

25 February 2016

Company Announcements

For Immediate Release

ASX Code: AMA

APPENDIX 4D AND HALF YEAR REPORT

In accordance with the ASX Listing Rules, AMA Group Limited encloses for immediate release the following information:

1. Appendix 4D; and
2. Interim Financial Report for the half year ended 31 December 2015.

If you have a query about any matter covered by this announcement, please contact Mr Ashley Killick on 03 9725 1788 or ashley.killick@amagroupltd.com.

Ends.

The following information is presented in accordance with ASX Listing Rule 4.2A.3.

1. Details of the reporting period and the previous corresponding period

Current reporting period - the half year ended 31 December 2015

Previous corresponding period - the half year ended 31 December 2014

2. Results for announcement to the market

Half year ended	31 Dec 2015 \$'000	31 Dec 2014 \$'000	Increase / (Decrease) \$'000 %	
2.1 Revenues from continuing operations (including joint venture profit share)	107,834	42,278	65,556	155.06%
Earnings before interest, tax depreciation and amortization from continuing operations	9,571	6,685	2,886	43.17%
Normalized earnings before interest, tax depreciation and amortization from continuing operations	12,508	6,685	5,823	87.11%
2.2 Profit before tax from continuing operations attributable to members	7,540	6,125	1,415	23.10%
2.3 Net profit for the period attributable to members	4,139	4,382	(243)	(5.55)%
2.4 Dividends (distributions)		Amount per security	Franking amount per security	Conduit foreign income per security
Interim dividend		0.50 cents	100.00%	Nil
2.5 Record date for determining entitlements to the dividend				
3 March 2016				
2.6 Commentary on "Results for Announcement to the Market"				

A brief explanation of any of the figures in 2.1 to 2.4 above, necessary to enable the figures to be understood, is contained in the attached Financial Report for the Half Year ended 31 December 2015.

3. Net Tangible Assets per Security

Half year ended	31 Dec 2015 cents	31 Dec 2014 cents	Increase / (Decrease) cents %	
Net tangible assets per security	0.34	0.08	0.26	325.00%

4. Details of entities over which control has been gained or lost during the period.

On 1 July 2015, 60% of the issued capital of Woods Auto Shops (Dandenong) Pty Ltd was acquired.

On 1 October 2015, 100% of the issued capital of Gemini Accident Repair Centres Pty Ltd was acquired.

On 1 November 2015, 100% of the issued capital of Ripoll Pty Ltd was acquired.

During the period, control was not lost over any entity.

5. Details of individual and total dividends or distributions and dividend or distribution payments.

Type	Record Date	Payment Date	Amount per Security	Total Dividend (\$)	Franked amount per security	Conduit foreign income per security
Ordinary	15 Sep 2015	30 Oct 2015	1.7 cents	6,957,267	100%	Nil

6. Details of any dividend distribution reinvestment plans.

Not Applicable.

7. Details of any associates and joint venture entities

Name of entity	Ownership		Contribution to profit from ordinary activities	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	%	%	\$'000	\$'000

Not Applicable

8. Foreign Entities, Accounting Standards used in compiling the report

Not Applicable.

9. Audit / Review of Accounts upon which this report is based and qualification of audit / review

The financial report has been subject to review and is not subject to any dispute or qualification.



AMA GROUP LIMITED
ACN 113 883 560

**Interim Financial Report for the Half Year Ended
31 December 2015**

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Your Directors submit the consolidated interim financial statements of AMA Group Limited ("AMA" or the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2015. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

DIRECTORS AND OFFICERS

The names and particulars of the Directors and Company Secretaries of the Company in office at any time during or since the end of the period are as follows:

