



Third Supplementary Bidder's Statement

in relation to the Improved Offer by

A.P. Eagers Limited

ABN 87 009 680 013

to purchase all of your ordinary shares in

Automotive Holdings Group Limited

ABN 35 111 470 038

for the increased consideration of 1 APE Share for every 3.6 AHG
Shares that you own

The AHG Board unanimously recommends that you **accept** the Improved Offer, in the absence of a superior proposal, and that you should **accept** the Improved Offer once AP Eagers waives the MAC Bid Condition

This document is important and requires your immediate attention.

If you are in any doubt about how to deal with this document or the Offer, you should contact your legal, financial or other professional adviser as soon as possible.

Third Supplementary Bidder's Statement

1 Important notices

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It is the third supplementary bidder's statement (**Third Supplementary Bidder's Statement**) issued by A.P. Eagers Limited ACN 009 680 013 (**AP Eagers**) in relation to its off-market takeover bid for all the ordinary shares in Automotive Holdings Group Limited ACN 111 470 038 (**AHG**) that AP Eagers does not already own.

This Third Supplementary Bidder's Statement supplements, and should be read together with, AP Eagers' bidder's statement dated 5 April 2019 (**Original Bidder's Statement**), first supplementary bidder's statement dated 26 April 2019 (**First Supplementary Bidder's Statement**) and second supplementary bidder's statement date 1 May 2019 (**Second Supplementary Bidder's Statement**). This Third Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement, the First Supplementary Bidder's Statement and the Second Supplementary Bidder's Statement. Unless the context requires otherwise, terms defined in the Original Bidder's Statement have the same meaning in this Third Supplementary Bidder's Statement.

A copy of this Third Supplementary Bidder's Statement, which incorporates a notice under section 650F and section 650D Corporations Act, was lodged with ASIC on 8 May 2019. Neither ASIC nor any of its officers takes any responsibility for the content of this Third Supplementary Bidder's Statement.

2 Introduction

As announced to the ASX on 8 May 2019, AP Eagers has agreed to vary the Offer by increasing the consideration offered to 1 APE Share for every 3.6 AHG Shares (such varied offer, being the **Improved Offer** and such varied consideration, being the **Improved Offer Consideration**) from 1 APE Share for every 3.8 AHG Shares (**Initial Offer**). A notice of variation given in accordance with sections 650B and 650D Corporations Act effecting that variation is attached as part 2 of annexure A to this Third Supplementary Bidder's Statement.

AP Eagers and AHG have also entered into an implementation deed (**Implementation Deed**) under which the AHG Board has agreed to unanimously recommend that AHG Shareholders accept the Improved Offer, in the absence of a superior proposal (as defined in the Implementation Deed), and that AHG Shareholders accept once AP Eagers waives the no Material Adverse Change (**MAC**) Bid Condition¹ in the manner contemplated by the Implementation Deed.²

AHG's Directors have also announced that they intend to accept, or procure the acceptance of, the Improved Offer in respect of any AHG Shares they own or control, in the absence of a superior proposal, once AP Eagers waives the MAC Bid Condition in the manner contemplated in the Implementation Deed.²

¹ That is, the Bid Condition set out in paragraph 5 of schedule 2 of the Original Bidder's Statement.

² This will occur once a *merger authorisation* for the Offer comes into force provided that neither a breach of the MAC Bid Condition nor an event set out in clause 7.1 of the Implementation Deed occurs before that date. A copy of the Implementation Deed is attached to the announcement released by each of AP Eagers and AHG to the ASX on 8 May 2019. A summary of the deed is included in section 8 of this Third Supplementary Bidder's Statement.

3 How to ACCEPT the Improved Offer

To accept the Improved Offer, AHG Shareholders should follow the instructions set out in paragraph 4 of schedule 1 of the Original Bidder's Statement and the Acceptance Form enclosed with this Third Supplementary Bidder's Statement. Section 3 of the Original Bidder's Statement also includes detailed instructions on how to accept Improved Offer.

If you have already accepted Initial Offer you do not need to take any further action as you are automatically entitled to receive the Improved Offer Consideration of 1 APE Share for every 3.6 AHG Shares that you have accepted.

4 Why you should ACCEPT the Improved Offer

4.1 THE AHG BOARD UNANIMOUSLY RECOMMENDS THAT AHG SHAREHOLDERS ACCEPT THE IMPROVED OFFER, IN THE ABSENCE OF A SUPERIOR PROPOSAL, AND THAT THEY SHOULD ACCEPT THE IMPROVED OFFER ONCE AP EAGERS WAIVES THE MAC BID CONDITION

The AHG Directors have announced that they intend to accept, or procure the acceptance of, the Improved Offer in respect of any AHG Shares that they own or control, in the absence of a superior proposal, once AP Eagers waives the MAC Bid Condition in the manner contemplated in the Implementation Deed.³

4.2 LARGER BALANCE SHEET AND FINANCIAL STRENGTH TO PURSUE GROWTH OPPORTUNITIES

If AP Eagers acquires 100% of AHG, the Merged Group is estimated to have:

- a pro forma market capitalisation of approximately \$2.30 billion⁴ (rather than \$1.84 billion as stated in sections 2.1 and 9.2 of the Original Bidder's Statement);⁵ and
- a pro forma FY18 enterprise value of approximately \$2.88 billion⁶ (rather than \$2.42 billion as stated in section 2.1 of the Original Bidder's Statement).⁷

³ This will occur once a *merger authorisation* for the Offer comes into force provided that neither a breach of the MAC Bid Condition nor an event set out in clause 7.1 of the Implementation Deed occurs before that date.

