

## MEDIA RELEASE

21 February 2008

### ADTRANS CAR & TRUCK GROUP AGAIN LIFTS DIVIDEND FOLLOWING RECORD FIRST HALF RESULTS

Shareholders in leading Australian car and truck retailer, Adtrans Group Limited (ASX: "ADG"), are receiving another lift in their fully franked interim dividends following record results announced today for the six months ended 31 December 2007.

Adtrans – a major Australian truck retailer and the leading car retailer in South Australia – lifted first half net operating profit after tax by 29.7% to a record \$5.6 million from \$4.3 million in the previous corresponding period.

The higher profit was achieved on record group revenue of \$377.9 million for the six months – up 17.2% on the 2006-2007 opening half.

Interim dividend has been lifted from 9 cents to a fully franked 9.5 cents per share and will be paid on 14 April 2008 to Adtrans shareholders registered by 28 March 2008.

The increased interim dividend follows the jump from 22 cents to a record 23.5 cents per share in the Company's 2006-2007 annual dividend – the fifth increase in annual dividend since 18 cents per share was paid in 2000-2001.

#### Record car and truck sales

Adtrans Chairman, Mr Graeme Bignell, said today that the Company's strong first half result was achieved in a period of "best ever" sales in the Australian motor vehicle industry.

"For calendar year 2007, the industry recorded a record 1,049,982 vehicles, an increase of 9.1% on the prior year," he said.

"Included in this figure, the truck market recorded a record 37,231 units which was a 17.7% increase on full year 2006. Within this truck figure, the important over 15 tonne market was up 25%.

"The increase in new truck sales was reflected in substantial profit gains from this segment and due to the buoyant economy generally, we had improved profits across all our divisions.

#### ADTRANS GROUP LIMITED

Adtrans Corporate Pty Ltd

ADELAIDE

Adtrans Automotive Group Pty Ltd

ADELAIDE

Stillwell Ford

Adrian Brien Ford

Rebel Ford - Elizabeth

Rebel Ford - Pooraka

Stillwell Hyundai

Adrian Brien Hyundai

Reynella Hyundai

Stillwell Kia

Adtrans Kia

Adrian Brien Chrysler/Jeep

Stillwell Trucks Regency Park

Stillwell International Trucks

Adtrans Used Pty Ltd ADELAIDE

Graham Cornes Used Cars

Adtrans Used Cars

Graham Cornes Motors Pty Ltd

ADELAIDE

Cornes Toyota

Cornes Toyota 4x4 Centre

Stillwell Trucks Pty Ltd SYDNEY

Adtrans Trucks Pty Ltd SYDNEY

The Truck Centre

Adtrans Hino Pty Ltd SYDNEY

Adtrans Hino

Adtrans Australia Pty Ltd MELBOURNE

Whitehorse Truck and Bus

Melbourne International Truck Centre

Adtrans Truck Centre Pty Ltd MELBOURNE

Adtrans Truck Centre

Whitehorse Trucks Pty Ltd MELBOURNE

Whitehorse Truck Centre

Australia Wide Transport Spares

The Valley Truck Centre

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"This impressive truck market was influenced by two factors –an increased freight task in Australia and an impending emission standard change effective on all trucks manufactured after 1 January 2008.

"Under this standard, all trucks must comply with the Euro 4 Emission Standards to effect significant reductions in emissions, including noise emission. These changes will require considerable engineering modifications and, as expected, this reduction in emissions will come at some financial penalties."

## **Outlook**

Mr Bignell said "During the next half, we expect continuing good car markets at similar numbers to 2007 and it is currently predicted that truck demand will remain strong despite the engineering changes. However, although 2008 will record a slightly lower number of truck sales, the calendar year is expected to be the second best market on record," he said.

"The manufacturers have varying predictions but as a generality, supply of the 2008-compliant trucks will arrive in the last financial quarter (in some cases, late in the last quarter). In anticipation of these supply problems, our Group had purchased larger stocks where available but nevertheless, shortages are expected. Primarily due to these shortages, we do not expect to record the same level of profitability in the second half.

"However, our directors are confident that the full year result will finish at least 10% higher than full year 2006/07.

"Whilst there will be a host of new vehicles released in the market place during this financial year, it is worth mentioning that Ford is already benefiting from the recently released new Mondeo and as well, an all new Falcon range in second quarter 2008, and this will bring much needed assistance to sales in our three Ford dealerships.

"Hyundai released the i30 series in November 2007 and additionally our four Hyundai dealerships will welcome a new full range of Vans in early 2008. These new vehicles will assist our results.

"As always, our Group is fortunate to enjoy excellent product from our Toyota dealership, Cornes Toyota.

"In November, our Group acquired our first Hino dealerships, styled Adtrans Hino. These dealerships will operate in the excellent market areas of Mascot, which is near downtown Sydney, and Gosford, situated on the south central coast of New South Wales.

"Hino, principally owned by Toyota, is Australia's second largest volume truck manufacturer.

"Your Directors have great faith in Adtrans Group, staff and management to continue to record excellent results into the future," he said.

Current vehicle franchises held by Adtrans Group include:

Cars: Ford, Toyota, Hyundai, Kia, Chrysler, Jeep and Dodge.

Trucks: Hino, Sterling, UD, Iveco/International, Fuso, Freightliner and Mercedes-Benz.

## **FURTHER INFORMATION: Please contact –**

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