



Fourth Supplementary Bidder's Statement

in relation to the 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 1 APE Share for every 3.6 AHG Shares that you own

The AHG Board unanimously recommends that you **accept** the Offer, in the absence of a superior proposal, and that you should **accept** the Offer once AP Eagers waives the no Material Adverse Change 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.

Fourth Supplementary Bidder's Statement

1 Introduction and important notices

This document is a supplementary bidder's statement under section 643 of the *Corporations Act 2001* (Cth) (**Corporations Act**). It is the fourth supplementary bidder's statement (**Fourth 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 Fourth 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**), second supplementary bidder's statement dated 1 May 2019 (**Second Supplementary Bidder's Statement**) and third supplementary bidder's statement dated 8 May 2019 (**Third Supplementary Bidder's Statement**). In this Fourth Supplementary Bidder's Statement all references to the Original Bidder's Statement are references to the Original Bidder's Statement as amended and supplemented by the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement and the Third Supplementary Bidder's Statement and the notice of variation dated 8 May 2019. This Fourth Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement, the First Supplementary Bidder's Statement, the Second Supplementary Bidder's Statement and the Third Supplementary Bidder's Statement. Unless the context requires otherwise or separately defined in this Fourth Supplementary Bidder's Statement, terms defined in the Original Bidder's Statement have the same meaning in this Fourth Supplementary Bidder's Statement.

A copy of this Fourth Supplementary Bidder's Statement was lodged with ASIC on 15 May 2019. Neither ASIC nor any of its officers takes any responsibility for the content of this Fourth Supplementary Bidder's Statement.

2 Update from AP Eagers' 2019 annual general meeting

Attached, in annexure A to this Fourth Supplementary Bidder's Statement, is a copy of the presentation made by AP Eagers' Managing Director, Mr Martin Ward, at its 2019 annual general meeting on 15 May 2019.

3 Sale of Audi Centre Sunshine Coast and Volvo Cars Sunshine Coast

As a result of the sale of the business assets of Audi Centre Sunshine Coast and Volvo Cars Sunshine Coast (the sole Audi and Volvo car dealerships operated by AP Eagers in Australia), due to be completed on 17 May 2019, the total number of new car dealership locations and new car brands represented by each of AP Eagers and the Merged Group will be as follows:

	Previous no. disclosed		Current no.	
	AP Eagers ¹	Merged Group ²	AP Eagers	Merged Group
New car brands represented in Queensland	18	22	16	20
New car brands represented in Australia	26	33	24	32
New car dealership locations in Queensland ³	47	66	45	64
New car dealership locations in Australia ³	110	229	108	229

4 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.

5 Approval of Fourth Supplementary Bidder's Statement

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

Dated 15 May 2019

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



Tim Crommelin
 Chairman

¹ See section 4.1 and Figure 9 in section 4.2 of the Original Bidder's Statement and section 2 of the Second Supplementary Bidder's Statement.

² See section 2.1 and 9.2 of the Original Bidder's Statement.

³ Dealerships for Toyota and Volkswagen have been calculated by reference to PMAs rather than new vehicle sales locations within PMAs.

Annexure A

ASX announcement dated 15 May 2019



CEO's Address
Annual General Meeting
Wednesday 15 May 2019

Thank you, Chairman. And thank you shareholders for your attendance today and your keen interest in your company's performance.

While I will shortly address the 2018 operating performance, I also want to look to the future – which is where I am most focused. In particular, I'd like to discuss our strategy to futureproof the AP Eagers business for the next century and our landmark all-scrip offer to merge with Automotive Holdings Group Limited (AHG) to create Australia's leading automotive retail group.

2018 Year In Review

After three consecutive years of record new vehicle sales, last year saw a decline in the national new vehicle market. Despite these challenging trading conditions, AP Eagers was able to significantly outperform the automotive retail sector and deliver a robust full year financial performance.

In 2018, our total revenue increased by 1.3% to \$4.1 billion. On a like-for-like basis, revenue increased by 2.1% compared to the prior year underpinned by strong trading in the Queensland (excluding discontinued businesses), Victorian and South Australian car divisions. Combined with a record performance in the National Truck division, we were able to achieve modest revenue growth and mitigate difficult trading environments in New South Wales and Tasmania.