⁴ Based on the closing prices for APE Shares of \$9.08 and AHG Shares of \$2.40 on 7 May 2019 (being the last trading day prior to the announcement of the Improved Offer), excluding AP Eagers' 28.84% shareholding in AHG as at 4 April 2019 and before conversion of any AHG Performance Rights, APE Options or APE Performance Rights currently on issue.

⁵ The pro forma market capitalisation of the Merged Group stated in section 2.1 and 9.2 of the Original Bidder's Statement was based on a valuation of each AHG Share not already owned by AP Eagers of \$1.92, being the closing price of APE Shares on 4 April 2019 (the last trading day prior to the Announcement Date) of \$7.28, divided by the Initial Offer Ratio of 1 to 3.8.

⁶ The pro forma enterprise value of the Merged Group is based on the pro forma market capitalisation of the Merged Group of \$2.30 billion, plus the pro forma FY18 net debt of the Merged Group, being \$579.8 million. The Merged Group pro forma FY18 net debt is based on the combination of pro forma FY18 net debt (excluding bailment financing) for AP Eagers and AHG.

⁷ The pro forma enterprise value of the Merged Group stated in section 2.1 of the Original Bidder's Statement was based on the market capitalisation of AP Eagers immediately prior to the Announcement Date and a valuation of each AHG Share not already owned by AP Eagers of \$1.92, being the closing price of APE Shares on 4 April 2019 (the last trading day prior to the Announcement Date) of \$7.28, divided by the Initial Offer Ratio of 1 to 3.8, plus the pro forma FY18 net debt of the Merged Group, being \$579.8 million. The Merged Group pro forma FY18 net debt is based on the combination of pro forma FY18 net debt (excluding bailment financing) for AP Eagers and AHG.

4.3 EFFECT OF THE IMPROVED CONSIDERATION ON IMPLIED VALUE OF THE IMPROVED OFFER

The implied value per AHG Share represented by the Improved Offer Consideration compared to the market value of AHG Shares (calculated on the same basis) as at 4 April 2019 (being the last trading day before the Initial Offer was announced) is as follows:

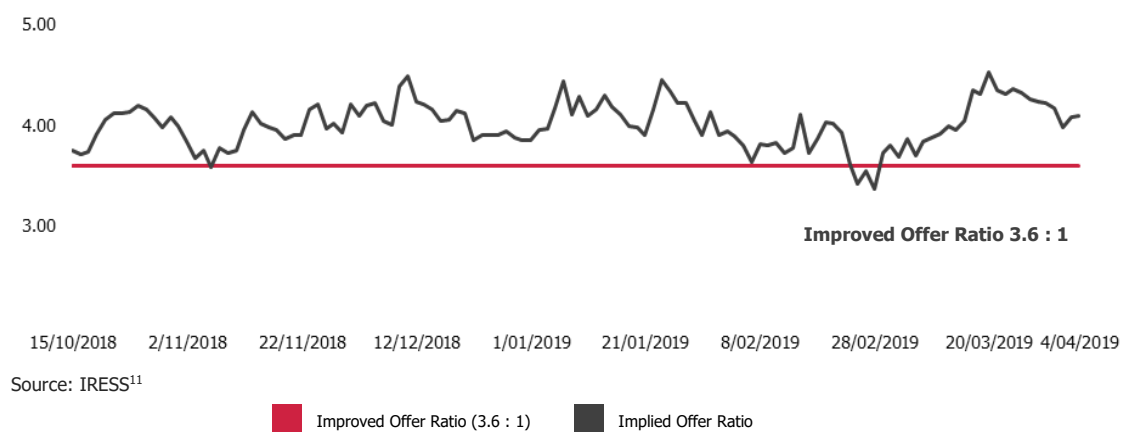
| Basis of assessing implied value and market value ⁸ | Market value of an AHG Share ⁹ | Implied value per AHG Share represented by the Improved Offer Consideration ¹⁰ | Implied premium |
|--|---|---|-----------------|
| closing price on 4 April 2019 | \$1.780 | \$2.022 | 13.61% |
| based on the two day VWAP | \$1.792 | \$2.022 | 12.85% |
| based on the 10 day VWAP | \$1.759 | \$2.034 | 15.66% |
| based on the 30 day VWAP | \$1.933 | \$2.062 | 6.67% |
| based on the 120 day VWAP | \$1.757 | \$1.929 | 9.80% |

Source: IRESS¹¹

The implied value of the Improved Offer will fluctuate with the APE Share price. Accordingly, if the APE Share price falls, the implied value of the Improved Offer Consideration will also fall. Likewise, if the APE Share price rises, the implied value of the Improved Offer Consideration will rise.

