28 August 2013

Company Announcements Office
ASX Limited

Results for Announcement to the Market

Half Year Report and Accounts

- **Record Net Profit Before Tax of $42.0 million, up 13% on the 2012 result.**
- **Record Earnings Per Share of 18.2 cents, an increase of 12%.**
- **Record Interim Dividend of 8.0 cents per share, an increase of 14%.**

The following documents for our half year ended 30 June 2013 are **attached**:

1. Half Year Report – Appendix 4D and commentary
2. Directors' Report
3. Financial Report
4. Auditor's Report and Declaration of Independence

These documents are given to the ASX under listing rule 4.2A and are to be read in conjunction with our most recent annual financial report.

Yours faithfully
A.P. Eagers Limited

Denis Stark

Denis Stark
Company Secretary

A. P. EAGERS LIMITED
ABN 87 009 680 013

Registered Office
80 McLachlan Street Fortitude Valley Q 4006
P.O. Box 199 Fortitude Valley Q 4006
Telephone (07) 3248 9455 Fax (07) 3248 9459
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Appendix 4D
Half Year Report and Commentary

Half year ended 30 June 2013

(ASX listing rule 4.2A)

Results for Announcement to the Market

- **Record Net Profit Before Tax of $42.0 million up 13% on the 2012 result.**
- **Record Earnings per Share of 18.2 cents, an increase of 12%.**
- **Record Interim Dividend of 8.0 cents per share, an increase of 14%.**

The Directors of A.P. Eagers Limited (ASX: APE) are pleased to report a half year 2013 Net Profit before Tax of $42.0 million. This compares to a half year Net Profit Before Tax of $37.2 million in 2012. Net Profit after Tax for the 2013 half year was $31.4 million as compared to $25.6 million, an increase of 23% on the previous corresponding period (pcp). Earnings per share (basic) for the 2013 half year is 18.2 cents compared to 16.3 cents in the pcp.

The resilience of the automotive retail market segment as compared to the general retail market was again evident, due to a greater focus on after sales service income, an integrated finance and insurance offer, and less exposure to the move to online transactions.

Highlights

- Revenue increased by 4% to $1,349 million, and EBITDA improved by 11% to $60.6 million. Overall EBITDA/Revenue margin was 7% higher at 4.5%, however on an operating basis, excluding dividends from investments and profit on sale of assets, it was slightly lower than the corresponding period of 2012 at 4.1% compared to 4.2%. Lower margins on new vehicle sales were offset by increased contributions from finance and insurance sales, parts and service.
- The half year results include a profit on sale of businesses and property, before tax of $2.0 million and a fully franked dividend of $3.9 million (2012: $0.05 million) from the strategic investment in Automotive Holdings Group Limited (AHG).
- A lower effective tax rate due to a rebate on franked dividends, available tax losses to offset profit on sale of business, tax free profits on sale of shares and a tax benefit related to a change in the deductibility of executive share plan costs recognised in the previous year. As a result Net Profit after Tax improved by 23% to $31.4 million.
- The company opened a new Land Rover/Jaguar dealership in Brookvale, New South Wales in May 2013, and additional brand representations will commence for Subaru in the Reynella region of South Australia and in Queensland later this year. Additional representation for Honda, Hyundai and Volkswagen will open in Cardiff, New South Wales in early 2014.

