

28 March 2017

Company Announcement

TURNERS BUSINESS UPDATE AND FY17 GUIDANCE

- Positive progress being made on key initiatives including integration of Autosure insurance; establishment of the securitisation funding model; and growth in demand for the MTF non-recourse finance product.
- FY17 Guidance: Net Profit Before Tax expected to be between \$24.0 million and \$24.5 million
- Q3 dividend declared at 4 cents per share, taking the total of the 3 interim year-to-date dividends to 10 cents per share.
- The Company advises that it is likely to undertake a dual listing on the ASX in FY18.

Integrated automotive financial services group, Turners Limited (NZX:TNR), is making positive progress on a number of key business initiatives and has today provided guidance for the full year to 31 March 2017 of Net Profit Before Tax of between \$24.0 million and \$24.5 million. The Automotive Retail division continues to perform strongly and the multi-channel approach continues to deliver benefits for margins and finance sales. Buy Right Cars Group was the latest acquisition for the group and the business is performing in-line with expectations. The flow of the Buy Right Cars finance contracts into the Turners Limited finance business is now gaining momentum.

The Finance segment continues to transition towards lower risk, lower margin lending. The new non-recourse lending product for MTF, which was officially launched to the MTF network early this year in a staged roll-out, is gaining traction and building quickly, with over \$14 million in loans written since the pilot started in early December 2016. The growth of the book and adoption by MTF originators has exceeded expectations, and will contribute positively to FY18 earnings.

The securitisation programme is now fully implemented and operating, with credit approval for an initial \$150 million limit from BNZ. This has been a significant project for Turners and will reduce the cost of funds, create further finance growth headroom and strengthen Turners' funding base for its finance business.

In the Insurance segment, Turners has now received approval from the Reserve Bank of New Zealand for the transfer of the Autosure portfolio to Turners. The integration of Autosure into the Turners group is expected to be completed by the end of the FY17 financial year, with profit contributions from this business commencing in FY18.

Based on the positive ongoing performance of the company, the Board has declared a Q3 fully imputed dividend of 4 cents per share, taking year to date dividends to 10 cents per share. Any final dividend will be declared following announcement of the FY17 results and would be paid in June 2017.

Growth remains a priority for Turners, through both M&A and by leveraging opportunities within each business. Turners is likely to undertake a foreign-exempt compliance listing on the ASX, providing it with access to a larger capital market to support its growth strategy.

CEO of Turners, Todd Hunter, said: “We have successfully integrated the value accretive acquisitions of Buy Right Cars and Autosure into our business in the past 6 months, and we have made good progress on a number of important initiatives, which all contribute and support the future growth of Turners.”

“There are numerous growth opportunities available to us in the fragmented automotive market and we have a disciplined approach to identifying and assessing those that best fit our business and will add value to our shareholders. We are looking forward to another year of strong year of growth in FY18.”

Turners will announce its FY17 financial results and final dividend in late May 2017.

ENDS

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About Turners Limited

Turners is an integrated financial services group primarily operating in the automotive sector and providing strength in three integrated areas.

- Customer Origination – Turners are the largest second hand vehicle retailer in New Zealand and allows us direct access to vehicle buyers and sellers and the opportunity to cross-sell our finance and insurance products.
- Finance and Insurance – Turners have a portfolio of reputable businesses offering finance and insurance products to customers across New Zealand.
- Debt Management Services – We help businesses of any size in New Zealand and Australia with better management of their credit challenges.

www.turnerslimited.co.nz