Through a disciplined approach to generating higher returns across our asset base in 2018, we were pleased to report a net profit after tax of \$101.2 million, an increase of 3.1% year-on-year. Our earnings per share for the year were 52.0 cents compared to 50.3 cents for the prior period, an increase of 3.4%.

This improved full year operating performance helped offset reduced dividend income from our strategic investment in AHG and reduced gains on the sale of non-core operations and property.

The strong bottom line outcome supported yet another record dividend, our 10th consecutive year of dividend growth. As Tim touched upon earlier, it's a track record we are very proud of as a company.

Considering the widely reported challenges, our ability to outperform the national market represents an outstanding outcome which was largely driven by our relentless focus on executing on our strategy.

Next100

We have a clear strategy in place which we call the 'Next100'. It's built around five key elements, together aimed at ensuring we maintain our position as a leading provider of integrated mobility solutions for the next 100 years.

I would like to briefly touch on each of these elements:

- *Engaging our customers, everywhere* by continuing to develop an omni-channel retail approach, leveraging our large and flexible portfolio of owned and leased properties and reorganising our retailing facilities for the future. A major component of this strategy is our move to the Brisbane Auto Mall where we have secured 64,000 m² within the state-of-the-art automotive retailing precinct, strategically located at the Brisbane Airport. We will relocate a number of dealerships from Newstead to the Auto Mall to provide a truly unique and world class customer experience, complemented by an increasing presence in shopping centres and satellite stores;
- *Redefining our workforce* to deliver a vastly superior customer experience, on a more sustainable and productive cost base;
- *Delivering optimised vehicle finance solutions* for our customers, by executing on our five point operating plan to significantly lift finance penetration for vehicle sales and become the preferred provider of automotive and mobility finance solutions;
- *Supporting innovation* as our manufacturing partners introduce autonomous, connected and electric vehicles as well as other emerging product and service innovations to meet the evolving preferences of our customers; and
- *Reinvesting with discipline*, combined with rigorous review of existing and new operations to support an unrelenting focus on long term wealth creation.

Above all, we remain focused on exceeding the expectations of our stakeholders – our shareholders, customers, partners, employees and the broader community.

As we have said previously – and let me reiterate today – your company remains exceptionally well positioned to take advantage of value creating opportunities as consolidation, restructuring and rationalisation escalate within our industry.

Offer for Automotive Holdings Group

Consistent with these opportunities, we made an important strategic decision to make an all-scrip offer direct to our fellow AHG shareholders to acquire all of the shares in AHG (we do not already own) and merge the two companies to create Australia's leading automotive retail group.

I would like to echo the Chairman's comments in acknowledging the groundswell of support for our merger offer from AHG shareholders.

We are delighted that the AHG Board shares our view on the rationale for the merger and has recommended its shareholders accept the offer in the absence of a superior proposal. We look forward to working with the AHG Board collaboratively to satisfy the few remaining conditions, including engaging constructively together with the ACCC to secure regulatory approval.

I would like to take this opportunity to encourage any AHG shareholders who are yet to accept to do so, in order for the full benefits of the merger to be realised, particularly the synergies.

We are convinced that combination of these two highly complementary businesses with a diversified portfolio of motor vehicle dealerships and greater financial scale will be better placed to respond to the rapidly evolving motor vehicle retailing market and pursue future growth opportunities through the cycles.

Update on current trading – Market Guidance

External trading conditions in the national automotive retail sector remain challenging with the overall new vehicle sales market declining 8.1% to the end of April 2019.

AP Eagers is not immune to the prevailing market conditions and as a result, expects first half operating profit before tax^[1] to be between 7 – 10% lower than the previous half year period.

The company's balance sheet remains strong and the management team remains focused on executing our Next100 growth strategy and managing our cost base effectively in the context of structural changes facing the market.

AP Eagers is confident of being able to continue to deliver strong returns for shareholders through the cycle while taking of advantage of the opportunities it presents.

Conclusion

I want to take this opportunity to publicly thank each and every one of our 4,250 team members.

Your contributions, commitment and hard work are the reasons we were able to outperform the national market last year and deliver an outstanding result for our shareholders.

