

25 August 2008

Adtrans powers ahead with record earnings and another dividend lift for shareholders

Record Australian new vehicle sales are reflected in yet another record revenue, profit and dividend performance announced today by the leading car and truck retailer, Adtrans Group Limited (ASX: "ADG").

Adtrans shareholders are receiving another increase in annual dividend following a 37.7% jump in net profit after tax to a record \$12 million for the year ended 30 June 2008 compared with \$8.7 million in the previous financial year.

The latest profit improvement was achieved on total annual sales revenue that rose 17% to a record \$752.8 million from \$643.5 million in 2006-2007.

The underlying basic profit before tax was up 18.7% on the previous year. Total profit before tax of \$17.5 million included a \$2.5 million gross refund from the Australian Taxation Office (ATO) following a Federal Court ruling on GST paid on vehicle manufacturer holdback payments.

Dividend up again

Adtrans – a top-three truck retailer across New South Wales, Victoria and South Australia and the leading car retailer in South Australia – is lifting final dividend to a fully franked 15.5 cents per share (previously 14.5 cents per share).

Combined with the higher interim dividend, this takes the 2007-2008 annual dividend to a record fully franked 25 cents per share from 23.5 cents in the previous year.

The latest increase represents the eighth lift in annual dividend for Adtrans shareholders for the decade.

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 - Mascot

- Gosford

- Camden

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

Record new vehicle sales

Mr Graeme Bignell, Adtrans Group Chairman, said continuing record Australian new vehicle sales played a significant role in the Company's record full-year revenue and profit, with increased activity in the heavy truck market a feature.

"According to Federal Chamber of Automotive Industry statistics, the Australian new vehicle market finished the 2007 calendar year at 1,049,982 vehicles which was up 9.1% and included a 13.8% increase in truck market sales, of which the heavy duty segment was up 23.7%" Mr Bignell said.

"Total new cars sold within the Adtrans group rose to 6,473 vehicles and sales of new trucks were up to 2,458 vehicles," he said.

"Our group also enjoyed another strong year in total parts and service sales with total sales almost 10% higher than the previous financial year.

"Used vehicles sales at 7,331 vehicles were in line with the previous year and the 507 used trucks sold were ahead of 2006-2007."

Acquisitions

Adtrans continued on the acquisition trail in the past financial year with an emphasis on trucks and its first entry into the bus market.

"During the year, in New South Wales we acquired Hino truck franchises at Gosford, Camden and Mascot in downtown Sydney," Mr Bignell said.

"While these recent acquisitions made no meaningful contributions to our results for the past year, we are confident they will be a good contributor to the Group's future profits, particularly as Hino is the second largest volume truck franchise in Australia," he said.

"Another significant 'first' for us during the year was the acquisition of the Chinese manufactured BCI Bus franchise through our Whitehorse Truck and Bus Centre in Footscray, Victoria.

"The BCI franchise - which adds to our significant Victorian truck operations - recorded a good result and we expect it to continue to have a positive influence on our Group's future profit."

Outlook

Mr Bignell said Adtrans was currently "well positioned and keen to make the right acquisition to continue to expand our dealership group".

Looking to 2008-2009, he said fuel prices and higher interest rates had combined to affect the Group's car market considerably, particularly with a very sudden swing to smaller, fuel-efficient vehicles.

"With our large used car holdings, this necessitated a significant adjustment to our inventory holding which was accomplished before 30 June 2008," he said.

"Insofar as trucks are concerned, independent experts have predicted for 2008 to be the second biggest calendar year truck market in Australian history.

"The truck market has been excellent through July but has currently been affected by a lack of stock from one of our major manufacturers.

"We expect this shortage of heavy duty stock to be rectified during September and providing the economy is restored, we would still expect a very good calendar and financial year for trucks."

Mr Bignell said the Group was budgeting for another good year, albeit below the record 2007-2008 result.

Current vehicle franchises held by Adtrans Group include:

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

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

FURTHER INFORMATION: Please contact

Graeme Bignell

Chairman

08-8373 1991 or 0408 866 999

Shaun Swift

Managing Director

08-8373 1991 or 0400 350 799