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- As part of the company's normal portfolio management, business and asset sales completed during the period included the Hidden Valley/Stuart Motor Group business and associated property in Darwin N.T., and our James Street, Fortitude Valley property, which was leased back. A minority interest in a Queensland franchise was also transferred to meet Mazda requirements.
- Profit from the company's Franchised Automotive Retail (Cars) segment for the period was $29.0 million compared to $27.3 million for the period ended 30 June 2012. Lower interest expense and profit on sale of business contributed to the higher profit result. A lower effective tax rate and reduced lower net assets employed resulted in an improved annualised after tax return of net assets of 24.4% compared to 21.0% in the pcp.
- Improved new truck trading performance resulted in our National Truck division (Truck Retail segment) reporting an improved profit result of $4.3 million compared to $3.3 million for the pcp. Higher net assets, due to increased used truck and parts inventory, resulted in the annualised after tax return reducing to 16.7% from 18.3%.
- Property valuations were stable overall and the portfolio's total value decreased by 4% to $327 million, due to the aforementioned property sales. Profit before tax from the Property segment was $6.2 million compared to $6.3m in the pcp, representing an annualised after tax return on net assets of 5.3% compared to 4.8% for the pcp.
- As at June 30, 2013 the 19.5% strategic investment in AHG had a market value of $162.6m, based on a closing share price of $3.20 per share. A loss on revaluation of $6.7 million is recognised in Other Comprehensive Income representing the change in value of the investment since 31 December 2012.
- As AHG's largest shareholder, APE remains pleased with its investment in AHG, whose share price closed at $4.00 per share on 27 August 2013.
- Borrowing costs increased slightly by 1% to $12.2 million, with higher levels of corporate debt being offset by increased cash balances and lower interest rates on corporate and bailment debt. EBITDA Interest Cover improved to 5.0 times as at 30 June 2013, compared to 4.6 times at 31 December 2012.
- The June 30 2013 cash balance of $69.3 million was partly used to fund the $47.0 million deferred consideration related to the AHG strategic investment due in early July 2013.
- Corporate debt net of surplus cash on hand (cash less deferred consideration) decreased by $11.5 million to $188.8 million (2012: $200.3 million). Total debt including vehicle bailment net of surplus cash on hand was $518.0 million as compared to $504.6 million as at 31 December 2012, due to higher new vehicle inventory.
- Total gearing (Debt /Debt + Equity), including bailment inventory financing, was stable at 52.1% as at 30 June 2013, as compared to 52.3% as at 31 December 2012. Bailment finance is cost effective short term finance secured against vehicle inventory on a vehicle by vehicle basis. Gearing excluding bailment and including surplus cash on hand was 27.6% as at 30 June 2013, compared to 30.0% as at 31 December 2012.
- Net tangible assets increased to $2.15 per share as at 30 June 2013 (30 June 2012: $1.74), as compared to $2.06 per share at 31 December 2012.
- APE's cash flow from operations was higher than normal at $57.7 million in the 2013 half year (2012: $32.3 million), due to the timing of June month end and bailment payouts occurring in early July.
- A fully franked interim dividend of 8.0 cents per share (2012: 7.0 cents) has been approved for payment on 4 October 2013 to shareholders who are registered on 17 September 2013. The company's dividend reinvestment plan (DRP) will not apply to the interim dividend.

Results Summary

Consolidated results

Half Year Ended 30 June 2013.	2013 $'000	2012 $'000	Increase/(Decrease)
Revenue	1,349,407	1,297,816	4%
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**60,637**	**54,861**	**11%**
Depreciation and Amortisation	(6,352)	(5,557)	14%
Earnings before interest and tax (EBIT)	**54,285**	**49,304**	**10%**
Borrowing costs	(12,236)	(12,130)	1%
Profit before tax	**42,049**	**37,174**	**13%**
Income tax expense	(10,608)	(11,536)	(8)%
Profit after tax	**31,441**	**25,638**	**23%**
Non-controlling interest in subsidiaries	**(146)**	(114)	28%
Attributable profit after tax	**31,295**	**25,524**	**23%**
Earnings per share - basic	18.2	16.3	12%

Additional Results Commentary

According to Federal Chamber of Automotive Industry statistics, Australia's new motor vehicle sales increased by 4.7% for the first six months of 2013 as compared to same period of 2012, for total sales of 573,711 units.

South Australia, Victoria, Western Australia, ACT and Tasmania recorded above national average growth at 6.9%, 5.9%, 4.8%, 6.1% and 22.4% growth respectively, whilst Queensland, New South Wales, and Northern Territory at 2.9%, 4.0% and -3.0% respectively were below the national average.

The SUV segment continued to grow strongly at 10.9%, reflecting the broad range of product now in this category and a number of new product entries. Likewise the light commercial segment grew by 13.5% supported by competitive product offerings from a range of brands.

Heavy Commercial vehicle sales increased by 5.4% compared to the same period of 2012, with growth spread evenly across the light, medium and heavy categories.

Outlook and Strategy Update

Prior to the proposed Fringe Benefits Tax change announced by the Federal Government on the 16 July, 2013, our view was that new vehicle supply was likely to support a continuation of the circa 5% National sales growth seen in the first half resulting in a new record vehicle sales for calendar 2013 in excess of the 1.12 million units achieved in 2012.