Mr Raymond Malone	Chairman and Executive Director (Appointed - 23 Jan 2009)
Mr Simon Doyle	Non-Executive Director (Appointed - 14 Oct 2009; Resigned – 4 Nov 2015)
Mr Hugh Robertson	Non-Executive Director (Appointed – 2 Jun 2015)
Mr Brian Austin	Non-Executive Director (Appointed – 23 Dec 2015)
Mr Leath Nicholson	Non-Executive Director (Appointed – 23 Dec 2015)
Mr Ray Smith-Roberts	Executive Director (Appointed – 28 Feb 2014)
Mr Andrew Hopkins	Executive Director (Appointed – 17 Dec 2015)
Mr Phillip Hains	Joint Company Secretary (Appointed – 9 Dec 2009)
Mrs Terri Bakos	Joint Company Secretary (Appointed – 2 Mar 2010)

REVIEW AND RESULTS OF OPERATIONS

Principal Activities

The principal activity of the Group is the operation and development of complementary businesses in the automotive aftercare market. It focuses on the wholesale vehicle aftercare and accessories sector, including vehicle panel repair, vehicle protection products & accessories, automotive electrical & cable accessories and automotive component remanufacturing.

Achievements

AMA has achieved a number of important milestones in this reporting period:

- In September 2015, the Company announced the acquisition of the Gemini Accident Repair Centres group of companies. Gemini was the largest independent accident repair group in Australia operating with sites across New South Wales, Queensland, Victoria, Australian Capital Territory and Western Australia. When added to the existing AMA repair centre network this acquisition is an excellent fit and has allowed us to build on our footprint to become the largest national repair group.
- In October 2015, AMA announced the further expansion of its Vehicle Panel Repair division by finalising the acquisition of the Woods Auto Shops business. AMA had been managing the business from July 2015. This acquisition was supplemented by the acquisition of a majority interest in the Trackright mechanical damage repair business.
- During the financial period, the Group also continued its reorganisation of the Automotive Electrical & Cable Accessories division. This business unit has traditionally operated numerous brands on a geographic basis which management believed could be strengthened by merging the operation to create economies of scale and better marketing opportunities for all brands.
- The Group also undertook a reorganisation of the Vehicle Protection Products & Accessories division during the reporting period by merging the operating facilities of East Coast Bullbars and Custom Alloy. Management believe that these actions will improve marketing opportunities, operating efficiencies and customer service and should deliver an improved gross margin.

REVIEW AND RESULTS OF OPERATIONS *cont.*

The directors continue to be proud of the team's achievements which emphasise the Board's strategy to expand our business, take advantage of Industry consolidation whilst ensuring shareholder value and returns are given appropriate focus.

Shareholder Returns

During this reporting period, shareholder returns were impacted by several key matters:

- The share price for AMA shares has increased from 60 cents per share at 30 June 2015 to 84 cents at 24 February 2016; an increase of 40.0%.
- In July 2015, the Company completed a share issue which raised \$45 million by placing 75 million shares at 60 cents each with sophisticated and professional investors. This additional capital provided AMA with a strong capital base with which to continue the business acquisition programme.
- In October 2015, AMA paid the FY2015 full year dividend of 1.7 cents per share fully franked at 30%. This was an increase of 6.25% over the dividend paid in 2014.

Upon finalising the half year report the Directors are pleased to announce they have decided to declare an interim dividend, fully franked, of 0.5 cents per share with a record date of 3 March 2016 and a payment date of 7 April 2016.

Operating Results

The Board believe that the strong financial performance of AMA in the reporting period reflects the ongoing outcomes of strategic direction previously outlined. The investments we have made have resulted in a significant increase in the scale and scope of our businesses. Whilst challenging market conditions persisted across most of AMA's business segments, the results are in line with the directors' expectations, which show a substantial increase in the Group's operating result. Reported earnings before interest, tax, depreciation and amortisation ("EBITDA") has increased from \$6.685 million to \$9.571 million; a 43.17% increase. Adjusting this result for the impact of abnormal items (such as the employee equity plan cost) normalised EBITDA has increased to \$12.51 million; an increase of 87.11%.

