



AUTOMOTIVE HOLDINGS GROUP

Automotive Holdings Group Limited
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ABN 35 111 470 038

ANNUAL GENERAL MEETING ADDRESS AND PRESENTATION

20 November 2015

AHG is today making the attached presentation in Perth to its 2015 Annual General Meeting of Shareholders.

Results of the AGM will be announced later today.

ENDS

About AHG Automotive Holdings Group Limited (ASX: AHG) is a diversified automotive retailing and logistics group with operations in every Australian mainland state and in New Zealand.

The Company is Australia's largest automotive retailer, with dealerships in Western Australia, New South Wales, Queensland and Victoria.

AHG's logistics businesses operate throughout Australia via subsidiaries Rand Transport, Harris Refrigerated Transport, Scott's Refrigerated Freightways and JAT Refrigerated Road Services (transport and cold storage), AMCAP and Cova (motor parts and industrial supplies distribution), VSE (vehicle storage and engineering), Genuine Truck Bodies (body building services to the truck industry), WMC (bus and truck importation and distribution), and KTM Sportmotorcycles and HQVA (KTM and Husqvarna motorcycle importation and distribution in Australia and New Zealand).

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**AUTOMOTIVE HOLDINGS GROUP LIMITED
CHAIRMAN'S ADDRESS
2015 ANNUAL GENERAL MEETING
10.00 AM FRIDAY, 20TH NOVEMBER 2015**

Good morning ladies and gentlemen, and welcome to Automotive Holdings Group Limited's 2015 Annual General Meeting.

My name is David Griffiths and I am the Chairman of Automotive Holdings Group.

In terms of the usual housekeeping items, please switch your mobile phones to silent. In the event of a fire, the emergency exits are clearly marked.

If you have not already done so, please register your attendance at the Link service desk, just outside the door.

As a quorum is present and the meeting is validly constituted, I formally declare the 2015 Annual General Meeting open.

The minutes of the 2014 Annual General Meeting have been approved by the Board and have been tabled.

Any shareholder who wishes to view a copy of the minutes is welcome to do so and should see the Company Secretary after the meeting.

With me today are my fellow directors:

- Michael Smith;
- Bronte Howson, Chief Executive Officer;
- Howard Critchley;
- John Groppoli;
- Tracey Horton;
- Peter Stancliffe;
- Robert McEniry; and
- Greg Duncan.

Also here today we have our Company Secretary, David Rowland, our Chief Financial Officer Phil Mirams and Glyn O'Brien from our auditors, BDO.

I would like to welcome Greg Duncan to his first AHG Annual General Meeting. Shareholders will have read in the Annual Report that Greg comes to the Group with a very strong background in automotive retailing. His experience, wisdom and guidance have been appreciated by the Board.

This will be the last AGM for Tracey Horton and Michael Smith who have both elected not to re-nominate this year.

I'd like to take this opportunity to thank both Tracey and Michael for their strong contributions to the Board and its committees. Those contributions will have a lasting effect on the Company and we wish them well in their future careers.

I would like to commence the Chairman's address today by providing a brief overview of the company and its performance in FY2015, before handing over to Bronte, who will provide more details of the Group's financial performance and highlights from the company's business units together with some comments about trading in the period since 30th June.

We will then turn our attention to the matters to be resolved at this meeting in the 'Formal Business' section, before closing the meeting.

Following that, the Directors would welcome the chance to answer any further questions from shareholders as we enjoy refreshments in the foyer.

As we have mentioned in the Annual Report, we recently marked the tenth anniversary of AHG listing on the Australian Stock Exchange.

While that anniversary is important, it is also important to note that the Company was founded 63 years ago, in 1952. The Group's growth has been impressive across that extended timeline, but it has been most pronounced since listing in 2005.

AHG remains Australasia's largest automotive retailer by sales, profitability and workforce.

The Company presently holds 179 franchises at 105 dealerships across four Australian states and New Zealand.