The surprise nature of the proposed FBT change, its immediate application (subject to the Labor party being re-elected and passing new legislation after the Federal election in September), and the absence of any clear information on how the change will be practically applied, particularly in relation to employer provided vehicles, have created uncertainty for some customers. The general perception that the consequences of the government's policy change were not understood prior to announcement has added to what was already a weak business confidence level.

The company's diversification across brands, Australian geographic location, income source and buyer type, along with the industry franchise retail structure, will substantially mitigate the impact of the proposed FBT change on new vehicle sales.

Strategically, the company remains focussed on automotive retail and a dual approach of driving value from existing business through process improvement, operating synergies, portfolio management and organic growth, whilst taking advantage of value adding acquisition opportunities as they present themselves.

In line with the company's growth strategy, APE is delighted to announce it is on track to complete its acquisition of Main North Nissan & Renault and Unley Nissan & Renault in Adelaide on 2 September 2013.

Martin Ward
Managing Director

28 August 2013

For more information, contact: Martin Ward
Managing Director
(07) 3248 9455

or visit: www.apeagers.com.au

Appendix 4D

Half year report

1. Company details

Name of entity

A.P.Eagers Limited

ABN or equivalent company reference	Half year ended ('current period')	Half year ended ('previous period')
87 009 680 013	30 June 2013	30 June 2012

2. Results for announcement to the market

$A'000's

2.1	Revenues from ordinary activities	Up	4.0%	to	1,349,407
2.2	Net profit (loss) for the period	Up	22.6%	to	31,441
2.3	Net profit (loss) for the period attributable to members	Up	22.6%	to	31,295

		Amount per security	Franked amount per security
2.4	**Dividends**		
	Interim dividend declared	8.0 cents	8.0 cents

2.5 +Record date for determining entitlements to the dividend.

17 September 2013

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood.

Refer attached commentary.

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per +ordinary security	$2.15	$1.74

4.1 Control gained over entities N/A

Name of entity (or group of entities)	
Date control gained	
Contribution of such entities to the reporting entity's profit/ (loss) before tax, and internal rent from ordinary activities during the period (where material).	$'000
Profit(loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	$'000

4.2 Loss of control over entities N/A

Name of entity (or group of entities)	
Date control lost	
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	$
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	$

5 Dividends

Individual dividends per security

			Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Interim dividend:	Current year	04/10/2013	8.0¢	8.0¢	Nil¢
		Previous year	05/10/2012	7.0¢	7.0¢	Nil¢

6 Dividend Reinvestment Plans

The +dividend or distribution plans shown below are in operation.

The A.P.Eagers Limited Dividend Reinvestment Plan will not apply to the interim dividend.

The last date(s) for receipt of election notices for the +dividend or distribution plans	

7 Details of associates and joint venture entities

Name of associate/joint venture	Reporting entity's percentage holding		Contribution to Net profit/(loss) (where material)	
	Current Period	Previous corresponding period	Current Period $'000	Previous corresponding period $'000
MTA Insurance Limited	20.65%	20.76%	828	521

Group's aggregate share of associates' and joint venture entities' profits/(losses) (where material):	Current period $A'000	Previous corresponding period - $A'000
Profit/(loss) from ordinary activities before tax	1,183	744
Income tax on ordinary activities	(355)	(223)
Profit/(loss) from ordinary activities after tax	828	521
Extraordinary items net of tax	-	-
Net profit/(loss)	828	521
Adjustments	-	-
Share of net profit/(loss) of associates and joint venture entities	828	521

Sign here: Denis Stark. Date: 28 August 2013
(Company Secretary)

Print name: .............D.G. Stark...

A.P. EAGERS LIMITED ACN 009 680 013
DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of A.P. Eagers Limited and the entities it controlled at the end of, or during, the half year ended 30 June 2013.

Directors

T B Crommelin, N G Politis, M A Ward, P W Henley, D T Ryan and D A Cowper were Directors of A.P. Eagers Limited during the whole of the half year and continue in office at the date of this report.

B W Macdonald was a Director at the commencement of the half year and retired from the Board on 8 May 2013.

Review of Operations and Results

The consolidated entity achieved a net profit after tax of $31.4 million for the half year ended 30 June 2013 (2012: $25.6 million). Further review of the consolidated entity's operations during the half year and the results of those operations are included in pages 1 to 4 of the commentary at the front of this report.