Figure 1 below sets out the Improved Offer Ratio implied by the relative daily closing prices of APE Shares and AHG Shares traded on the ASX for the period from 15 October 2018 to 4 April 2019 (each inclusive).

Figure 1: Offer Ratio implied by the relative daily closing prices of APE Shares and AHG Shares



⁸ Each VWAP calculation is made to 4 April 2019, being the last day APE Shares and AHG Shares were traded prior to the Announcement Date. On 20 February 2019, AP Eagers announced a fully franked final dividend for FY18 of 22.5 cents per APE Share. The record date for this dividend was 29 March 2019. The ex-dividend date was 28 March 2019, with payment due on 18 April 2019.

⁹ The 'market value' of an AHG Shares when assessed on the basis set out in the first column of the table above.

¹⁰ The 'implied value' per AHG Share is calculated by applying a 1 to 3.6 ratio to the APE Shares comprised in the Improved Offer Consideration when the value of those APE Shares are assessed on the basis set out in the first column of the table above.

¹¹ IRESS is not required to consent, and has not consented, to the use of this trading data in this Third Supplementary Bidder's Statement.

5 Effect of the Improved Offer on the Merged Group

5.1 EFFECT OF THE IMPROVED OFFER ON THE CAPITAL STRUCTURE OF THE MERGED GROUP

The following table represents the effect of the Improved Offer on AP Eagers' capital structure based on the Improved Offer Consideration and AP Eagers owning 100%, 50.1% and 49.9% (respectively) of the AHG Shares on issue at 5 April 2019 (being the date of the Original Bidder's Statement):¹²

| | Acquisition Scenario | | |
|---|----------------------|-------------|-------------|
| | 100% | 50.1% | 49.9% |
| | APE Shares | | |
| APE Shares on issue at 5 April 2019 | 191,309,301 | 191,309,301 | 191,309,301 |
| New APE Shares to be issued to AHG Shareholders under the Improved Offer | 65,552,960 | 19,586,326 | 19,402,091 |
| Total APE Shares on issue following completion of the Improved Offer | 256,862,261 | 210,895,627 | 210,711,392 |
| New APE Shares issued to AHG Shareholders as a percentage of total APE Shares on issue following completion of the Improved Offer | 25.5% | 9.3% | 9.2% |

If AP Eagers acquires all of the AHG Shares, there will be approximately 256.9 million APE Shares on issue, of which approximately 65.6 million APE Shares (or 25.5%) will be held by existing AHG Shareholders or the Nominee, as applicable. If AP Eagers acquires 50.1% of the AHG Shares, there will be approximately 210.9 million APE Shares on issue, of which approximately 19.6 million APE Shares (or 9.3%) will be held by existing AHG Shareholders or the Nominee, as applicable. If AP Eagers acquires 49.9% of the AHG Shares, there will be approximately 210.7 million APE Shares on issue, of which approximately 19.4 million APE Shares (or 9.2%) will be held by existing AHG Shareholders or the Nominee, as applicable.¹³

5.2 EFFECT OF THE IMPROVED OFFER ON SUBSTANTIAL HOLDERS OF THE MERGED GROUP

If AP Eagers acquires 100% of AHG Shares under the Improved Offer (based on shareholdings reported prior to the date of the Original Bidder's Statement), the only substantial holder of the Merged Group is set out below.

| | Original Offer Consideration | | Improved Offer Consideration | |
|--|------------------------------|--------------|------------------------------|--------------|
| | Shares | Voting Power | Shares | Voting Power |
| WFM Motors Pty Ltd and its Associates* | 69,536,438 | 27.44% | 69,536,516 | 27.07% |

*WFM Motors Pty Ltd, NGP Investments (No 2) Pty Ltd and Mr Politis are the registered holders of those APE Shares. Mr Politis, a non-executive Director of AP Eagers, is a director and controlling shareholder of each of WFM Motors Pty Ltd and NGP Investments (No 2) Pty Ltd.

5.3 EFFECT OF THE IMPROVED OFFER ON THE PRO FORMA UNAUDITED STATEMENT OF FINANCIAL POSITION OF THE MERGED GROUP

The tables at Figure 2, 3 and 4 below set out the Merged Group pro forma unaudited statement of financial position as at 31 December 2018 which have been prepared:

- (a) to illustrate the impact of the acquisition of AHG Shares by AP Eagers under the Improved Offer based on a price for AHG Shares of \$2.02 per AHG Share¹⁴ (rather

¹² Excludes the effect of dilution on vesting of AHG Performance Rights, APE Options and APE Performance Rights currently on issue.

¹³ Excludes the effect of dilution on vesting of AHG Performance Rights, APE Options and APE Performance Rights currently on issue.

¹⁴ Being the closing price for APE Shares on 4 April 2019, the last trading day prior to the announcement of the Initial Offer, divided by the Improved Offer Consideration.

than \$1.92 as stated in section 9.10 to 9.12 of the Original Bidder's Statement) and the associated issue of APE Shares as consideration based on a price for APE Shares of \$7.28 per share (being the closing price for APE Shares on 4 April 2019, the last trading day prior to the announcement of the Initial Offer); and

- (b) with the exception of paragraph (a) above, on the basis of the adjustments and transaction assumptions identified within section 9.9 and the relevant acquisition scenario in sections 9.10 to 9.12 of the Original Bidder's Statement.

