



26 May 2014

Company Announcements Office
ASX Limited

Sale of Interest in MTAI Insurance Limited

A.P. Eagers Limited has a 20.65% shareholding in MTAI Insurance Limited (MTAI), a leading Australian retail motor insurance provider focussed on consumer credit insurance products. The A.P. Eagers group was a founding investor in MTAI in 1986.

The directors of MTAI have reached an agreement with Suncorp Commercial Insurance for the sale of the MTAI business, subject to MTAI shareholder approval and Australian Prudential Regulation Authority approval.

A.P. Eagers as the largest individual shareholder of MTAI is supportive of the transaction, and expects the required approvals will be achieved in the third quarter of 2014. We look forward to continuing a close relationship with MTAI as part of the Suncorp group.

The consideration for the transaction is a combination of dividend distributions, an initial acquisition payment and contingent payments containing certain performance conditions.

Subject to completion of the transaction, final adjustments and confirmation of accounting treatment, A.P. Eagers expects to recognise a pre-tax gain in the order of \$6 million, in our 2014 annual results*.

ENDS

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** The MTAI investment is recognised in the A.P. Eagers group's financial statements as an investment in an associate, using the equity method of accounting. Hence the asset value represents the initial cost of the investment adjusted for equity profit and loss, less dividends.*

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