Dividend

The Board has determined that a fully franked interim dividend of 8.0 cents per share (2012: 7.0 cents) will be payable on 4 October 2013 to shareholders registered on 17 September 2013 (the Record Date).

The company's dividend reinvestment plan (DRP) will not operate in relation to the interim dividend.

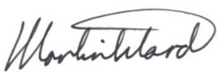
Auditor's Independence Declaration

A copy of the Auditor's independence declaration under section 307C of the Corporations Act 2001 is **attached**.

Rounding of Amounts to Nearest Thousand Dollars

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the Directors.



Martin Ward
Director

Brisbane
28 August 2013

Deloitte Touche Tohmatsu
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The Board of Directors
A.P. Eagers Limited
80 McLachlan Street
Fortitude Valley QLD 4006

28 August 2013

Dear Board Members

A.P. Eagers Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of A.P. Eagers Limited.

As lead audit partner for the review of the financial statements of A.P. Eagers Limited for the half-year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants

A.P. Eagers Limited
ABN 87 009 680 013

Interim Financial Report

30 June 2013

Directors' declaration

The directors declare that:

(a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001* , including compliance with accounting standards and giving a true and fair view of the financial position as at 30 June 2013 and of the financial performance of the consolidated entity for the half-year ended on that date

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001* .

Martin A Ward
Director

Brisbane - 28 August 2013

A.P. EAGERS LIMITED

Condensed Consolidated Statement of Profit or Loss
For the half-year ended 30 June 2013

	Half-year ended 30-Jun-13	Half-year ended 30-Jun-12
	$'000	**$'000**
Revenue	1,349,407	1,297,816
Profit on sale of property/business	1,996	104
Changes in inventories of finished goods and work in progress	(11,164)	52,551
Raw materials and consumables used	(1,102,571)	(1,127,413)
Employee benefits expense	(109,657)	(102,811)
Finance costs	(12,236)	(12,130)
Depreciation and amortisation expenses	(6,352)	(5,557)
Other expenses	(68,202)	(65,907)
Share of net profits of associate accounted for using the equity method	828	521
Profit before income tax	42,049	37,174
Income tax expense	(10,608)	(11,536)
Profit for the period	31,441	25,638
Attributable to:		
Owners of the parent	31,295	25,524
Non-controlling interest	146	114
	31,441	25,638

Earnings per share for profit attributable to the ordinary equity holders of the company

Basic earnings per share (cents per share)	18.2	16.3
Diluted earnings per share (cents per share)	17.7	16.0

The above condensed consolidated Statement of Profit or Loss should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 30 June 2013

	Half-year ended 30-Jun-13	Half-year ended 30-Jun-12
	$'000	$'000
Profit for the period	31,441	25,638
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss:		
Gain on revaluation of property	-	1,035
Income tax relating to items that will not be reclassified subsequently	-	(311)
	-	724
Items that may be reclassified subsequently to profit or loss:		
Gain (loss) on revaluation of available for sale Investment	(6,736)	517
Income tax credit (expense)	2,020	(155)
	(4,716)	362
Cash flow hedges		
Fair value gain (loss) arising during the year	341	(506)
Income tax credit (expense)	(102)	152
	239	(354)
Total other comprehensive income for the year	(4,477)	732
Total comprehensive income for the year	26,964	26,370
Total comprehensive income attributable to:		
Owners of the parent	26,818	26,256
Non-controlling interests	146	114
	26,964	26,370