Acquisition Scenario – 100%

Figure 2: Merged Group pro forma unaudited statement of financial position as at 31 December 2018

| Pro forma unaudited statement of financial position 100% Acquisition Scenario | As at 31 December 2018 | | | |
|--|------------------------|------------------|-----------------|------------------------------|
| | AP Eagers | AHG | Adjustments | Merged Group pro forma |
| | \$'000 | | | |
| Current assets | | | | |
| Cash and cash equivalents | 18,868 | 64,576 | - | 83,444 |
| Trade and other receivables | 156,286 | 349,114 | - | 505,400 |
| Inventories | 690,167 | 1,128,976 | - | 1,819,143 |
| Prepayments and deposits | 12,617 | 34,381 | - | 46,998 |
| Assets held for sale | - | 2,601 | - | 2,601 |
| Total current assets | 877,938 | 1,579,648 | - | 2,457,586 |
| Non-current assets | | | | |
| Other loans receivable | 8,303 | - | - | 8,303 |
| Financial assets at fair value through other comprehensive income | 149,774 | - | (149,186) | 588 |
| Financial assets at fair value through profit or loss | - | 7,228 | - | 7,228 |
| Investments in associates | 12,077 | 1,139 | - | 13,216 |
| Property, plant and equipment | 388,407 | 397,098 | - | 785,505 |
| Intangible assets | 313,325 | 323,156 | 122,192 | 758,673 |
| Deferred tax assets | 17,844 | 77,054 | (21,550) | 73,348 |
| Total non-current assets | 889,730 | 805,675 | (48,544) | 1,646,861 |
| Total assets | 1,767,668 | 2,385,323 | (48,544) | 4,104,447 |
| Current liabilities | | | | |
| Trade and other payables | 145,919 | 365,709 | - | 511,628 |
| Derivative financial instruments | 35 | - | - | 35 |
| Borrowings - bailment and other current loans | 571,615 | 1,019,531 | - | 1,591,146 |
| Current tax liabilities / (receivable) | 2,190 | (3,890) | - | (1,700) |
| Provisions | 48,481 | 101,375 | - | 149,856 |
| Other current liabilities | 5,862 | - | - | 5,862 |
| Total current liabilities | 774,102 | 1,482,725 | - | 2,256,827 |
| Non-current liabilities | | | | |
| Borrowings | 312,614 | 309,685 | - | 622,299 |
| Deferred tax liabilities | - | 10,165 | - | 10,165 |
| Provisions | 5,052 | 57,490 | - | 62,542 |
| Other | 19,422 | - | - | 19,422 |
| Total non-current liabilities | 337,088 | 377,340 | - | 714,428 |
| Total liabilities | 1,111,190 | 1,860,065 | - | 2,971,255 |
| Net assets | 656,478 | 525,258 | (48,544) | 1,133,192 |

| Pro forma unaudited statement of financial position 100% Acquisition Scenario | As at 31 December 2018 | | | |
|--|------------------------|----------------|-----------------|------------------------------|
| | AP Eagers | AHG | Adjustments | Merged Group pro forma |
| | \$'000 | | | |
| Equity | | | | |
| Contributed equity | 371,405 | 653,134 | (175,909) | 848,630 |
| Reserves | (124,306) | 6,392 | 127,365 | 9,451 |
| Retained earnings / (accumulated losses) | 401,377 | (150,881) | - | 250,496 |
| Total equity (attributable to owners of Merged Group) | 648,476 | 508,645 | (48,544) | 1,108,577 |
| Non-controlling interests | 8,002 | 16,613 | - | 24,615 |
| Total equity | 656,478 | 525,258 | (48,544) | 1,133,192 |

Acquisition Scenario – 50.1%

Figure 3: Merged Group pro forma unaudited statement of financial position as at 31 December 2018

