing TRAHB bonds, providing additional debt capacity to fund future business opportunities

- In 2016, Turners issued 2 year convertible bonds, maturing on 30 September 2018
- Turners expects approximately \$13m of these bonds to exercise the conversion option (at a share price equating to a 5% discount to the average daily volume weighted average price of the shares in the 90 days prior to 30 September 2018).

Given Turners has recently raised equity, Turners has chosen to offer secured subordinated bonds

- Substantially similar features to TRAHB bonds, but no equity conversion option
- Longer term (3 years)
- Maintains diversity of funding for Turners

KEY TERMS OF BONDS

(PDS available at www.turnersautogroup.co.nz/bonds and on the Disclose Register - www.companies.govt.nz/disclose)

Issuer	Turners Automotive Group Limited
Instrument	Fixed rate bonds, subordinated to certain bank debt and security as described in the PDS
Tenor	3 years, maturing 30 September 2021 (subject to subordination)
Issue Amount	Up to \$25,000,000 plus the ability to accept oversubscriptions up to \$5,000,000
Interest Rate	The Bonds will bear a fixed rate of interest of 5.5% per annum
Interest Payments	Quarterly in arrears in equal amounts on 30 March, 30 June, 30 September and 30 December of each year, commencing 30 December 2018 (subject to subordination)
Purpose	The proceeds of this offer are expected to be applied towards repaying existing financing, including the TRAHB bonds, providing additional debt capacity to fund future business opportunities
Issue Price	Par (\$1.00)
Listing	Expected to be quoted on NZX Debt Market (ticker : TRA100)
Application amounts	Minimum subscription amount is \$2,000 and multiples of \$1,000 thereafter
Investor Priority	Priority will be given to holders of Existing Convertible Bonds applying through the Exchange Offer who have elected not to convert their Existing Convertible Bonds into Shares, up to the principal amount of those Existing Convertible Bonds
Brokerage	Turners will pay brokerage of 1.0% on all valid applications accepted under the General Offer or the Exchange Offer

KEY DATES

Opening Date	28 August 2018
Latest Date for TRAHB Conversion Notices	30 August 2018
Closing Date (Exchange and General Offer)	12pm on 24 September 2018
Issue and Allotment Date	1 October 2018
First Interest Payment Date	30 December 2018
Interest Payment Dates	30 March, 30 June, 30 September and 30 December in each year
Maturity Date	30 September 2021

(Turners may vary the timetable at its discretion, including closing the General Offer or both Offers early)

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DISCLAIMER

This document is prepared as at 31 August 2018.

Turners Automotive Group (*the company*) is solely responsible for the content of this document. This document is not a product disclosure statement and does not constitute an offer of financial products. It has been prepared solely for informational purposes and is not a recommendation to purchase any bonds described in this document (*Bonds*).

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," "outlook," "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.

Application has been made to the NZX for permission to quote the Bonds on the NZX Debt Market. However, the Bonds have not yet been approved for trading and NZX accepts no responsibility for any statement in this document.