The above condensed consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

Condensed Consolidated Statement of Financial Position
As at 30 June 2013

	30-Jun-13	31-Dec-12
	$'000	$'000
Current Assets		
Cash and cash equivalents	69,272	8,716
Trade and other receivables	98,929	96,567
Leasebook receivables	126	650
Loans receivables	288	163
Inventories	399,327	410,491
Other	3,607	2,629
	571,549	519,216
Property assets held for resale	17,249	23,963
Total Current Assets	588,798	543,179
Non-Current Assets		
Leasebook receivables	114	89
Other loan receivable	1,516	376
Available-for-sale investments	164,926	162,590
Investment in associate	3,742	3,461
Property, plant and equipment	342,220	350,862
Intangible assets	117,594	117,521
Total Non-Current Assets	630,112	634,899
Total Assets	1,218,910	1,178,078
Current Liabilities		
Trade and other payables	133,096	142,826
Derivative financial instruments	597	817
Borrowings - Bailment and finance lease payable	329,195	304,235
Borrowings - Leasebook liabilities	119	504
Current tax liabilities	5,327	7,909
Provisions	15,509	15,059
Total Current Liabilities	483,843	471,350
Non-Current Liabilities		
Borrowings - Other	211,081	209,105
Derivative financial instruments	1,264	1,385
Deferred tax liabilities	18,809	20,599
Provisions	7,267	7,103
Total Non-Current Liabilities	238,421	238,192
Total Liabilities	722,264	709,542
Net Assets	496,646	468,536
Equity		
Contributed equity	231,030	206,277
Reserves	84,603	90,636
Retained earnings	180,162	171,113
Equity attributable to equity holders of the parent	495,795	468,026
Non-controlling interests	851	510
Total Equity	496,646	468,536

The above condensed consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

Condensed Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2013

	Issued capital	Asset revaluation reserve	Hedging reserve	Share-based payments reserve	Investment Revaluation reserve	Retained earnings	Attributable to equity holders of the parent	Non-controlling interest	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Balance at 1 January 2012	162,047	70,540	(1,400)	5,189	-	143,795	380,171	444	380,615
Profit for the period	-	-	-	-	-	25,524	25,524	114	25,638
Loss on cash flow hedge	-	-	(506)	-	-	-	(506)	-	(506)
Gain on revaluation of:									
Available-for-sale investment	-	-	-	-	-	517	517	-	517
Properties	-	-	-	-	-	1,035	1,035	-	1,035
Related income tax effect	-	-	152	-	-	(466)	(314)	-	(314)
Total comprehensive income for the period	-	-	(354)	-	-	26,610	26,256	114	26,370
Share based payment expense	-	-	-	760	-	-	760	-	760
Shares issued pursuant to									
Staff share plan	891	-	-	(891)	-	-	-	-	-
Share buy-back scheme	(390)	-	-	-	-	-	(390)	-	(390)
Payment of dividend	-	-	-	-	-	(16,335)	(16,335)	(26)	(16,361)
Balance 30 June 2012	162,548	70,540	(1,754)	5,058	-	154,070	390,462	532	390,994
Balance at 1 January 2013	206,277	71,053	(1,542)	5,791	15,334	171,113	468,026	510	468,536
Profit for the period	-	-	-	-	-	31,295	31,295	146	31,441
Gain on cash flow hedge	-	-	341	-	-	-	341	-	341
Loss on revaluation of:									
Available-for-sale investment	-	-	-	-	(6,736)	-	(6,736)	-	(6,736)
Properties	-	-	-	-	-	-	-	-	-
Related income tax effect	-	-	(102)	-	2,020	-	1,918	-	1,918
Total comprehensive income for the period	-	-	239	-	(4,716)	31,295	26,818	146	26,964
Share based payment expense	-	-	-	805	-	-	805	-	805
Shares issued pursuant to									
Staff share plan	2,361	-	-	(2,361)	-	-	-	-	-
Non controlling interest in subsidiary	-	-	-	-	-	-	-	272	272
Dividend reinvestment plan	22,161	-	-	-	-	-	22,161	-	22,161
Placement of shares	231	-	-	-	-	-	231	-	231
Payment of dividend	-	-	-	-	-	(22,246)	(22,246)	(77)	(22,323)
Balance 30 June 2013	231,030	71,053	(1,303)	4,235	10,618	180,162	495,795	851	496,646

The above condensed consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

A.P. EAGERS LIMITED

Condensed Consolidated Statement of Cash Flows
For the half-year ended 30 June 2013