| Pro forma unaudited statement of financial position 50.1% Acquisition Scenario | As at 31 December 2018 | | | |
|---|------------------------|------------------|------------------|------------------------------|
| | AP Eagers | AHG | Adjustments | Merged Group pro forma |
| | \$'000 | | | |
| Current assets | | | | |
| Cash and cash equivalents | 18,868 | 64,576 | - | 83,444 |
| Trade and other receivables | 156,286 | 349,114 | - | 505,400 |
| Inventories | 690,167 | 1,128,976 | - | 1,819,143 |
| Prepayments and deposits | 12,617 | 34,381 | - | 46,998 |
| Assets held for sale | - | 2,601 | - | 2,601 |
| Total current assets | 877,938 | 1,579,648 | - | 2,457,586 |
| Non-current assets | | | | |
| Other loans receivable | 8,303 | - | - | 8,303 |
| Financial assets at fair value through other comprehensive income | 149,774 | - | (149,186) | 588 |
| Financial assets at fair value through profit or loss | - | 7,228 | - | 7,228 |
| Investments in associates | 12,077 | 1,139 | - | 13,216 |
| Property, plant and equipment | 388,407 | 397,098 | - | 785,505 |
| Intangible assets | 313,325 | 323,156 | (111,596) | 524,885 |
| Deferred tax assets | 17,844 | 77,054 | (21,550) | 73,348 |
| Total non-current assets | 889,730 | 805,675 | (282,332) | 1,413,073 |
| Total assets | 1,767,668 | 2,385,323 | (282,332) | 3,870,659 |
| Current liabilities | | | | |
| Trade and other payables | 145,919 | 365,709 | - | 511,628 |
| Derivative financial instruments | 35 | - | - | 35 |
| Borrowings - bailment and other current loans | 571,615 | 1,019,531 | - | 1,591,146 |
| Current tax liabilities / (receivables) | 2,190 | (3,890) | - | (1,700) |
| Provisions | 48,481 | 101,375 | - | 149,856 |
| Other current liabilities | 5,862 | - | - | 5,862 |
| Total current liabilities | 774,102 | 1,482,725 | - | 2,256,827 |
| Non-current liabilities | | | | |
| Borrowings | 312,614 | 309,685 | - | 622,299 |
| Deferred tax liabilities | - | 10,165 | - | 10,165 |
| Provisions | 5,052 | 57,490 | - | 62,542 |
| Other | 19,422 | - | - | 19,422 |
| Total non-current liabilities | 337,088 | 377,340 | - | 714,428 |
| Total liabilities | 1,111,190 | 1,860,065 | - | 2,971,255 |

| Pro forma unaudited statement of financial position 50.1% Acquisition Scenario | As at 31 December 2018 | | | |
|---|------------------------|----------------|------------------|---------------------------|
| | AP Eagers | AHG | Adjustments | Merged Group pro forma |
| | \$'000 | | | |
| Net assets | 656,478 | 525,258 | (282,332) | 899,404 |
| Equity | | | | |
| Contributed equity | 371,405 | 653,134 | (510,546) | 513,993 |
| Reserves | (124,306) | 6,392 | 127,365 | 9,451 |
| Retained earnings / (accumulated losses) | 401,377 | (150,881) | - | 250,496 |
| Total equity (attributable to owners of Merged Group) | 648,476 | 508,645 | (383,181) | 773,940 |
| Non-controlling interests | 8,002 | 16,613 | 100,849 | 125,464 |
| Total equity | 656,478 | 525,258 | (282,332) | 899,404 |

Acquisition Scenario – 49.9%

Figure 4: Merged Group pro forma unaudited statement of financial position as at 31 December 2018

| Pro forma unaudited statement of financial position 49.9% Acquisition Scenario | As at 31 December 2018 | | | |
|---|------------------------|----------|----------------|---------------------------|
| | AP Eagers | AHG | Adjustments | Merged Group pro forma |
| | \$'000 | | | |
| Current assets | | | | |
| Cash and cash equivalents | 18,868 | - | - | 18,868 |
| Trade and other receivables | 156,286 | - | - | 156,286 |
| Inventories | 690,167 | - | - | 690,167 |
| Prepayments and deposits | 12,617 | - | - | 12,617 |
| Assets held for sale | - | - | - | - |
| Total current assets | 877,938 | - | - | 877,938 |
| Non-current assets | | | | |
| Other loans receivable | 8,303 | - | - | 8,303 |
| Financial assets at fair value through other comprehensive income | 149,774 | - | (149,186) | 588 |
| Investments in associates | 12,077 | - | 311,472 | 323,549 |
| Property, plant and equipment | 388,407 | - | - | 388,407 |
| Intangible assets | 313,325 | - | - | 313,325 |
| Deferred tax assets | 17,844 | - | (17,844) | - |
| Total non-current assets | 889,730 | - | 144,442 | 1,034,172 |
| Total assets | 1,767,668 | - | 144,442 | 1,912,110 |
| Current liabilities | | | | |
| Trade and other payables | 145,919 | - | - | 145,919 |
| Derivative financial instruments | 35 | - | - | 35 |
| Borrowings – bailment and other current loans | 571,615 | - | - | 571,615 |
| Current tax liabilities | 2,190 | - | - | 2,190 |
| Provisions | 48,481 | - | - | 48,481 |
| Other current liabilities | 5,862 | - | - | 5,862 |
| Total current liabilities | 774,102 | - | - | 774,102 |

| Pro forma unaudited statement of financial position 49.9% Acquisition Scenario | As at 31 December 2018 | | | |
|---|------------------------|----------|----------------|------------------------------|
| | AP Eagers | AHG | Adjustments | Merged Group pro forma |
| | \$'000 | | | |
| Non-current liabilities | | | | |
| Borrowings | 312,614 | - | - | 312,614 |
| Deferred tax liabilities | - | - | 3,706 | 3,706 |
| Provisions | 5,052 | - | - | 5,052 |
| Other | 19,422 | - | - | 19,422 |
| Total non-current liabilities | 337,088 | - | 3,706 | 340,794 |
| Total liabilities | 1,111,190 | - | 3,706 | 1,114,896 |
| Net assets | 656,478 | - | 140,736 | 797,214 |
| Equity | | | | |
| Contributed equity | 371,405 | - | 141,247 | 512,652 |
| Reserves | (124,306) | - | (511) | (124,817) |
| Retained earnings | 401,377 | - | - | 401,377 |
| Total equity (attributable to owners of Merged Group) | 648,476 | - | 140,736 | 789,212 |
| Non-controlling interests | 8,002 | - | - | 8,002 |
| Total equity | 656,478 | - | 140,736 | 797,214 |

5.4 PRO FORMA EARNINGS PER SHARE

As a result of the Improved Offer Consideration, the table at Figure 5 below updates the disclosure set out in section 9.13 of the Original Bidder's Statement regarding the Merged Group's pro forma unaudited FY18 EPS for the three acquisition scenarios under which the Merged Group Pro Forma Financial Information has been presented in sections 9.10 to 9.12 of the Original Bidder's Statement.

