

OPPORTUNITY IN END OF LIFE VEHICLES FOR TURNERS

SUNCORP AND TURNERS RENEW END OF LIFE VEHICLE CONTRACT WITH NEW FIVE YEAR AGREEMENT

Turners, New Zealand's largest pre-owned vehicle retailer, has signed a five-year agreement with Suncorp New Zealand to manage the logistics and sale of damaged vehicles that have been written off by Suncorp's general insurance brands.

Over 156,000 vehicles were either written off or removed from the road in New Zealand in the past year, and the number of vehicles from 1995 to 1999 now being scrapped is accelerating.

"Almost 30% of New Zealand's 3.7 million light vehicle fleet is 20 years old or more, and older cars are now being replaced at a rapid rate," said Greg Hedgepeth, CEO of Turners Group NZ. "The growing 'End of Life' market is a significant opportunity for Turners to sell the older or damaged cars at the end of their life, and to also sell the newer used vehicles that are replacing them."

Suncorp New Zealand has a large percentage of the End of Life (EOL) market, through vehicles written off by Vero, AMP, ANZ and AA Insurance, a joint venture between Vero and the New Zealand Automobile Association.

Turners has had a long-standing partnership with Suncorp, which underwrites a number of Turner's branded private motor vehicle insurance products through its intermediated general insurance provider, Vero.

"We're very pleased to continue to strengthen our partnership with Turners with this long-term deal to manage written off vehicles," said Jimmy Higgins, Executive General Manager of Claims at Suncorp New Zealand.

"Selling written-off vehicles through efficient partnership enables us to better control our costs and also ensures the re-use of parts which are safely reusable, and the recycling of any other components of the damaged car as possible."

Damaged vehicles are sold at specialised Turners auctions every week and through TradeMe. Many are sold to Automotive Recyclers or are exported overseas for scrap metal.

Turners has over 20 damaged vehicle consultants spread throughout the country and three dedicated damaged vehicle branches in Auckland, Wellington and Christchurch. Vehicles can either be sold from

where they are located, anywhere in the country, or transported to one of 25 storage networks around the country including Turners' own sites.

In addition to commercial arrangements, such as that with Suncorp, Turners also sells EOL and damaged vehicles on behalf of private customers and is now extending its Cash Now offer to these customers.

Greg Hedgepeth commented: "We are extremely pleased to continue our relationship with Suncorp and feel confident that this arrangement will give us the ability to further optimise our business with them. The EOL and damaged vehicle division is a growing opportunity for Turners, and we are seeing good growth both here along with the rest of our business."

ENDS

About Turners

Turners Automotive Group Limited is an integrated financial services group, primarily operating in the automotive sector www.turnersautogroup.co.nz

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