On behalf of the AP Eagers Board and the entire team, I would like to thank you, our shareholders, for your continued support and investment in this company.

After the other formalities of today's AGM, we would like to present some slides which demonstrate the substance behind two of the five key elements of our Next100 strategy.

Thank you.

Martin Ward
Chief Executive Officer

^[1] **Operating profit before tax** means statutory profit before tax adjusted for business acquisition costs, property fair value adjustments, gains on sale of assets, income from both AHG dividends and equity accounted share of AHG profit from May 2019, and the impact of the new lease accounting standard (AASB 16).

AP Eagers

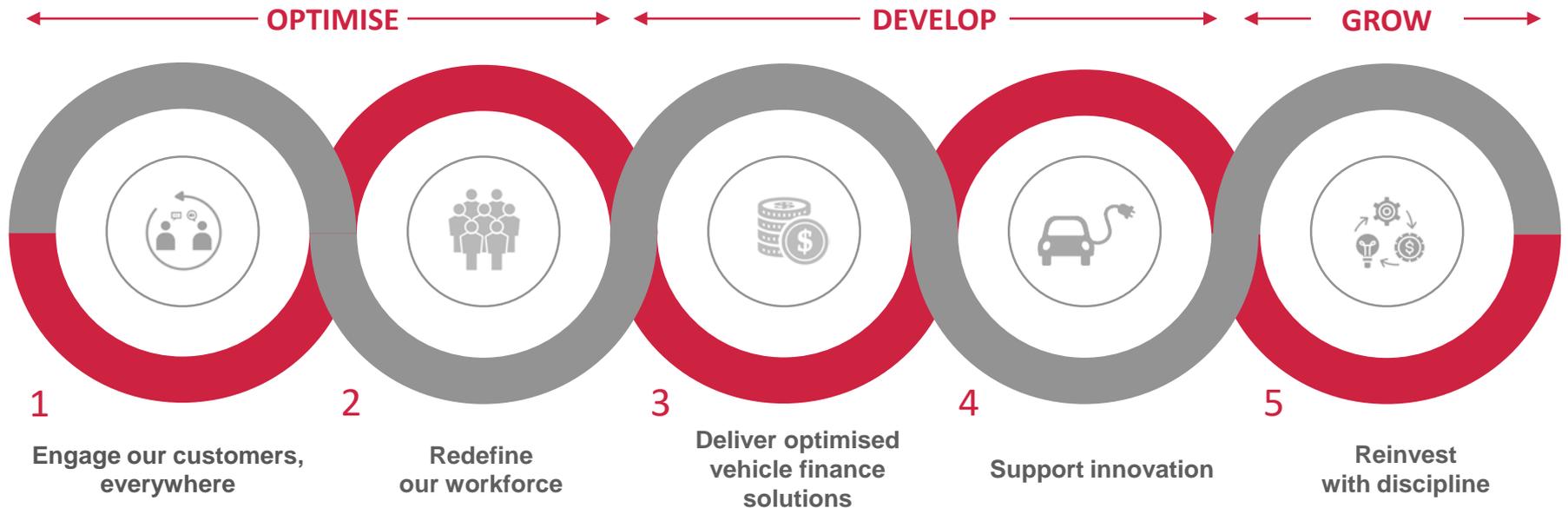
Annual General Meeting

Wednesday, 15 May 2019



THE NEXT100:

Providing integrated mobility solutions for the next 100 years.



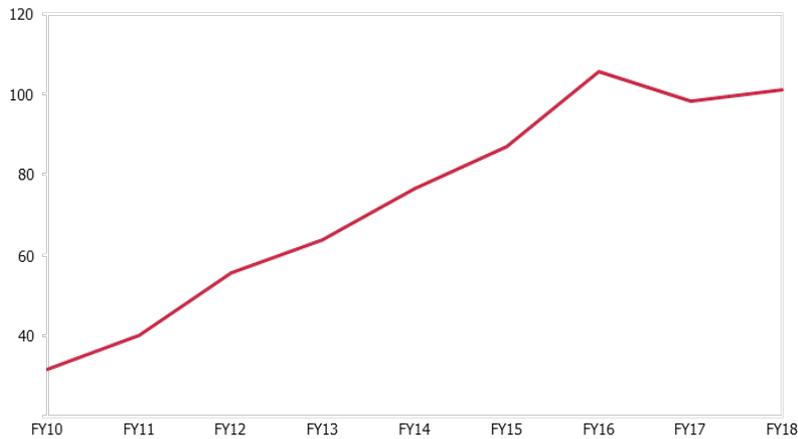
EXCEED STAKEHOLDER EXPECTATIONS

Customers. Employees. Partners. Shareholders. Community.