Figure 5: Merged Group pro forma unaudited EPS (basic) for the year ended 31 December 2018

| | Acquisition Scenario | | |
|--|-----------------------|-----------------------|-----------------------|
| | 100% | 50.1% | 49.9% |
| APE Shares on issue at the date of this Third Supplementary Bidder's Statement | 191,309,301 | 191,309,301 | 191,309,301 |
| New APE Shares to be issued to AHG Shareholders under the Improved Offer | 65,552,960 | 19,586,326 | 19,402,091 |
| Total APE Shares on issue following completion of the Improved Offer | 256,862,261 | 210,895,627 | 210,711,392 |
| Profit attributable to owners of Merged Group (\$'000) | 142,590 ¹⁵ | 114,196 ¹⁶ | 114,082 ¹⁷ |
| Earnings per share (cents per share) | 55.5 | 54.1 | 54.1 |

The historical financial performance of AP Eagers or AHG is no assurance or indicator of future financial performance of the Merged Group.

¹⁵ Refer to section 9.9 of the Original Bidder's Statement.

¹⁶ Refer to section 9.10 of the Original Bidder's Statement.

¹⁷ Refer to section 9.11 of the Original Bidder's Statement.

6 Source of consideration

The maximum number of APE Shares which are required to be issued under the Improved Offer if acceptances are received for all the AHG Shares on issue at the date of the Original Bidder's Statement (other than those AHG Shares which AP Eagers owns)¹⁸ is approximately 65,552,960 (excluding rounding adjustments), rather than 62,102,804 APE Shares as stated in section 11.1 of the Original Bidder's Statement.

In addition, if all unvested AHG Performance Rights vest in accordance with the terms of their issue and the holders exercise those AHG Performance Rights and accept the Improved Offer in respect of the AHG Shares issued to them, an additional 442,223 APE Shares would be required to be issued (excluding rounding adjustments), rather than 418,948 APE Shares as stated in section 3 of the First Supplementary Bidder's Statement.

7 Offers freed of general market fall Bid Condition

AP Eagers has today declared each of the Offers and all contracts formed by acceptance of the Offers free of the Bid Condition set out in paragraph 6 of schedule 2 of the Original Bidder's Statement (the general market fall Bid Condition). Attached as part 1 of annexure A to this Third Supplementary Bidder's Statement is a copy of the notice which has been, or will be, provided to AHG and the ASX today in accordance with the requirements of section 650F Corporations Act.

8 Summary of Implementation Deed

This section sets out a brief summary of the Implementation Deed entered into between AP Eagers and AHG on 7 May 2019. A complete copy of the Implementation Deed is also attached to the announcement released to the ASX by each of AP Eagers and AHG on 8 May 2019.

Unless the context otherwise requires, capitalised terms in this section 8 have the same meaning given to those terms in the Implementation Deed.

Variation of Offers and waiver of Bid Condition

AP Eagers has agreed to vary the Offer by increasing the consideration to be offered to 1 APE Shares for every 3.6 AHG Shares.

The Offer remains subject to the Bid Conditions set out in schedule 2 to the Original Bidder's Statement, with the exception of Bid Condition 6 (General market fall), which AP Eagers has agreed to waive (see section 7 above).

AP Eagers also undertakes to waive the MAC Bid Condition on the date a Merger Authorisation for the Offer comes into force provided that neither a breach of that MAC Bid Condition, nor an event set out in clause 7.1 of the Implementation Deed, occurs before that date.

Further, AP Eagers has agreed not to rely on the breach of the Bid Condition in paragraph 4(c) of schedule 2 of the Bidder's Statement as a consequence of the appointment of Mr Richard England to the AHG Board as disclosed by AHG to ASX on 26 April 2019.

Future Dividend

AP Eagers will ensure that the *record date* (as defined in the Listing Rules) for any dividend approved for payment by its Board and announced to the ASX after 8 May 2019 and before

¹⁸ As at the date of this Third Supplementary Bidder's Statement, AP Eagers' has a Relevant Interest in 29.12% of the AHG Shares on issue.

the end of the Offer Period (**Future Dividend**) is no earlier than the last day on which Accepting Shareholders (i.e. those AHG Shareholders who accept the Offer) have (or, in the case of a Foreign Shareholder, the Nominee has) been issued APE Shares and their names have been entered in the register of members for AP Eagers. This is intended to ensure that those Accepting Shareholders receive any such dividend in respect of APE Shares which are issued to them as a consequence of the Offer.

