



16 January 2012

Company Announcements Office
ASX Limited

2011 Financial Year Profit Update

The strong third quarter trading performance experienced by A.P. Eagers Limited (ASX:APE) continued and strengthened in the final quarter of 2011.

The company's profit before tax, excluding any impact which may arise from finalisation of asset fair value assessments, for the full year is expected to be approximately \$61 million. This compares to a profit before tax for 2010 of \$45.3 million and market guidance for the current year (issued on 12 October 2011) of between \$54 and \$57 million.

This profit update remains subject to finalisation of the asset fair value assessments and external audit.

Based on a preliminary assessment of asset fair values, no material impairment of intangible asset values and investments is expected. The value of the company's total property portfolio is also expected to remain stable, although movement in the values of certain individual properties is likely – some positive and others negative.

In relation to property fair values, Accounting Standards require any increase (net of tax) in the value of certain individual properties to be recognised in a reserve in the statement of financial position without increasing the company's reported profit; whereas any decrease in the value of other individual properties (in excess of any previous revaluation increment remaining in equity) is required to be recorded as an impairment charge, thereby reducing profit in the income statement.

It is therefore anticipated that lower valuations for certain individual properties will reduce the company's statutory profit before tax by approximately \$3 million to \$58 million upon finalisation of asset fair value assessments, even though no material change to the overall value of the company's \$323 million property portfolio is expected.

The company's Preliminary Final Report will be released in late February 2012 after finalisation of the asset fair value assessments and external audit.

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