AHG is also Australia's largest provider of temperature-controlled transport and cold storage services through the Company's Refrigerated Logistics division, which comprises the operations of Rand, Harris, Scott's and JAT.

Our Other Logistics operations include AMCAP, Genuine Truck Bodies, Vehicle Storage and Engineering, KTM and Husqvarna distribution, and AHG International, which has recently agreed to acquire the distribution of Higer buses and JAC light trucks from the administrators of the former importer, White Motor Company.

Covs, which was also part of the Other Logistics division, was recently sold to GPC Asia Pacific and, subject to a final determination from the ACCC, we expect that transaction to complete in the near term.

AHG's performance in the 2015 financial year was pleasing, both as a company and as an investment.

Net Operating Profit, which includes adjustments for one-off effects as described in the Annual Report, increased by 10.8% on the previous year to a record \$94.2-million.

Statutory Profit After Tax increased by 20.8% to \$88.1-million.

Operating Earnings Per Share increased six percent and shareholders received an increased fully-franked full year dividend of 22-cents per share.

Measuring AHG's performance over the five years since (and including) FY2011, revenue has grown at a Compound Annual Growth Rate of 9.4%, Operating EBITDA has grown at 11.8% and Operating NPAT has grown at a CAGR of 12.5%

AHG's Total Shareholder Return, measured at the 18th of November, and which includes capital growth and reinvestment of dividends, stands at 11% over twelve months, at 52% over three years, and at more than 156% over five years.

This is a strong set of figures and your Company will be pushing for further improvements in profit and EPS as AHG realises the synergies from recent investments and acquisitions, realises the benefits of the restructuring and rationalisation of under-performing operations and as maturing Greenfield dealerships add to our bottom line.

I would also like to mention our commitment to Workplace Health and Safety.

AHG today employs more than 7,500 people.

They are undeniably our greatest resource and the Group holds all business unit managers accountable for leading health and safety programs in their areas of responsibility.

As detailed in the Annual Report, AHG's Lost Time Injury Frequency Rate and the Incident Rate both showed reductions in FY2015 and the Group has a five-year strategic plan focused on maintaining, and improving, that performance.

Bronte will give you a more in-depth review of the year operationally, however I'd like to touch on some of the key issues that I think will be of interest to our Shareholders.

Firstly, while applauding the growth in profits in the Automotive division in FY2015, I think it is important to acknowledge the outstanding performance of the Western Australian operations.

The WA market has weakened significantly over the past two years in line with the downturn in the mining and energy sectors but our local management and dealerships have outperformed the broader market and limited the decline in earnings.

The subdued conditions and softer earnings in Western Australia have been more than offset by the strength of the performance on the east coast and in New Zealand, which fully vindicates AHG's strategy of diversifying its operations beyond WA.

The automotive sector, like many others, is facing major changes and disruption from new technologies, fresh entrants to the market, and changing buyer behavior.

AHG is actively tracking developments and identifying opportunities for growth.

We are investing in digital strategies, opportunities in the "private-to-private" or P2P market, and opening a major used car "warehouse" in Joondalup, in Perth's burgeoning northern suburbs, as a test case for further expansion of that model.

With the recent acquisition of Perth's three Mercedes-Benz dealerships we have also greatly enhanced our exposure to the rapidly evolving luxury car market.

Each of those initiatives will enable AHG to leverage the resulting sale transactions across our proven areas of strength in finance, insurance, service, parts and accessories.

We have also significantly strengthened our position in the truck and bus market.

We undertook one of our largest investments in the new Daimler Trucks Perth dealership on land adjacent to Perth airport.

It is a landmark dealership in a high visibility location that Daimler executives have described as one of the best and most modern truck dealerships and service centres in the world.

The Group has also taken a strategic decision to establish a major car and truck service centre in the Pilbara region to capture opportunities being outsourced by the mining sector as it navigates the move from construction to processing.

It is an exciting time in the Automotive industry and AHG plans to capitalise on its deep experience and the assets it already holds by taking a very disciplined approach to the opportunities presented by ongoing changes in the sector.