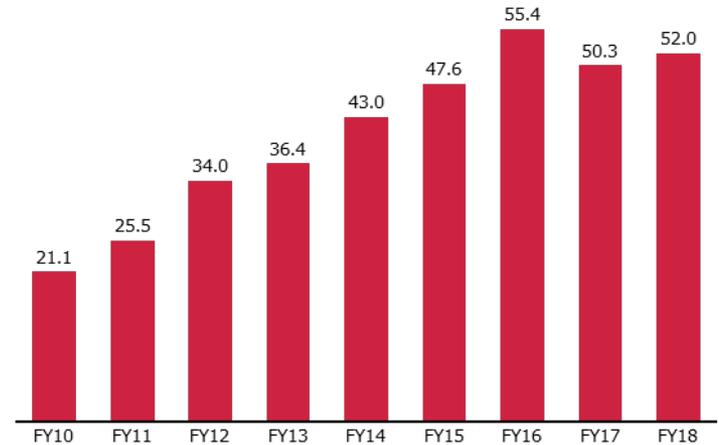
APE Credentials

Consistent record of profit, dividend and EPS growth

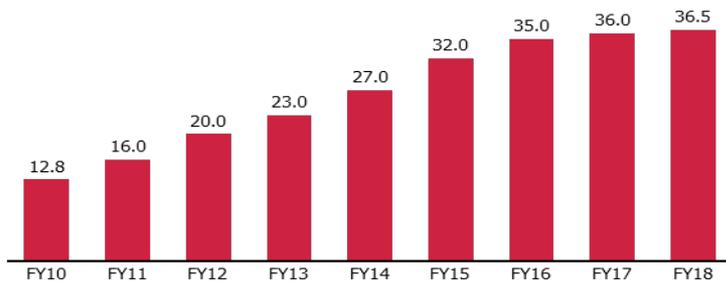
Net profit after tax (\$m)



Earnings per share (cents per share)