Our key business operations continue to deliver positive results:

- Vehicle Panel Repair has delivered significant revenue growth as expected with the investment in Woods and Gemini providing a major boost to the segment results. Gemini contributed to these results for three months (including December). We are delighted with the performance of both of these operations and the integration of the business recently acquired is now well advanced and the synergy benefits are providing excellent outcomes.
- Vehicle Protection Products & Accessories shows moderate comparative growth in revenue but with the reorganisation of the operations of East Coast Bullbars and Custom Alloy the operating result for the first half has been impacted. With the integration well advanced we are now confident that the benefits of this addition will enable us to continue to grow.
- Automotive Electrical & Cable Accessories has performed well in a difficult market with new product initiatives delivering alternative revenue streams. The restructuring of the operation will enable the merged operation to be better positioned to capitalise on this changing market.
- With the disposal of Perth Brake Parts the Automotive Component Remanufacturing comprises the Fluidrive operation. It has continued to grow its results from the continued application of management strategies.

The Group's net profit before tax, for the six month period, increased to \$7.619 million; a rise of 21.9%. This result however was impacted by several large non cash abnormal items (such as the employee equity plan expense and business acquisition costs) which also distort the effective tax rate. As such the net profit after tax, for the reporting period, decreased from \$4.382 million to \$4.260 million. Given the abnormal nature of these items it is expected that the future effective tax rate will return to a more normal level.

REVIEW AND RESULTS OF OPERATIONS *cont.*

Financial Position

The capital raising in July together with the use of shares as vendor consideration has seen the equity base rise from \$48.310 million to \$142.611 million. The increased capital base has enabled the Group to undertake the acquisition programme which has also resulted in an increased asset base; albeit most of this growth is in intangibles reflecting the service industry businesses we have acquired.

Cash Position

AMA's operating cash flows have returned to the strong performance as expected. Investing cash flows reflect the business acquisitions. The strong operating cash flows and the capital raised have enabled us to reduce our level of borrowings and increase the level of the FY2015 dividend. As a result we have been able to improve our closing cash balance.

The Future

Whilst market conditions are likely to remain challenging across some business segments, AMA believes that its continued application of key management strategies combined with its acquisition strategy will continue to boost future earnings. Headwinds will however include:

- Downwind pressure on pricing being experienced as insurers seek to protect their margins;
- Providing us with further acquisition opportunities;
- Low Australian dollar means further cost pressure on our raw material purchases; and
- Synergy benefits will further crystallise in the medium term.

The directors are very pleased with recent announcements relating to the further expansion, under our acquisition strategy, of our vehicle panel repair segment. The acquisition of Keswick Crash Repairs (in Adelaide South Australia), BDS Panels (in Mornington Victoria) and Micra (in Launceston, Tasmania) are expected to provide some excellent growth opportunities in these geographic regions and provide further scale to our operations.

SUBSEQUENT EVENTS

On 4 January 2016, the Company acquired the entity Micra Accident Repair Centre Pty. Ltd. ("Micra") which operates a vehicle panel repair business in Launceston, Tasmania. Micra utilises a state of the art facility specialising in large and small smash repairs, located near Launceston Airport. It has built strong relationships with various insurance groups, including Suncorp, with which it has a long term contract. The purchase price for Micra includes an initial consideration of \$2.0 million (adjusted for any variations in working capital), including \$500,000 of shares that will be subject to escrow. The purchase price will also include an "earn out" component which is capped at a maximum of four times the normalised EBIT.

On 4 January 2016, the Group also acquired the business of BDS Panels; a Vehicle Panel Repair operation based in Mornington, Victoria. This business operates from a two acre property, providing opportunity for expansion and is the premier site in this region. The purchase price for this business is \$900,000 (adjusted for working capital and employee entitlements) which represents an earnings multiple of approximately 2.5 times post synergies EBITDA.

On 1 February 2016, the Group acquired the business of Keswick Crash Repairs, a Vehicle Panel Repair business, specialising in Mercedes Benz, located in Adelaide, South Australia. The purchase price for this business is \$300,000, adjusted for employee entitlements.