As we wrote in the Annual Report, the outlook for the Automotive market remains strong and AHG is well placed to continue its strategic expansion.

Our Refrigerated Logistics division operates in a sector that has experienced an industry downturn in recent times.

Coupled with the challenges of transitioning and integrating our acquisitions and cold store expansions, the division has still managed to deliver encouraging results – but it has not yet taken us to the position we'd like to be.

However, as we work our way through capturing the benefits of the identified synergies and grow our service offer to leverage AHG's very strong strategic position, we are very confident that we will improve earnings and margins – and produce very satisfactory results for Shareholders from this division.

The Board and management have strategically reviewed the businesses within the Other Logistics division and the Company is well advanced in restructuring and rationalising those operations. That intense housekeeping will stand the Company in good stead as we move forward.

My final comment to Shareholders today is that AHG can only look to prosper in a changing world if we have the people and processes to drive us forward.

To this end we are investing in the recruitment, training and safety of our people, examining the suitability of our corporate structure, and updating operating systems across all divisions.

Your Board and management are pleased with the progress to date and remain committed to ensuring that AHG has the resources to meet future challenges.

In conclusion, your Board looks forward to the future of AHG with great confidence.

We have strong financial metrics, and sector-leading scale. We have an industry-leading automotive retail management model with a broad portfolio of brands and enduring long-term relationships with manufacturers and an exciting growth path in Refrigerated Logistics.

I will now hand over to our Managing Director, Bronte Howson.

FY2015 in review



Bronte Howson

Managing Director

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FY2015 In review



FY2015 Operating¹
NPAT up 20.0% to
\$94.2m driven by
outperformance
in Automotive
segment

- Strong acquisition growth in Automotive and Refrigerated Logistics
- Innovative Automotive marketing campaigns
- Automotive result highlighted by East Coast and NZ performance
- Opening of world class Daimler Trucks facility in WA
- Opening of Truck service facility in Newman (WA)
- Markets remain challenging in Refrigerated Logistics
- Full-year contribution from Scott's/JAT
- Completion of Erskine Park cold store in Sydney
- Other Logistics – KTM/HQVA impacted by weaker AUD
- AMCAP absorbed Mitsubishi distribution change

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Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)

AHG
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Automotive

Automotive Operating¹ Performance FY2015

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Operating ¹ Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Revenue	3,883.3	4,271.1	10.0%
EBITDA	132.5	161.2	21.7%
EBITDA Margin (%)	3.4%	3.8%	
EBIT	116.9	143.4	22.7%
EBIT Margin (%)	3.0%	3.4%	
Profit Before Tax	95.4	122.0	27.8%

- Revenues up 10%
- Operating¹ Profit before tax up 27.8% to \$122.0m
- Increase in EBIT and EBITDA margins

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)



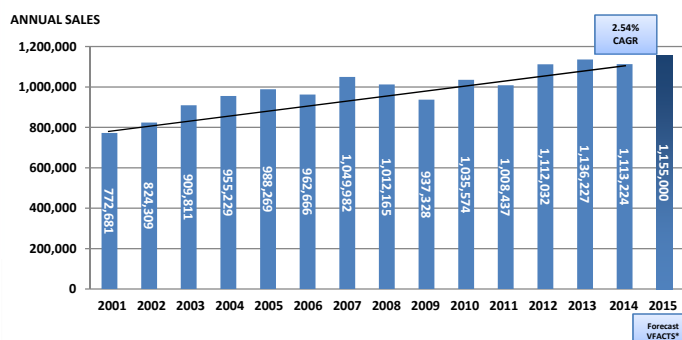
Automotive highlights

- AHG outperformed the declining WA market
- Strong growth in East Coast markets offsetting weakness in WA
- New Zealand operation performing well with record results
- Strong fixed operations (service, parts) performances
- New acquisitions/Greenfield (Bradstreet Motor Group, Paceway Mitsubishi WA, Leo Muller CJD Qld and Hillcrest Mazda Qld)
- VW emissions issues a watching brief but minimal impact on current operations (AHG has 5 VW dealerships out of a total of 105)



