

Turners Auctions Limited

**New Zealand Shareholders
Association**



Agenda

- Overview
- The Market
- Key Projects
- Financials
- Questions
- Tour of Turners
 - Auction Visit
 - Site Tour

Turners Services

Auctions

- Cars
- Trucks/Machinery
- General Goods
- Trade only
- Public/Trade
- 48 auctions per week
- Turners “Live” – online

Storage

- Cars
- Trucks
- Goods
- Across 16 branches



Turners Services cont...

Vehicle Refurbishment

Vehicle Grooming

Turners Auto Inspect

- Vehicle inspections

Retail (BuyNow)

- Cars
- Trucks

Car Purchasing

- CashNow

**WE BUY ANY CAR
WANT TO SELL YOURS?**

TURNERS CASH NOW. DRIVE IN. CHEQUE OUT.



Our Footprint



Cars Division

- NZ New cars
- Imported cars
- Classic (vintage) cars
- Prestige vehicle auctions
 - Ministerial BMW fleet

Vendors

Lease companies

Rental car companies

Government

Finance companies

Importers

Dealers

Buyers

Dealers

Public



Commercial Division

- Trucks
- Machinery
- General Goods

Vendors

Finance Companies

Businesses

Lease companies

Receivers (sponsors of INSOL)

Buyers

Traders

End users

Public



Damaged Vehicle Division

- Damaged cars
- Damaged trucks
- Motor cycles

Vendors

Insurance companies

Rental car companies

Public

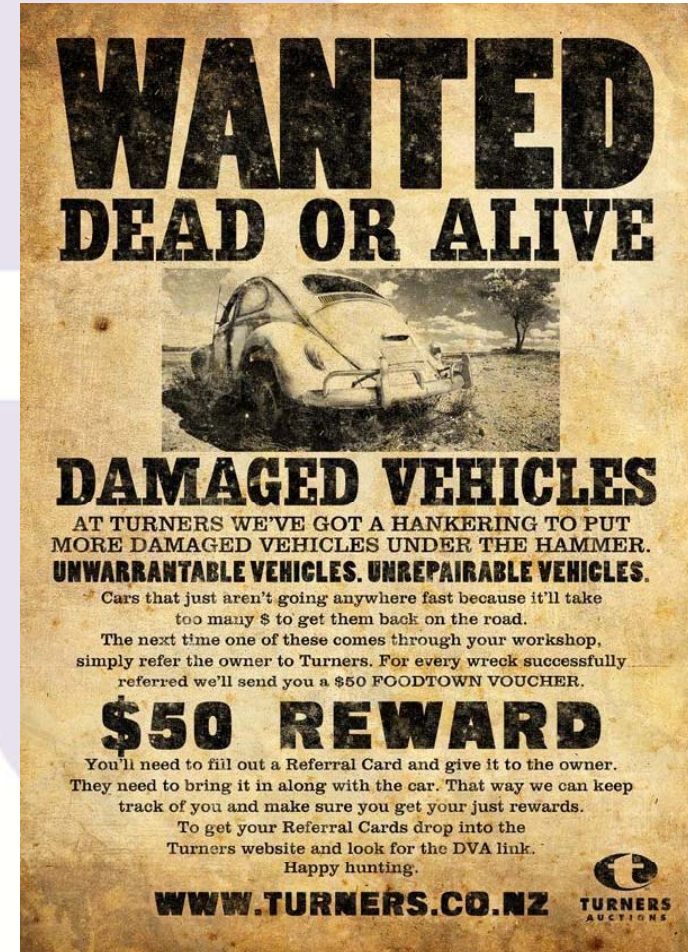
Dealers

Buyers


Parts traders

Recyclers

Public



**WANTED
DEAD OR ALIVE**



DAMAGED VEHICLES
AT TURNERS WE'VE GOT A HANKERING TO PUT
MORE DAMAGED VEHICLES UNDER THE HAMMER.
UNWARRANTABLE VEHICLES. UNREPAIRABLE VEHICLES.


Cars that just aren't going anywhere fast because it'll take too many \$ to get them back on the road.

The next time one of these comes through your workshop, simply refer the owner to Turners. For every wreck successfully referred we'll send you a \$50 FOODTOWN VOUCHER.

\$50 REWARD

You'll need to fill out a Referral Card and give it to the owner. They need to bring it in along with the car. That way we can keep track of you and make sure you get your just rewards.

To get your Referral Cards drop into the Turners website and look for the DVA link.
Happy hunting.

