



Dear Shareholders

Once again, Turners has delivered a record year of results with an Operating Profit (net profit before tax) of \$31.1 million, a 26% increase on last year, and Net Profit After Tax of \$23.4 million, a 33% increase on FY17.

Based on the ongoing positive performance of the group, the Board declared a fully imputed final quarter dividend of 5.0 cents per share taking the full year dividends to 15.5 cents per share.

The FY18 financial year was very much about integrating our businesses, after a period of sustained growth and expansion. We've simplified our brands to allow for better marketing and promotion; merged our teams into centralised locations; built common operating and funding platforms; and continued to improve our systems and processes to ensure we operate as efficiently as possible.

Our integrated business model remains at the heart of our success, providing us with a myriad of advantages, from the ability to offer an end to end customer journey and higher margin transactions in our controlled channels, through to better customer relationships, diversification of earnings and a balanced mix of annuity and transactional revenue.

We continued to build our investment into our nationwide network, with a number of new sites providing better access and an improved experience for our customers. We also further strengthened and diversified our funding platform, reducing our reliance on individual sources and our cost of funding, and providing headroom for continued growth.

FY19 is about continuing to grow our market share by leveraging the strength and unique benefits of our integrated business model, and offering more products and services to more customers across more channels. We will still consider mergers and acquisitions where there is a strategic benefit, however, we see the majority of our medium-term growth coming from within the group.

An essential ingredient in our success will be building on the "trust" kiwis have in the Turners brand, established over more than 50 years of doing business in New Zealand.

The used vehicle market remains strong and the large number of end of life vehicles needing replacement continues to grow. As automotive sales increase, so does the demand for automotive finance and insurance products.

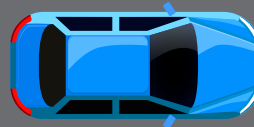
We remain a proudly New Zealand focused, owned and operated kiwi business. Our company is well funded, has great brands and is well positioned to continue growing, cementing our unique position as an integrated automotive group and delivering increasing value for our shareholders.

A stylized, handwritten signature in black ink, appearing to read 'Grant Baker'.

Grant Baker
Chairman

A stylized, handwritten signature in black ink, appearing to read 'Todd Hunter'.

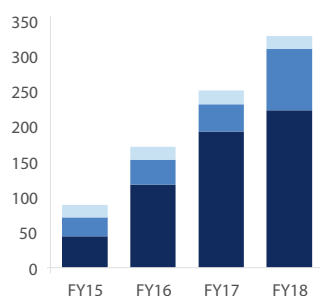
Todd Hunter
Chief Executive Officer



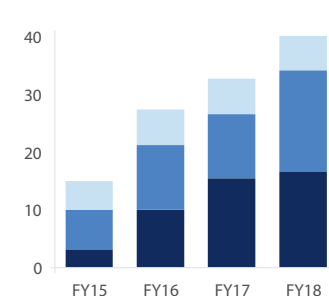
FY18 AT A GLANCE

- Successfully integrated Autosure and Buy Right Cars into the group
- Integrated three separate finance operating entities into a single entity under the Oxford Finance brand
- Successfully merged existing insurance business into the newly acquired Autosure Insurance business
- Changed name to Turners Automotive Group Limited
- Acquired insurance agent, Motorplus NZ Limited
- Dual listed on the ASX
- Completed \$30 million capital raising, to support growth initiatives
- Expanded property footprint with opening of four new retail sites for Cars and Trucks & Machinery
- Acquired new sites for retail development in Auckland, Wellington and Whangarei
- Introduced Dealer Loyalty Scheme and issued first tranche of shares
- Banking syndication finalised with ASB and BNZ (post balance date, May 2018)
- Turners Automotive Retail division celebrated a significant milestone of being in business for 50 years

SECTOR REVIEW



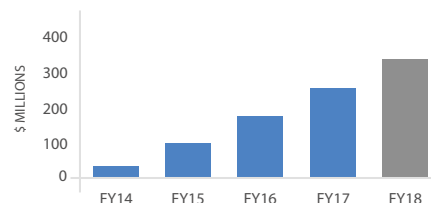
SECTOR OPERATING PROFIT



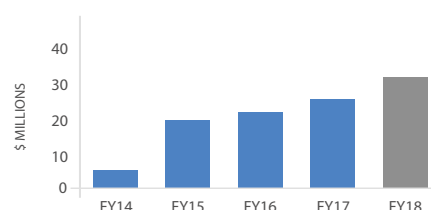
■ CREDIT MANAGEMENT ■ FINANCE AND INSURANCE ■ AUTOMOTIVE RETAIL

FINANCIAL HIGHLIGHTS

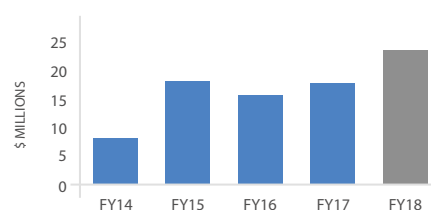
GROUP REVENUE | UP 32% | \$330.5M



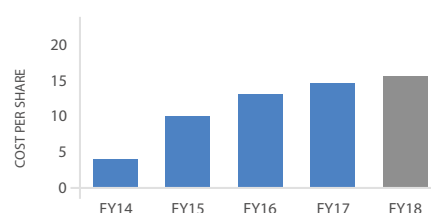
PROFIT BEFORE TAX | UP 26% | \$33.1M



NPAT | UP 33% | \$23.4M



FULL YEAR DIVIDENDS | UP 7% | 15.5 CENTS PER SHARE



STRATEGIC FOCUS FOR FY19

CUSTOMER FIRST	QUALITY LENDING	UTILISE OUR WEALTH OF DATA	LEVERAGE OUR ECO-SYSTEM
<p>Keep developing 'Customer First' culture across all businesses</p> <p>Improve the quality of the customer experience – both in-person and online</p>	<p>Continue the transition to higher quality, more profitable lending</p>	<p>Access and drive value from the wealth of data in the business to engage with our customers, and deliver better service</p>	<p>Leverage our unique automotive eco-system to meet all of our customers' needs</p>