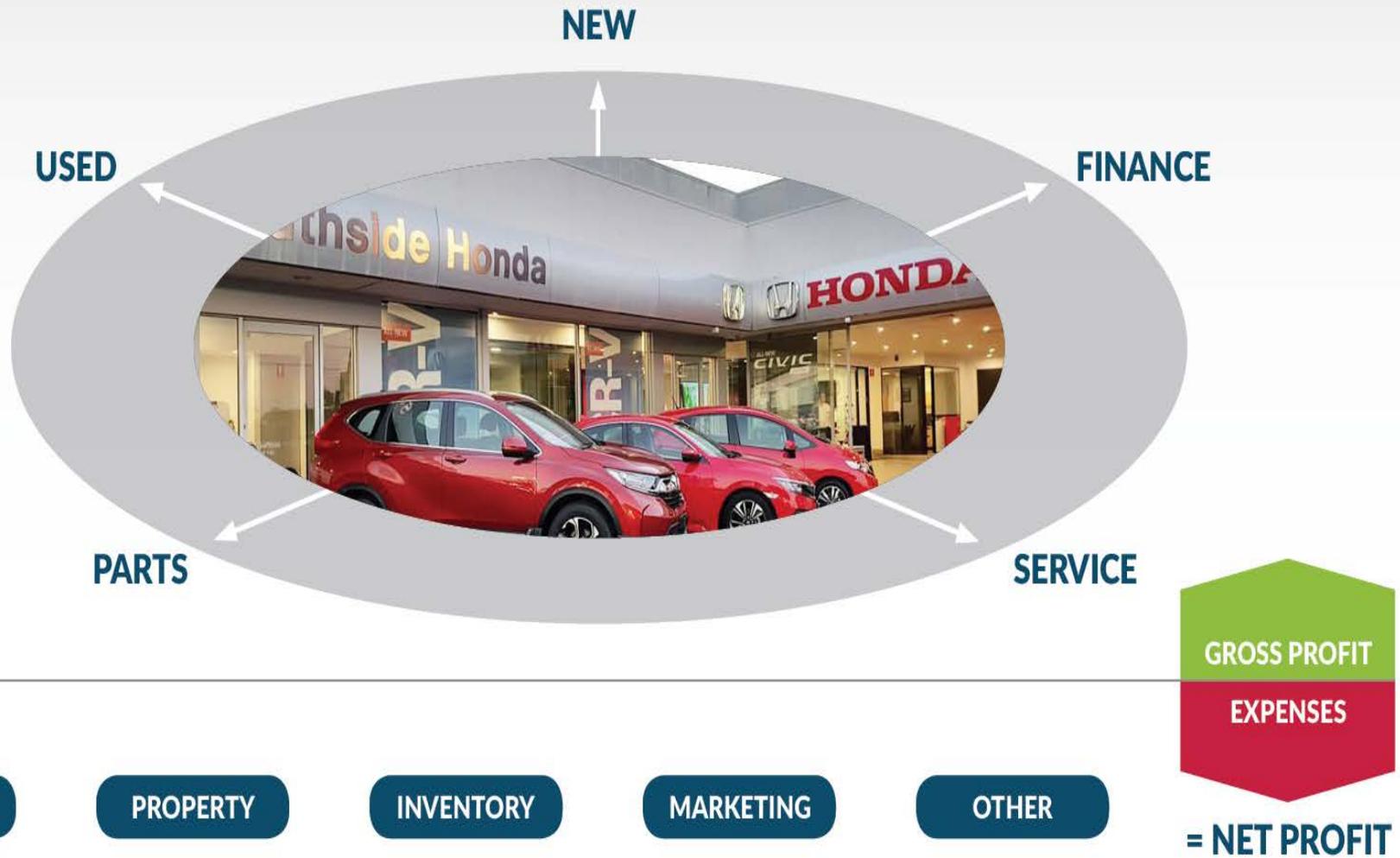
Dividends (cents per share)