On 10 December 2015, the Company announced that it had entered into a binding contract to sell the business and assets of Perth Brake Parts. The sale of this business was completed on 1 February 2016.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration, as required under Section 307C of the *Corporations Act*, in relation to the review for the half-year ended 31 December 2015, is provided with this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and financial report. Amounts in the Directors' report and the half-year financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.



Director

25 February 2016

**Auditor's Independence Declaration under Section 307C of the Corporations Act
2001 to the directors of AMA Group Limited**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2015 there has been:

- (i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Nick Michael
Partner

Melbourne
25 February 2016

AMA GROUP LIMITED
(ACN 113 883 560)
CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2015



	Notes	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Revenue from continuing operations	6	107,834	42,278
Raw materials and consumables used		(46,955)	(18,395)
Employment benefits expense		(39,232)	(12,637)
Occupancy expense		(7,266)	(2,301)
Travel and motor vehicle expense		(969)	(497)
Professional services expense		(1,312)	(508)
Advertising and marketing expense		(677)	(412)
Insurance expense		(310)	(155)
Research and development expense		(130)	(141)
Communication expense		(328)	(132)
Other expense		(1,084)	(415)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		9,571	6,685
Depreciation and amortisation expense		(1,565)	(387)
Earnings before interest and tax (EBIT)		8,006	6,298
Finance costs		(93)	(59)
Profit from continuing operations before impairment, fair value adjustments and vendor payments		7,913	6,239
Fair value adjustments to loan note & vendor loans		(373)	(114)
Profit (loss) before income tax from continuing operations		7,540	6,125
Profit (loss) before tax from discontinued operations	4	79	123
Profit (loss) before income tax		7,619	6,248
Income tax benefit / (expense)		(3,359)	(1,866)
Net profit (loss)		4,260	4,382
Profit (loss) attributable to			
Members of AMA Group Limited		4,139	4,382
Non-controlling interests		121	-
		4,260	4,382
Earnings per Share		Cents	Cents
From continuing operations			
Basic earnings per share		0.97	1.31
Diluted earnings per share		0.95	1.31
From continuing and discontinuing operations			
Basic earnings per share		0.99	1.31
Diluted earnings per share		0.97	1.31

The above consolidated income statement is to be read in conjunction with the attached notes.

AMA GROUP LIMITED
(ACN 113 883 560)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2015



	Notes	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Net profit (loss)		4,260	4,382
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		13	-
<i>Items that will not be reclassified to profit or loss</i>			
Other comprehensive income, net of tax		13	4,382
Total comprehensive income, net of tax		4,273	4,382
Total comprehensive income attributable to:			
Members of AMA Group Limited		4,152	4,382
Non-controlling interests		121	-
		4,273	4,382

The above consolidated statement of comprehensive income is to be read in conjunction with the attached notes.

	Notes	31 Dec 2015 \$'000	30 Jun 2015 \$'000
Current assets			
Cash and cash equivalents		5,813	2,086
Trade and other receivables		43,371	11,525
Inventories		11,301	7,479
Other current assets		4,530	1,036
Assets classified as held for sale	4	952	903
Total current assets		65,967	23,029
Non-current assets			
Property, plant and equipment		27,775	8,074
Intangibles		140,427	48,046
Deferred tax assets		4,687	1,682
Other non-current assets		4,208	2,357
Total non-current assets		177,097	60,159
Total assets		243,064	83,188
Current liabilities			
Trade and other payables	9	44,389	10,462
Borrowings	8	3,317	8,330
Income tax payable		733	949
Provisions		8,128	3,671
Liabilities associated with assets held for sale	4	327	356
Total current liabilities		56,894	23,768
Non-current liabilities			
Borrowings	8	764	11
Deferred tax liability		1,921	862
Provisions		1,259	246
Other non-current liabilities	9	39,615	9,931
Total non-current liabilities		43,559	11,050
Total liabilities		100,453	34,818
Net assets		142,611	48,370
Equity			
Contributed equity	10	169,392	74,904
Reserves		2,354	-
Retained earnings (deficit)		(29,352)	(26,534)
Total parent entity interest		142,394	48,370
Non – controlling interest		217	-
Total equity		142,611	48,370

The above consolidated statement of financial position is to be read in conjunction with the attached notes.

