



AUTODOM

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Australian Securities Exchange
Company Announcements Office
20 Bond Street
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August 5 2010

Dear Sir

UPDATE ON EARNINGS FOR THE YEAR ENDED 30 JUNE 2010 AND PROPOSED ACQUISITION

The directors of Autodom wish to advise the company is expecting to report a loss after tax of \$1.6m for the year ended 30 June 2010 ("FY10"). This compares with a profit after tax of \$1.25 million for the year ended 30 June 2009 ("FY09").

Revenue in FY10 was \$75m, a 15% reduction on FY09. Sales of locally manufactured vehicles have remained low since the global financial crisis impacted in late 2008. Autodom's revenues are reflective of this. As well there has been a fall in the demand for manufactured spare parts.

In response to the revenue decline the company has focussed on reducing operating costs. These costs were \$3.5 million lower in FY10 than the previous financial year. The results also include the expenditure of around \$1.5 million in nonrecurring items. It should also be noted the FY09 result included in earnings \$3m received from the Federal government by way of a grant from the Automotive Industry Structural Adjustment Program (AISAP). No grant was received in FY10

The final after tax result for FY10 is subject to audit and final adjustment.

The Directors also advise that the proposed acquisition of the DAIR business announced earlier this year is progressing towards completion within the current quarter. Financing is likely to involve a rights issue to shareholders as well as Federal government assistance via the AISAP fund. Further details will be provided to shareholders in the next few weeks.

Yours sincerely,

Tony Dale
Managing Director

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