10 year total shareholder return on \$1,000 investment

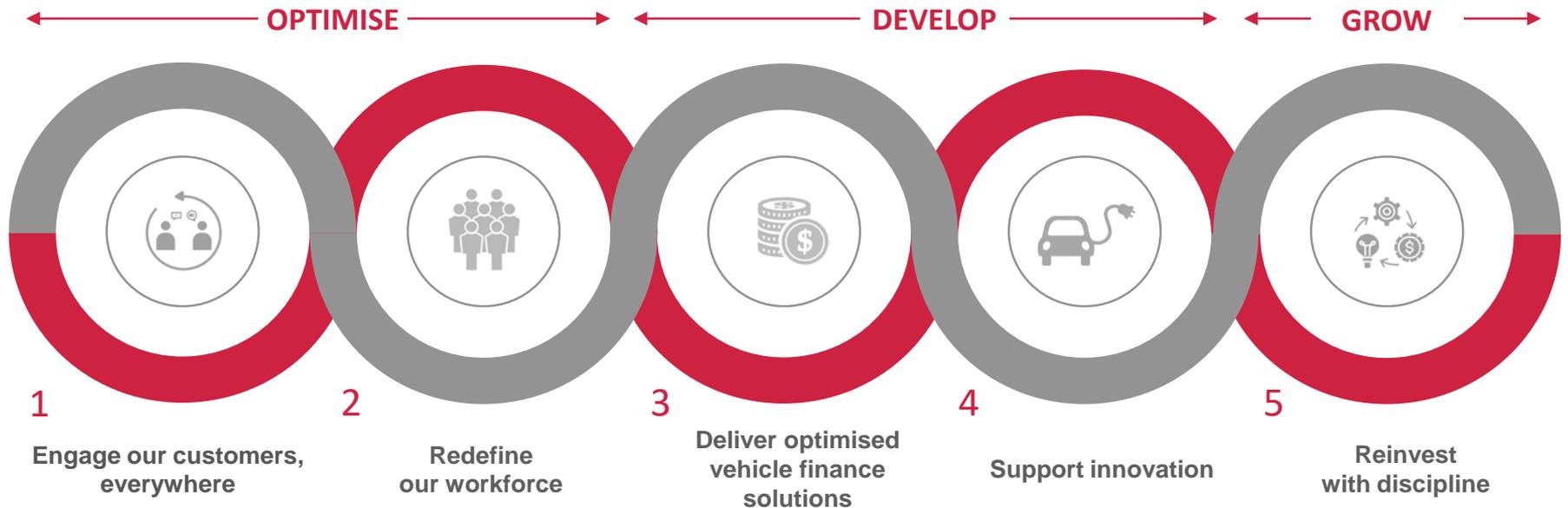


How do retail dealerships work?



THE NEXT100:

Providing integrated mobility solutions for the next 100 years.



EXCEED STAKEHOLDER EXPECTATIONS

Customers. Employees. Partners. Shareholders. Community.



Engage our customers, everywhere

Automotive Retail of the Future

Adapting our model to support the customer and the company



Newstead



* Settlement is scheduled for 22 May 2019.

Automotive Retail of the Future

Providing choice and convenience



Automotive Retail of the Future

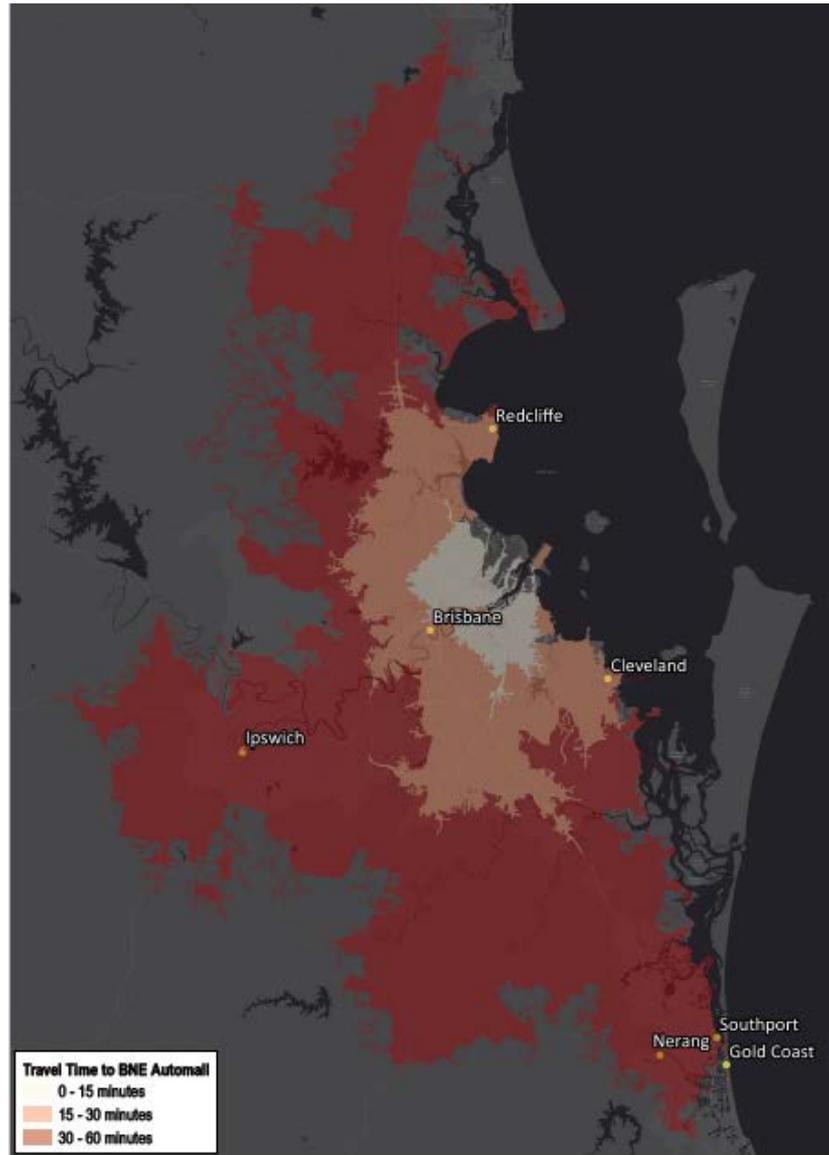
A unique and compelling experience with unrivalled choice



Automotive Retail of the Future

A unique and compelling experience with unrivalled choice





Automotive Retail of the Future

A Blended Network approach supporting Customer Centricity



HIGHEST

CONSUMER BENEFITS: Experience, Choice, Convenience.