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National Sales of New Vehicles



- Private sector represents more than 53% of the market
- AHG presence in strong growth markets in NSW, Vic and Qld
- WA market tougher but AHG performing well
- Acquisitions contributing to AHG's increased market share
- New vehicle sales tracking towards new record of 1.15 million

YTD Sales by State			
NEW VEHICLE SALES UNITS	Oct CY14	Oct CY15	Oct '15 v Oct '14
NSW	295,498	314,942	6.6%
VIC	249,657	260,183	4.2%
QLD	185,852	196,714	5.8%
WA	97,324	88,495	-9.1%
SA/TAS/ACT/NT	95,852	96,819	1.0%
Total	924,183	957,153	3.6%

YTD Sales by Buyer Type			
NEW VEHICLE SALES UNITS	Oct CY14	Oct CY15	Oct '15 v Oct '14
Private	488,778	508,305	4.0%
Business	328,766	341,992	4.0%
Government	35,581	34,573	-2.8%
Rental	45,211	46,022	1.8%
Heavy Commercial	25,847	26,261	1.6%
Total	924,183	957,153	3.6%

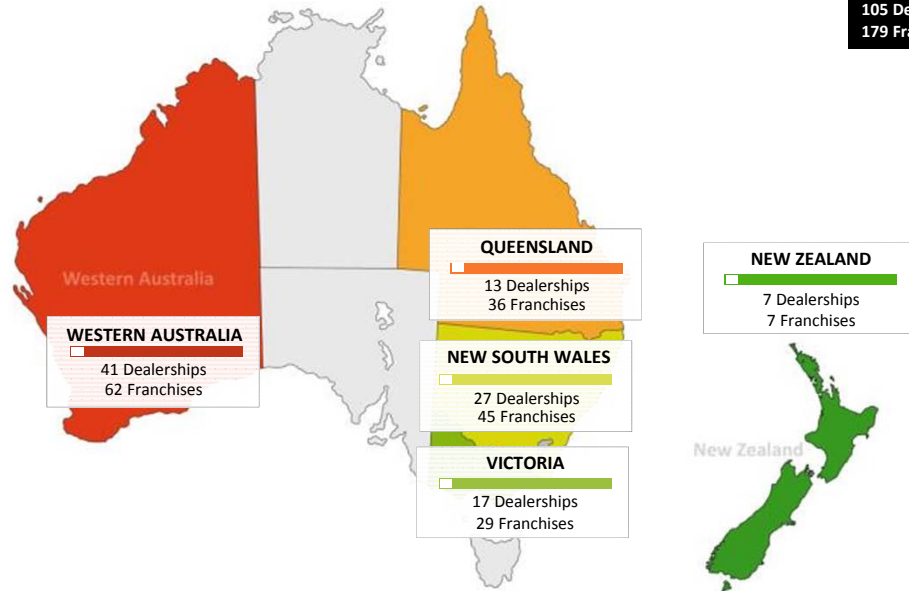
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*VFACTS October 2015

Geographical Location of AHG Dealerships



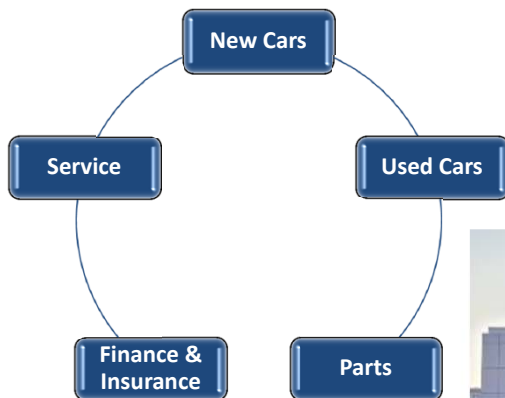
105 Dealership locations
179 Franchises



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Nov 2015 – Includes Mercedes-Benz (WA); Nissan at Aspley and West Auckland

