



First 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 3.8 AHG Shares that you own

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.

First 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 first supplementary bidder's statement (**First 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 First Supplementary Bidder's Statement supplements, and should be read together with, AP Eagers' bidder's statement dated 5 April 2019 (**Original Bidder's Statement**).

Unless the context requires otherwise, terms defined in the Original Bidder's Statement have the same meaning in this First Supplementary Bidder's Statement.

A copy of this First Supplementary Bidder's Statement was lodged with ASIC on 26 April 2019. Neither ASIC nor any of its officers takes any responsibility for the content of this First Supplementary Bidder's Statement.

2 Announcement regarding sale and leaseback of Newstead property

Attached, in annexure A, is the ASX announcement, released on 26 April 2019 regarding the sale and lease back of property owned by AP Eagers at Newstead in Brisbane. The transactions referred to in the announcement were contemplated in sections 2.4, 4.1, 4.4 and 9.3 of the Original Bidder's Statement and are being undertaken as a part of AP Eagers' Brisbane auto mall strategy which the company is progressing (as disclosed in those sections of the Original Bidder's Statement).

3 Correction of details regarding AHG Performance Rights on issue

AHG has provided to AP Eagers, subsequent to the date of the Original Bidder's Statement, a copy of its register of current holders of AHG Performance Rights (which is maintained internally with AHG and which is not publicly available) in response to the request made by AP Eagers under section 641(1) Corporations Act, which discloses there are 1,592,002 AHG Performance Rights on issue (rather than 1,477,103 AHG Performance Rights¹ as stated in sections 7.1 and 7.8 of the Original Bidder's Statement). Accordingly, if all AHG Performance Rights vest, the total number of AHG Shares on issue would be 333,215,016 (and not 333,100,117 as stated in section 7.1 of the Original Bidder's Statement), being a difference of 114,899 AHG Shares.

The Offer does not extend to AHG Performance Rights. The Offer does, however, extend to AHG Shares that are issued or otherwise come into existence during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of rights attached to, securities convertible into AHG Shares (including AHG Performance Rights) that were on issue at the Register Date. Consequently, if all unvested AHG Performance Rights vest in accordance with their terms of issue and the holders of those AHG Performance Rights accept the Offer in respect of the AHG Shares issued to them (or their AHG Shares are otherwise acquired by AP Eagers under the compulsory acquisition process), an

¹ The figure of 1,477,103 for AHG Performance Rights on issue set out in sections 7.1 and 7.8 of the Original Bidder's Statement was sourced from information publicly available to AP Eagers, including the latest Appendix 3B lodged by AHG with the ASX on 12 December 2016.

additional 418,948 APE Shares would be required to be issued (and not 388,711 APE Shares as stated in section 11.1 of the Original Bidder's Statement), being a difference of 30,237 APE Shares.

4 Application for merger authorisation lodged

Consistent with its intention disclosed in the Original Bidder's Statement, AP Eagers has lodged an application with the ACCC for a *merger authorisation* on 23 April 2019. The validity of AP Eagers' application is currently being assessed by the ACCC. Unless agreed otherwise by AP Eagers, the ACCC will have 90 days from the date a valid application is received to make its determination in respect of that application.

The Bid Conditions include that all Regulatory Approvals for the acquisition of AHG Shares under the Offer are given, made or obtained before the end of the Offer Period. The granting of a *merger authorisation* would satisfy that Bid Condition insofar as it relates to approval under the CCA.

Further information regarding the *merger authorisation* process is set out in section 13.8 of the Original Bidder's Statement.

5 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.

6 Approval of First Supplementary Bidder's Statement

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

Dated 26 April 2019

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



Tim Crommelin
Chairman

Annexure A

ASX announcement dated 26 April 2019



26 April 2019

Market Announcements Office
ASX Limited

Sale & Leaseback of Newstead Properties to generate Profit Before Tax of \$24.0m

A.P. Eagers Limited (ASX: APE) (**AP Eagers**) is pleased to announce that arrangements are in place which will see the sale of three properties at 11 Evelyn Street, 7 Creswell Street and 79 Breakfast Creek Road, in Newstead, Brisbane to Marquette Property Group (**Marquette**) for a combined price of \$55.5 million.

Settlement will take place on 22 May 2019.

AP Eagers will continue to operate its businesses from the properties following settlement, having entered into a seven year lease-back arrangement.

The sale will be effected through a put and call option arrangement. All preconditions to the options being exercised have today been satisfied. If Marquette's option to purchase the properties is not exercised by 8 May 2019 then AP Eagers will exercise its option to sell the properties to Marquette by 10 May 2019.

The sale of these properties will generate a profit before tax of \$24.0 million. The profit will be recognised over the seven year lease term with an annual profit contribution of \$3.4 million.

Commenting on the transaction, Martin Ward, CEO of AP Eagers said:

"The sale of these properties is a key step in the execution of AP Eagers' 'Next100' future growth strategy. We will continue to engage our customers, everywhere, by leveraging our flexible property portfolio to develop dealership retailing networks fit for the future aligned with changing customer preferences.

"A major component of this strategy is our move to the Brisbane Auto Mall. AP Eagers has secured 64,124 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.

"The sale of the Newstead properties will provide a significant profit and cash contribution with the proceeds intended to be used to repay corporate debt and to further strengthen the company's balance sheet as it pursues future growth initiatives."

Following the completion of the sale of these properties, AP Eagers will continue to hold a substantial portfolio of owned property valued at \$317.8 million at 24 April 2019.

ENDS

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