	6 months ended 30-Jun-13	6 months ended 30-Jun-12
	$'000	**$'000**
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,472,112	1,409,152
Payments to suppliers and employees (inclusive of GST)	(1,394,581)	(1,354,041)
Receipts from insurance claims	-	165
Dividends received	4,420	318
Interest received	664	311
Interest and other costs of finance paid	(11,932)	(12,613)
Income tax paid	(13,011)	(11,001)
Net cash provided by operating activities	57,672	32,291
Cash flows from investing activities		
Payment for shares in other corporations	(9,072)	(1,062)
Payment for acquisition of intangibles	(119)	(458)
Proceeds from sale of business	900	-
Proceeds from sale of property, plant and equipment	14,884	1,711
Payments for property, plant and equipment	(5,196)	(20,396)
Net cash provided by (used in) investing activities	1,397	(20,205)
Cash flows from financing activities		
Receipt from issue of shares (net of buy-back of shares)	146	(391)
Proceeds from borrowings	12,078	39,600
Repayment of borrowings	(10,660)	(29,620)
Dividends paid to minority shareholders of a subsidiary	(77)	(25)
Dividends paid to members of A.P. Eagers Limited	-	(16,335)
Net cash provided by (used in) financing activities	1,487	(6,771)
Net increase in cash and cash equivalents	60,556	5,315
Cash and cash equivalents at the beginning of the period	8,716	13,279
Cash and cash equivalents at the end of the period	69,272	18,594

The above condensed consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. Significant accounting policies

Statement of compliance
The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting* . Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.* The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made by A. P. Eagers Limited made during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001* .

Basis of preparation
The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise stated.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2012 annual financial report for the financial year ended 31 December 2012.
These accounting policies are consistent with the Australian Accounting Standards and with International Financial Reporting Standards.
The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for the current half-year.

2 Segment information

Segments are identified on the basis of internal reports about components of the consolidated entity that are regularly reviewed by the chief operating decision maker, being the board of directors, in order to allocate resources to the segment and to assess its performance.

The consolidated entity operates in four operating and reporting segments being (i) automotive franchised retailing (ii) truck franchised retailing (iii) property and (iv) Investment and all other, these being identified on the basis of being the components of the consolidated entity that are regularly reviewed by the chief decision maker for the purpose of resource allocation and assessment of segment performance.

Information regarding the consolidated entity's reporting segments is presented below.

(i) Automotive Franchised Retailing
Within the Automotive Franchised Retail segment, the consolidated entity offers a diversified range of automotive products and services, including new vehicles, used vehicles, vehicle maintenance and repair services, vehicle parts, extended service contracts, vehicle protection products and other aftermarket products. They also facilitate financing for vehicle purchases through third-party sources. New vehicles, vehicle parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

(ii) Truck Retailing
Within the Truck Retail segment, the consolidated entity offers a diversified range of products and services, including new trucks, used trucks, truck maintenance and repair services, truck parts, extended service contracts, truck protection products and other aftermarket products. They also facilitate financing for truck purchases through third-party sources. New trucks, truck parts, and maintenance services are predominantly supplied in accordance with franchise agreements with manufacturers.

(iii) Property
Within the Property segment, the consolidated entity acquires commercial properties principally for use as facility premises for its motor dealership operations. The Property segment charges both the Automotive Franchised Retailing segment and Truck Retailing segment commercial rentals for owned properties occupied by that segment. The Property segment reports property assets at fair value, based on annual assessments by the directors supported by periodic, but at least triennial valuations by external independent valuers. Revaluation increments arising from fair value adjustments are reported internally and assessed by the chief operating decision maker as profit adjustments in assessing the overall returns generated by this segment to the consolidated entity.

(iv) Investment and all Other
This segment includes dealerships within the non franchise market currently dealing in the used car market, and investment in One Way Traffic Pty Ltd, trading as Carsguide and the investment in Automotive Holdings Group Limited.

A.P. EAGERS LIMITED

Notes to the Condensed Consolidated Financial Statements
30 June 2013 (continued)