Dealership revenue streams



- Strict measurement and reporting processes
- Industry benchmarking across departments
- High penetration rates across Finance & Insurance (F&I)
- Strong CRM programs drive service retention
- Service and parts departments revenue opportunities



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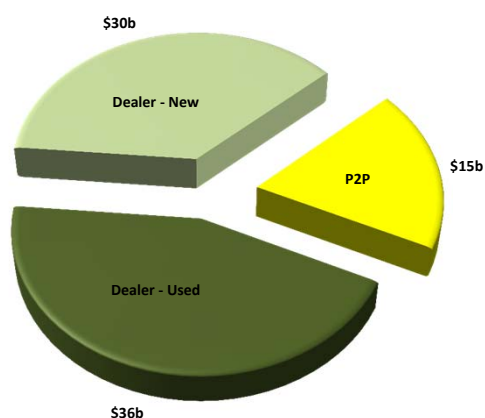
Distinctive market position

- Sales of more than 110,000 new and used vehicles a year
- High performance retail culture
- Direct relationship with the manufacturer
- Originates ~\$1 billion p.a. auto finance
- Service database (~859,000 Repair Orders in FY 2015)
- Customer lifecycle (service, tyres, batteries... next sale)
- Strong focus on training and career development
- Industry leading operating systems and processes
- Highly structured reporting



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Australian Automotive market



AHG VEHICLE SALES FY 2015
 75,678 New vehicles (~40k private)
 37,856 Used vehicles (private)

- Total market size \$81-billion*
- AHG holds 6.6% of Australian new car market* (CY2015 forecast 1,155,000 units)
- AHG holds 1.6% of Australian used car market* (CY2015 industry estimate 2,200,000 units with total value of \$51b)

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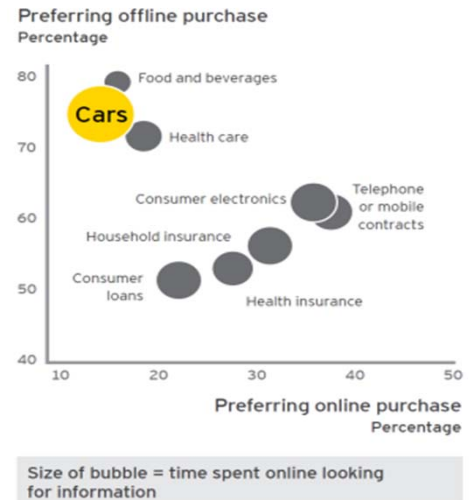
*Approximate value based on VFACTS, Company reports and Deloitte industry estimates

Addressing the changing market in traditional dealerships



- Dealership model remains strong
- Traditional commerce and e-commerce converging
- Consumer experience is paramount
- Majority search online but still prefer to purchase offline at dealerships
- Target omni-channel prospects in dealership, on-line, tablet, mobile
- Optimise online leads (Drive Chat etc.)
- Working with manufacturers to deliver best customer experience

Consumers spend more time for online research per-purchase of a car than for any other product.



Source: EY Future of Automotive Retail

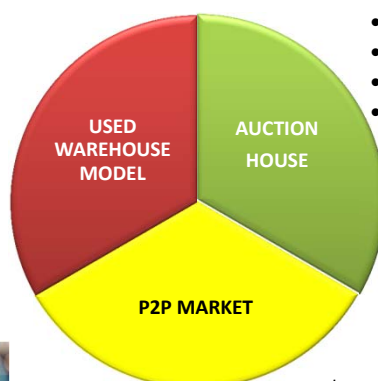
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Opportunities for AHG



easyauto123.com.au

- Northern Perth
- Ex-Bunnings Warehouse
- ~500 used cars
- Fixed pricing
- Optimised processes
- Omni-channel focus
- "Hassle free"
- Finance and Insurance
- Tyres and Service
- Buying service



- UAA part of Bradstreet operation
- Established regional auction house
- Retail and Wholesale
- Simulcast bidding
- >400 cars