An intention that all Accepting Shareholders, or the Nominee, as applicable, would receive the Future Dividend payable in respect of the APE Shares which are issued pursuant to the Offer was not contemplated in the Original Bidder's Statement and, consequently, the comments set out therein do not reflect the income tax implications of the Offer for Accepting Shareholders in that circumstance. AHG Shareholders are advised to seek independent professional advice about the taxation treatment appropriate for them.

Reimbursement Fee

If any AHG Director:

- (a) makes any public statement to the effect that he or she does not support the Improved Offer or fails to recommend that AHG Shareholders accept the Improved Offer or, having done so, publicly withdraws or varies his or her favourable recommendation; or
- (b) publicly recommends or promotes or otherwise endorses a Competing Proposal; or
- (c) AHG breaches a term of the Implementation Deed (with the result that the deed is terminated by AP Eagers),

AHG must pay the sum of \$1.5 million to AP Eagers as a Reimbursement Fee.

The Reimbursement Fee will not be payable if the independent expert engaged by AHG opines at any time after the dispatch of AHG's target's statement but before a breach by AHG of the MAC Bid Condition that the Improved Offer is neither fair nor reasonable to AHG Shareholders and the reason for that conclusion is a matter, event or circumstance affecting AP Eagers or APE Shares.

Other assistance to AP Eagers

AHG will assist AP Eagers with the provision of information necessary or desirable for the satisfaction or waiver of the various Bid Conditions. Except to the extent prohibited by law or a Regulatory Authority, AHG also has agreed to work in a cooperative fashion with AP Eagers in processing the application for Merger Authorisation which has been made by AP Eagers with the ACCC in relation to the Offer.

Termination rights

Either party may terminate the Implementation Deed:

- (a) where the other party is in material breach of the Implementation Deed and that breach either cannot be remedied or is not remedied within five Business Days' notice;
- (b) AP Eagers withdraws the Offer for any reason; or
- (c) if a court or other Regulatory Authority has issued a final and non-appealable order, decree or ruling or taken other action which permanently restrains or prohibits the Takeover Bid.

AP Eagers may also terminate the Implementation Deed where:

- (a) a Superior Proposal is made or publicly announced for AHG by a third party;
- (b) any AHG Director does not recommend the Takeover Bid be accepted by AHG Shareholders or having recommended the Takeover Bid, withdraws or adversely modifies his or her recommendation of the Takeover Bid; or
- (c) a person (other than AP Eagers or WFM Motors Pty Ltd (and its Associates)) has a Relevant Interest in more than 15% of the AHG Shares on issue.

9 Consents

Each of AHG's Directors has given written consent to be named in this Third Supplementary Bidder's Statement in the form and context in which the AHG Directors are named and to the inclusion of each statement they have made and each statement which is said to be based on a statement they have made, in the form and context in which the statements appear and has not withdrawn that consent as at the date of this Third Supplementary Bidder's Statement.

As permitted by ASIC Corporations Instrument 2016/72, this Third Supplementary Bidder's Statement contains security price trading data sourced from IRESS without its consent.

10 Further information

AHG Shareholders who have any questions in relation to the Offer should contact their legal, financial or other professional adviser or call the AP Eagers Offer information line on 1300 560 339 (or +61 2 8011 0354 for overseas domiciled holders) between 9.00am and 5.00pm (Sydney time) Monday to Friday.

11 Approval of Third Supplementary Bidder's Statement

This Third Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the Directors of AP Eagers.

Dated 8 May 2019

Signed for and on behalf of
A.P. Eagers Limited
by



Tim Crommelin
Chairman

Annexure A

**A.P. EAGERS LIMITED
ACN 009 680 013**

COMPANY NOTICE - SECTIONS 650F AND 650D CORPORATIONS ACT 2001 (Cth)

To: Australian Securities and Investments Commission (**ASIC**)

Automotive Holdings Group Limited ACN 111 470 038 (**AHG**)

ASX Limited

Each person to whom Offers were made under the takeover bid referred to in this notice, as required under section 650D(1)(c)(ii) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by ASIC Class Order [CO 13/521]

This notice is given by A.P. Eagers Limited ACN 009 680 013 (**AP Eagers**) in respect of the offers dated 23 April 2019 made by AP Eagers under its off-market takeover bid to acquire all of the ordinary shares in AHG that it does not already own (**Offers**). The Offers are contained in AP Eagers' bidder's statement dated 5 April 2019 (as supplemented from time to time) (**Bidder's Statement**). Terms defined in the Bidder's Statement have the same meaning when used in this notice unless the context provides otherwise.

A copy of this notice was lodged with ASIC on 8 May 2019. Neither ASIC nor any of its officers takes any responsibility for the content of this notice.

1 OFFER FREED FROM GENERAL MARKET FALL BID CONDITION

AP Eagers hereby gives notice under section 650F of the Corporations Act that:

- (a) it frees each of the Offers and each contract resulting from acceptance of the Offers from the Bid Condition set out in paragraph 6 of schedule 2 of the Bidder's Statement (*general market fall*); and
- (b) as at the date of this notice, AP Eagers' Voting Power in AHG is 29.12%, comprising 96,578,610 AHG Shares out of a total of 331,623,014 AHG Shares presently on issue.