LOWEST

DESTINATION:
Auto Malls

LOCAL & CONVENIENT:
One-Stop Shops

STAND-ALONE
SHOWROOMS

LOWEST

OPERATING COST

HIGHEST

Taking Automotive Retail to our customers



Taking Automotive Retail to our customers



Multi-brand service hubs



Multi-Branded Express Service
Ex-Bunnings facility in Albion acquired to support inner-city transition to Airport as well as neighboring sales locations

Shopping Centre Service

Scheduled and Express servicing on demand to support customer's existing shopping patterns



Using property to drive workforce transformation





Redefine our workforce

Carzoos is our proof of concept



An entirely new way to [buy](#) and [sell](#) cars.



Carzoos feedback refined our plans...



Published 2 hours ago

Verified order

Finally a new way to buy a car!

Finally a new way to buy a car!
I am a young professional woman, who has no time or desire to shop around for cars. This was the perfect solution for me: fast, no bargaining, female staff.... and 7 day money back if I didn't like the car. I also loved having the full purchase history sent to me before buying - why should I have to pay for the history?? When I stacked it up against buying from a private seller - it was just as cost effective because the 1 year Allianz insurance was included. I am so glad I purchased through this new innovative way to buy.



Published Wednesday, 5 April 2017

Verified order

The best car buying experience to date...

I have bought many cars over the years from both dealers and private sellers but would suggest that this has been the best experience to date by far. I will certainly have no issue being a repeat customer.



Published Tuesday, 6 June 2017

Verified order

Straight forward and honest approach to ...

Straight forward and honest approach to buying a car, although there is still considerable paperwork the majority appears regulatory required. I appreciated their direct up-front declarations with all aspects of purchase. Will be recommending their service to people I meet.



Published Tuesday, 6 June 2017

Verified order

The ONLY way I will ever buy a car again

I visited the Carzoos shop at North Lakes last week. Everything about them is different to how I've bought a used car in the past. Was greeted by a carzoos 'buddy' (thought this was cool) who was really helpful and everything was explained and low pressure. Can't believe this hasn't happened before to be honest. Will definitely recommend. AAA+



Published Monday, 20 March 2017

Verified order

Excellent Experience, Exceeded Expectations

It is nerve racking purchasing a new car, making sure you get a good deal and being treated well, especially as a female. I had such a great experience and was treated so well by everyone that worked for carzoos. The car exceeded expectations I absolutely love it, and it is so great to have all those extras thrown in such as first year comprehensive car insurance covered for you, extra warranties, road side assist, the list goes on and on. I would recommend this company to anyone looking to buy and/or sell a car.



Carzoos

Reviews 262 • Excellent



Chris James
1 review N/A, AU



26 Oct 2018

I was apprehensive at first... but it wasn't warranted!

I was apprehensive at first, largely because I was located in Cairns and unable to visit/view the vehicle and a little bit because things just seemed to be too easy. I had the old saying "if it's too good to be true, it probably is" running through my head. Buying a car "online" just seemed too simple, even though we do most other things online these days.
My contact at Carzoos was fantastic, responsive, and very easy to work with. They went above and beyond to help me out, especially regarding my location, working the purchase additions (warranty/service, etc) around to ensure I was able to utilise it up here.
From enquiring on the car, to having it delivered to my door in Cairns took just over a week.
I wouldn't hesitate to use Carzoos again, nor would I hesitate to recommend to a friend. No doubt you'll be feeling uneasy about buying a car "online" but let me tell you - they're on to something here and I reckon the old dealer experience is in a bit of trouble.



YEARS



Work in harmony with
business strategy and vision...

“Deliver a superior
Guest Experience
on a Lower
Cost Base.”

Thank you
&
Questions