- \$15bn market opportunity
- Fastest growing sector
- Digital disruption play
- Mobile-first big data platform
- Targets sellers and buyers
- Link to online finance



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Emerging Trends and Technologies



Car Sharing Models

- New technology solutions driving growth in ride-sharing and car-sharing models (Uber, Go Get, Lyft etc.)
- Predominantly linked to congested cities and population density
- Market growing internationally at >25%
- Australian lifestyles and geographic spread have limited take-up to date
- AHG continues to monitor trend and assess opportunities



Autonomous Vehicles

- Multiple parties developing autonomous technologies (Google, Mercedes, Volvo)
- Components of solution already being embedded in mainstream products
- Anticipate OEM's likely to develop product for sale in Australia via traditional dealerships

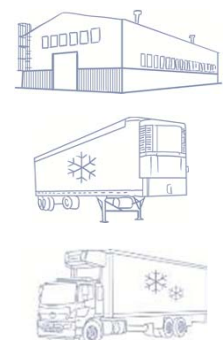
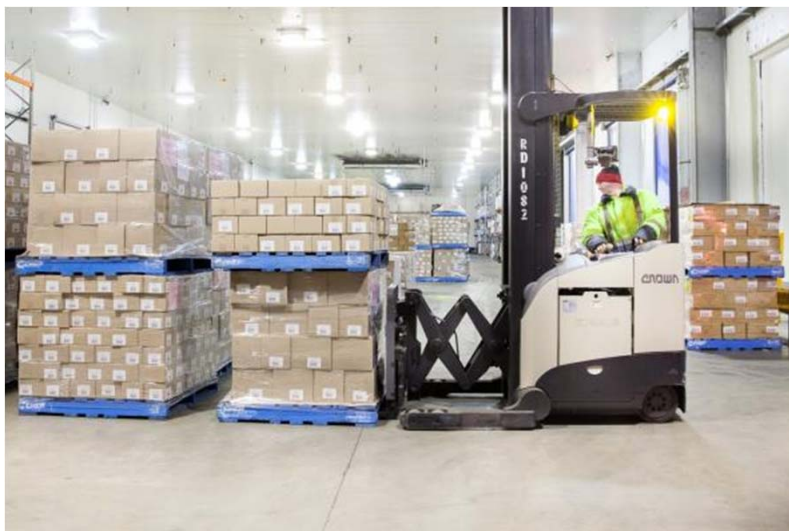


Electric Vehicles

- Currently a relatively small proportion of market in volume terms
- Technology maturing but infrastructure support remains under-developed
- Existing relationships evolving the use of electric motors (Higer bus, Mercedes, Porsche)



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Refrigerated Logistics

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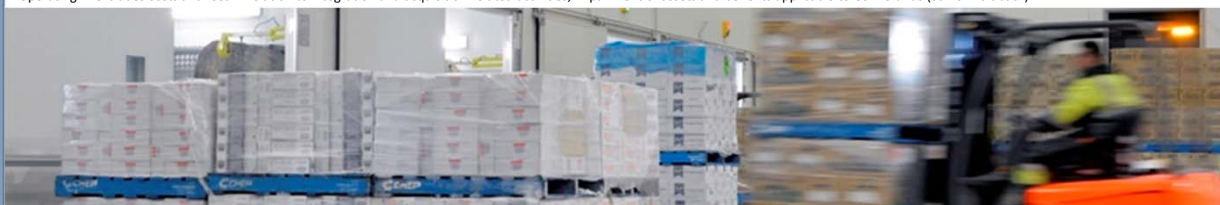
Refrigerated Logistics Operating¹ performance



Operating ¹ Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Revenue	429.7	609.1	41.7%
EBITDA	29.7	45.2	52.4%
EBITDA Margin (%)	6.9%	7.4%	
Profit Before Tax	14.2	20.2	42.8%

- Business reflects full 12 months of Scott's acquisition
- Improved EBITDA margin of 7.4%
- Revenue growth lower than expected due to weaker transport demand
- New Erskine Park facility utilisation ahead of expectations