2 NOTICE OF VARIATION – INCREASE IN CONSIDERATION OFFERED

AP Eagers hereby gives notice under section 650D of the Corporations Act that:

- (a) it varies each of the Offers and each contract resulting from acceptance of the Offers by increasing the Offer Consideration from 1 APE Share for every 3.8 AHG Shares to 1 APE Share for every 3.6 AHG Shares; and
- (b) accordingly, each of the Offers are varied by substituting '1 APE Share for every 3.8 AHG Shares' with '1 APE Share for every 3.6 AHG Shares' in each place in which it appears in the Bidder's Statement and Acceptance Form.

This notice has been approved by a unanimous resolution passed by the directors of AP Eagers under section 650D(3A) Corporations Act, as inserted into the Corporations Act by ASIC Class Order [CO 13/521].

Dated 8 May 2019

Signed for and on behalf of

A.P. Eagers Limited

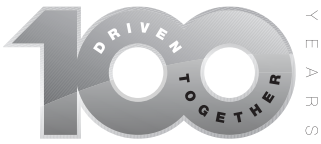
by:



Tim Crommelin
Director



Martin Ward
Director



AP EAGERS
ABN 87 009 680 013

Return your Form:



To Your Controlling Participant:
Return this form directly to your stockbroker



By Mail:
Computershare Investor Services Pty Limited
Automotive Holdings Group Limited Takeover
GPO Box 52
MELBOURNE VIC 3001 AUSTRALIA

For all enquiries:



Phone:
(within Australia) 1300 560 339
(outside Australia) +61 2 8011 0354

AHG_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Acceptance and Transfer Form

CHES

Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer (**Offer**) by A.P. Eagers Limited ACN 009 680 013 (**AP Eagers**) to acquire all of your fully paid ordinary shares in Automotive Holdings Group Limited ACN 111 470 038 (**AHG**) the terms of which are set out in the Bidder's Statement from AP Eagers dated 5 April 2019 as replaced or supplemented (**Bidders Statement**). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the copy of the AHG register, as provided to AP Eagers. The current address recorded by AP Eagers is printed above and overleaf. If you have recently bought or sold AHG Shares your holding may differ from that shown. If you have already sold all your AHG Shares do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your AHG Shares. As your AHG Shares are in a CHES Holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept this Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept this Offer on your behalf. If you want AP Eagers to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise AP Eagers and Computershare Investor Services Pty Limited (**CIS**) to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to AP Eagers (and authorise AP Eagers to warrant on your behalf) that you have full legal and beneficial ownership of the AHG Shares to which this form relates and that AP Eagers will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or AP Eagers to initiate the acceptance of the Offer on your behalf. Neither AP Eagers or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (**POA**), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and a Secretary.

Overseas Companies: Where the holding is in the name of an overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →



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Acceptance and Transfer Form

For your security keep your SRN/
HIN confidential.

STEP 1 Registration Name & Offer Details

Registration Name: MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Controlling Participant Identifier:

Offer Details: Securityholding as at 7.00pm (Sydney time) on 8 May 2019:

2000

Consideration to be issued to you on the basis of 1 APE Share for every 3.6 AHG Shares accepted.

Cons

By accepting the Offer, you are accepting the Offer for ALL the AHG Shares as recorded by AP Eagers as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2 Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your AHG Shares. The consideration applicable is set out in the terms of the Offer (as varied in accordance with AP Eagers' notice of variation dated 8 May 2019).

STEP 3 Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by AP Eagers for all of my/our AHG Shares and I/we agree to be bound by the terms and conditions of the Offer as set out in the Bidder's Statement and transfer ALL of my/our AHG Shares to AP Eagers as per the above instruction.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Director

Director/Company Secretary
(cross out titles as applicable)

Contact
Name _____

Contact
Daytime
Telephone _____

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by A.P. Eagers Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to A.P. Eagers Limited or to third parties upon direction by A.P. Eagers Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.



AP EAGERS
ABN 87 009 680 013

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
Automotive Holdings Group Limited Takeover
GPO Box 52
MELBOURNE VIC 3001 AUSTRALIA

For all enquiries:



Phone:

(within Australia) 1300 560 339
(outside Australia) +61 2 8011 0354

AHG_TK
MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Acceptance and Transfer Form

ISSUER

Your form must be received by the end of the Offer Period.

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Only sign and return this form if you wish to accept the Offer for ALL of your AHG Shares.

By signing this form, you warrant to AP Eagers (and authorise AP Eagers to warrant on your behalf) that you have full legal and beneficial ownership of the AHG Shares to which this form relates and that AP Eagers will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Step 3: Signing Instructions

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Companies: Where the holding is in the name of a company, this form must be signed in accordance with the Corporations Act, either as:

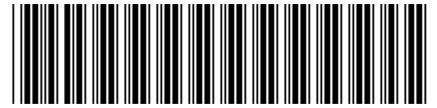
- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
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Turn over to complete the form →



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Acceptance and Transfer Form

For your security keep your SRN/
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Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Director

Director/Company Secretary
(cross out titles as applicable)

Contact Name _____

Contact
Daytime
Telephone _____

Date / /

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