2 Segment information (continued)

	Automotive Franchised Retailing $'000	Truck Retailing $'000	Property $'000	Investment and all Other $'000	Eliminations $'000	Consolidated $'000
6 months ended 30 June 2013						
Revenue - external	1,085,513	216,515	489	46,890	-	1,349,407
Inter-segment sales	-	-	14,086	-	(14,086)	-
TOTAL REVENUE	1,085,513	216,515	14,575	46,890	(14,086)	1,349,407
SEGMENT RESULT						
Operating profit before interest	32,559	5,337	9,691	4,265	-	51,852
External interest expense allocation	(6,194)	(1,075)	(3,704)	(1,263)	-	(12,236)
OPERATING CONTRIBUTION	26,365	4,262	5,987	3,002	-	39,616
Share of net profit of equity accounted investments	828	-	-	-	-	828
Profit on sale of property/business	1,793	-	203	-	-	1,996
SEGMENT PROFIT	28,986	4,262	6,190	3,002	-	42,440
Unallocated corporate expenses/income						(391)
						42,049
Income tax expense						(10,608)
NET PROFIT						31,441
Depreciation and amortisation	3,192	721	2,340	99	-	6,352
ASSETS						
Segment assets	537,386	127,886	332,585	221,053	-	1,218,910
LIABILITIES						
Segment liabilities	366,400	91,054	163,471	101,339	-	722,264
NET ASSETS	170,986	36,832	169,114	119,714	-	496,646
Acquisitions of non current assets	1,161	458	3,825	9,378	-	14,822
6 months ended 30 June 2012						
Revenue - external	1,068,519	189,076	616	39,605	-	1,297,816
Inter-segment sales	-	-	14,035	-	(14,035)	-
TOTAL REVENUE	1,068,519	189,076	14,651	39,605	(14,035)	1,297,816
SEGMENT RESULT						
Operating profit before interest	33,785	4,617	10,027	6	-	48,435
External interest expense allocation	(7,083)	(1,300)	(3,747)	-	-	(12,130)
OPERATING CONTRIBUTION	26,702	3,317	6,280	6	-	36,305
Share of net profit of equity accounted investments	521	-	-	-	-	521
Revaluation of properties			11			11
Profit on sale of property/business	118	-	(25)	-	-	93
SEGMENT PROFIT	27,341	3,317	6,266	6	-	36,930
Unallocated corporate expenses/income						244
						37,174
Income tax expense						(11,536)
NET PROFIT						25,638
Depreciation and amortisation	2,800	643	2,021	93	-	5,557
ASSETS						
Segment assets	539,815	121,703	352,821	10,145	-	1,024,484
LIABILITIES						
Segment liabilities	359,856	96,700	174,125	2,809	-	633,490
NET ASSETS	179,959	25,003	178,696	7,336	-	390,994
Acquisitions of non current assets, including assets of businesses acquired	1,762	405	18,892	1,399	-	22,458

Geographic Information

The Group operates in one principal geographic location, being Australia.

3 Dividends

	6 months ended 30-Jun-13	6 months ended 30-Jun-12
	$'000	$'000
Ordinary shares		
Dividends paid during the half-year	22,246	16,361
Dividends not recognised at the end of the half-year		
Since the end of the half-year the directors have determined the payment of an interim dividend of 8.0 cents (2012 - 7.0 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the interim dividend expected to be paid on 04 October 2013 out of retained profits at the end of the half-year, but not recognised as a liability, is	14,124	11,710

4 Equity securities movements

	6 months ended 30-Jun-13	6 months ended 30-Jun-12	6 months ended 30-Jun-13	6 months ended 30-Jun-12
	Shares	Shares	$'000	$'000
Movements in ordinary shares during the half-year				
Cancellation of shares under the buy-back scheme	-	(157,845)	-	(390)
Issue of shares under Dividend Reinvestment Plan	5,295,491	-	22,161	-
Placement of Shares	55,000	-	231	-
Issue of shares to staff under the share incentive schemes	439,268	422,100	2,361	891
	5,789,759	264,255	24,753	501

5 Financial Instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair value (2012: fair value).

The fair value and net fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes listed redeemable notes, bills of exchange, debentures and perpetual notes).

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quotes forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.

6 Business combinations

There were no business combinations during the 6 months to 30 June 2013 and 6 months to 30 June 2012.

7 Contingent liabilities

There has been no change in contingent liabilities since the last annual reporting date.

8 Subsequent events

There has been no material events occuring after the balance date requiring disclosure in the financial report.

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Independent Auditor's Review Report to the members of A.P. Eagers Limited

We have reviewed the accompanying half-year financial report of A.P. Eagers Limited, which comprises the condensed statement of financial position as at 30 June 2013, and the condensed statement of profit or loss, the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the A.P. Eagers Limited's financial position as at 30 June 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of A.P. Eagers Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of A.P. Eagers Limited, would be in the same terms if given to the directors as at the time of this auditor's review report

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of A.P. Eagers Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Alfred Nehama
Partner
Chartered Accountants
Sydney, 28 August 2013