WWW.TURNERS.CO.NZ  **TURNERS
AUCTIONS**

Turners Finance

- Consumer finance
- Mechanical Breakdown Insurance
- Motor vehicle insurance

Partners

- Motor Trade Finance (MTF)
- Autosure (Vero)
- State Insurance

- Pre approval of finance
- Mainly finance Turners own cars
- New focus on non Turners cars



Turners Fleet

- Licenced Motor Vehicle Dealer
- Importing from Japan
- Purchasing domestically (CashNow)

- Government emission regulations
- Decline in imports
- Domestic purchasing from public

- Support Turners Auctions
- Selling:
 - Auction
 - Retail (BuyNow)





THE MARKET

The Market

Used Cars

NZTA Segment	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	Forecast 2012
Public to Trader	158,287	148,692	137,769	125,321	125,425	131,911	135,184	135,000
Public to Public	440,253	455,201	475,144	461,866	453,906	455,750	449,700	455,000
Trader to Public	231,515	221,508	212,622	187,413	176,585	175,712	177,622	170,000
Trader to Trader	84,509	81,279	80,419	64,893	62,081	64,386	63,783	60,000
ExOverseas	152,488	123,326	120,370	90,841	68,757	88,613	80,852	65,000
Total	1,067,052	1,030,006	1,026,324	930,334	886,754	916,372	907,141	885,000

- Three waves of imported car restrictions
- Finance company collapses
- Dealer decline
- Economic downturn

The New Zealand Market

New Vehicles

	2011	2012	Diff
Cars	31,291	38,145	+22%
Commercial	9,217	9,938	+8%

- Strong recovery in new car market after supply disruption
- Rental car sales up 43% on same period last year (+1035 units)
- Commercial vehicles growth after supply disruption

The New Zealand Market

Damaged Vehicles

	2011	2012	Diff
Written off by Insurer	13,572	12,479	-8%

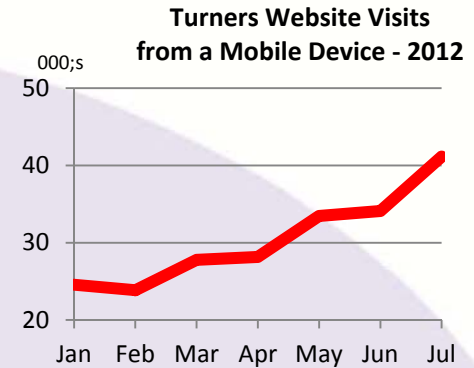
- 2011 includes Christchurch earthquake
- More vehicles are being repaired
- People are driving less



KEY PROJECTS

Turners Technology

- Upgrade of Turners data centre will be completed in Q3
- New operating system on track for deployment in Q1 2013
- New investment in Business Intelligence this year will provide better decision making support
- New website scheduled for deployment Q4 2012



Mergers/Acquisitions/Partnerships

- In the past 18 months have considered a number of opportunities
- Complementary to Turners strengths
- Strengthen our online service capability
- Grow our online community
- Expand our footprint without new premises



Auckland Site Update

- Refurbishment of Auckland branch
- Integration of Support Office team
- Improved space utilisation



Community



Students Against Driving Drunk

- Encouraging young drivers to make good decisions
- SADD is a peer education programme run in secondary schools
- Need new ways to get message across
- Film awards ceremony for five finalists at Turners Auctions
- Winners
 - Botany Downs College

“Drive”





FINANCIAL SUMMARY

Key Financials

	2007	2008	2009	2010	2011
Revenue from continuing operations	85,240	77,731	70,351	70,546	75,332
Profit before tax	3,976	1,503	4,691	4,425	5,118
Net profit after tax	2,274	1,067	3,273	3,027	3,696
Earnings per share (cps)	8.3	3.9	12.0	11.0	13.5
Dividend per share (cps)	14.2	7.5	12.0	17.0	17.0

- Revenue decline 2007-2010 largely due to drop in first time import sales by Turners Fleet
- Focus on increasing margin, add-on sales and tight cost control
- Improving profitability and working capital management has under-pinned a high dividend payout

Five Year Share Price Performance



- Recovery in share price since low point in December 2008 which was caused by the sale of a parcel of shares by White River Partners
- White River completed sell down in November 2010, GPG exit in September 2011
- Substantial security holders - Bartel Holdings, Milford Asset Management and BT Funds Management

2012 Outlook

- First half revenues \$37.1m (+6%)
- First half NPAT \$1.9m (+19%)
- Interim dividend 7 cps fully imputed
- Full year forecast range \$3.8m - \$4.1m (up between 3% and 11% on previous year)