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)



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Australia's largest Refrigerated Logistics provider

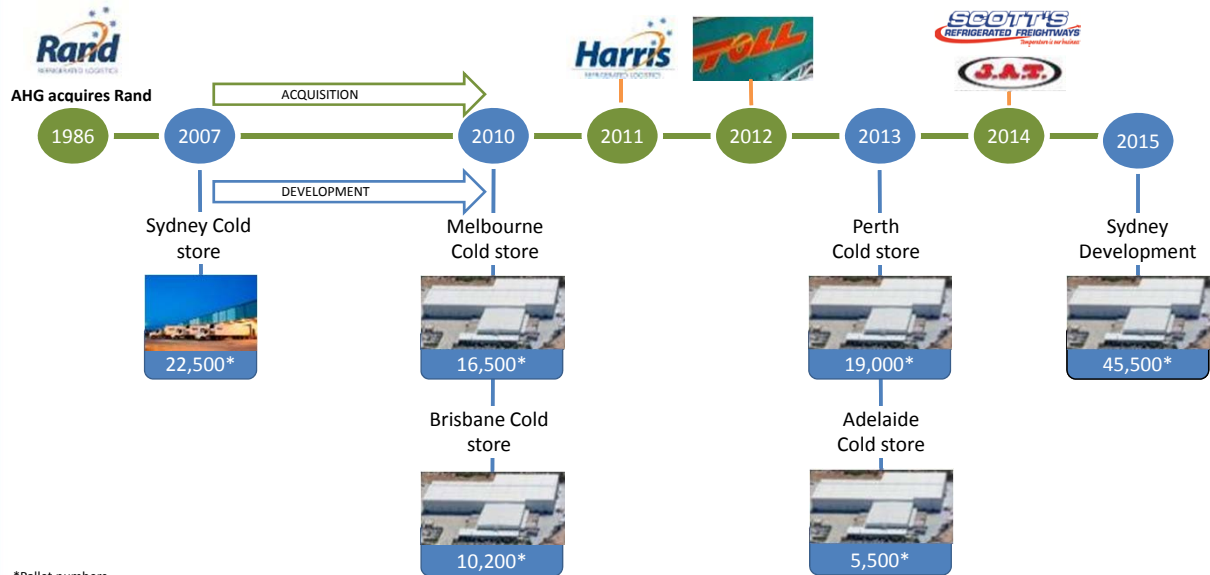


- New state-of-the-art, custom-designed facilities in all states
- Major road and rail transport capacity
 - ~470 owned prime movers and rigids
 - ~1,000 owned road trailers
 - ~490 owned rail containers
 - Major network of 300 sub-contractor prime movers and rigids
- Enhanced customer value proposition and operational synergies
- Primary supplier to national manufacturers, wholesalers and major retailers



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The Evolution of AHG Refrigerated Logistics



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Cold store capacity and utilisation



Pallet capacity now at 175,000
Cold store utilisation averaging ~80%

- New Erskine Park facility
 - Reached 89% of capacity by September 2015
 - Expected to reach ~95% by December 2015
- Elimination of “overhang” leases reduces costs by ~\$2.6m in FY2016

Pallet capacity and utilisation at end of September (Rand only)



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Positioned for further opportunity

- Transport and storage of consumer goods
- Cold store design maximises cross-dock capabilities
- Property and facilities review
- Investment in core technology infrastructure
- Ambient – address increasing customer demand



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Other Logistics

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Other Logistics Operating¹ performance



Operating ¹ Performance	FY2014 (\$m)	FY2015 (\$m)	% change
Revenue	421.4	365.2	(13.3%)
EBITDA	17.1	10.5	(38.5%)
EBITDA Margin (%)	4.1%	2.9%	
Profit Before Tax	13.9	5.3	(62.1%)

- KTM remains impacted by weaker AUD
- AMCAP down due to change in Mitsubishi distribution model and costs associated with implementation of new warehouse system
- Weak truck and bus market impacted Higer and GTB/VSE

Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, impairment of assets and benefits applicable to GST refunds (Son of Holdback)



Other Logistics highlights



- Strong underlying business metrics
- Overall profitability reduced due to lower AUD/EUR rates



- Mature business model
- Reduced contribution due to change in Mitsubishi distribution model



- Loss-making in FY2015 but break even YTD FY2016
- Restructure of business underway in line with strategic focus



- AHG to acquire business operations from WMC administrator
- Exposure mitigated in FY2015, restructure of business underway



- Divestment of Covs expected early 2016 subject to ACCC
- Retain Holden and Ford wholesale trade in AMCAP



Trading Update – YTD October 2015



Events post June 30

- Mercedes-Benz dealerships acquisition now completed
- Nissan Aspley dealership granted
- West Auckland Nissan acquisition
- Cows divestment (Awaiting ACCC approval)
- Property sale and lease-back completed with Charter Hall



Trading update FY2016 (YTD Oct 2015) – Automotive



Consolidated Financial Performance (Unaudited)	FY2015 Jul - Oct (\$m)	FY2016 Jul - Oct (\$m)	% change
Operating¹ EBITDA Performance			
Automotive	43.0	48.8	13.5%

- New and Used car market remains strong
- Decline in WA new vehicle volumes offset by continued strong performance from east coast markets and growth in New Zealand operation
- Parts, service performing well

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Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, and impairment.

Trading update FY2016 (YTD Oct 2015) – Refrigerated Logistics



Consolidated Financial Performance (Unaudited)	FY2015 Jul - Oct (\$m)	FY2016 Jul - Oct (\$m)	% change
Operating¹ EBITDA Performance			
Refrigerated Logistics	15.0	15.3	2.3%

- Trading in line with prior period
- Market remains challenging
- Cold store utilisation near capacity
- New warehouse technology rollout continues (WA complete)
- New transport management system on track to be implemented CY2016
- Dedicated project structure driving cost-down, integration and efficiency initiatives

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Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, and impairment.

Trading update FY2016 (YTD Oct 2015) – Other Logistics



Consolidated Financial Performance (Unaudited)	FY2015 Jul - Oct (\$m)	FY2016 Jul - Oct (\$m)	% change
Operating¹ EBITDA Performance			
Other Logistics	3.7	3.2	(14.1%)

- Division trading within expectations
- KTM impacted by weaker AUD
- AMCAP trading impacted by Mitsubishi distribution change
- Delay in sale of Cova impacting business in Q1
- VSE/GTB turnaround performance in Q1
- Restructure of WMC completed with Chinese brands

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Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, and impairment.

Trading update FY2016 (YTD Oct 2015)



Consolidated Financial Performance (Unaudited)	FY2015 Jul - Oct (\$m)	FY2016 Jul - Oct (\$m)	% change
Operating¹ EBITDA Performance			
Consolidated Group	61.5	68.6	11.5%
Automotive	43.0	48.8	13.5%
Refrigerated Logistics	15.0	15.3	2.3%
Other Logistics	3.7	3.2	(14.1%)
Property	(0.2)	1.3	937.8%
Depreciation and Amortisation	(12.8)	(14.5)	13.1%
Group Interest	(12.0)	(12.2)	(1.7%)
Operating¹ NPAT attributable to shareholders	24.4	27.9	14.3%

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Operating¹ – excludes costs and fees in relation to integration and acquisition-related activities, asset divestments, and impairment.

Outlook

- Improve returns to shareholders by applying AHG's proven auto dealership model to acquisitions and Greenfield sites
- Drive increased performance from Refrigerated Logistics
- Continued integration of Refrigerated Logistics businesses to drive efficiencies and synergy savings
- Divestment of non-core businesses where appropriate
- Complete investment in Logistics IT upgrade
- Continued focus on Group-wide cost-down strategy
- Manage balance sheet capacity to ensure ability to fund growth



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2015 Annual General Meeting of Shareholders