AMA GROUP LIMITED
(ACN 113 883 560)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2015



	Notes	Equity \$'000	Retained Earnings \$'000	Reserves \$'000	Total \$'000	Non Control Interest \$'000	Total \$'000
At 1 July 2014		74,904	(30,276)	-	44,628	-	44,628
Profit for the period		-	4,382	-	4,382	-	4,382
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income for the period		-	4,382	-	4,382	-	4,382
Transactions with owners in their capacity as owners:							
Dividends recognised		-	(5,348)	-	(5,348)	-	(5,348)
		-	(5,348)	-	(5,348)	-	(5,348)
As at 31 December 2014		74,904	(31,242)	-	43,662	-	43,662
At 1 July 2015		74,904	(26,534)	-	48,370	-	48,370
Profit for the period		-	4,139	-	4,139	121	4,260
Other comprehensive income		-	-	13	13	-	13
Total comprehensive income for the period		-	4,139	13	4,152	121	4,273
Transactions with owners in their capacity as owners:							
Non-controlling interest on acquisition of subsidiary		-	-	-	-	96	96
Shares issued, net of costs		43,968	-	-	43,968	-	43,968
Issue of shares as consideration for business acquisition		50,250	-	-	50,250	-	50,250
Employee equity plan remuneration		270	-	2,341	2,611	-	2,611
Dividends recognised	11	-	(6,957)	-	(6,957)	-	(6,957)
		94,488	(6,957)	2,341	89,872	96	89,968
As at 31 December 2015		169,392	(29,352)	2,354	142,394	217	142,611

The above consolidated statement of changes in equity is to be read in conjunction with the attached notes.

	Notes	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Cash flows from operating activities			
Receipts from customers		85,365	47,360
Payments to suppliers and employees		(77,854)	(41,467)
Interest received		288	3
Interest and other costs of finance paid		(93)	(59)
Income taxes paid		(3,028)	(2,394)
Other		(85)	-
Net cash flows used in operating activities		4,593	3,443
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		16	94
Payments for purchases of property plant and equipment		(1,089)	(1,501)
Payments for intangible assets		(5)	(28)
Payments for purchases of subsidiaries, net of cash acquired		(28,418)	(6,375)
Loans		106	-
Net cash flows (used in) / provided by investing activities		(29,390)	(7,810)
Cash flows from financing activities			
Equity raised		43,526	-
Proceeds from borrowings		2,810	20,146
Repayment of borrowings		(10,958)	(12,145)
Dividends paid		(6,957)	(5,348)
Proceeds (payments) for financing discontinued operations		90	204
Net cash flows (used in) / provided by financing activities		28,511	2,857
Net (decrease) / increase in cash and cash equivalents		3,714	(1,510)
Cash and cash equivalents, at beginning of period		2,086	2,010
Effects of exchange changes on the balances held in foreign currencies		13	-
Cash and cash equivalents, at the end of period		5,813	500

The above consolidated statement of cash flows is to be read in conjunction with the attached notes.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation and accounting policies

This general purpose financial report for the half year ended 31 December 2015 has been prepared, in accordance with the *Corporations Act 2001* and AASB 134 '*Interim Financial Reporting*', for AMA Group Limited ("AMA" or the "Company") and its controlled entities as a consolidated group (the "Group"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 '*Interim Financial Reporting*'.

The half-year financial report does not include notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report for the period ended 30 June 2015 and considered together with any public announcements made by the Company during the half year ended 31 December 2015 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

Adoption of new and revised accounting standards

The Group has adopted applicable new and amended Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective as of 1 January 2015. There has been no significant impact on the financial statements or performance of the Group resulting from these new and amended Australian Accounting Standards and Interpretations.

The Group has elected not to early adopt any other new Standards or amendments that are issued but not yet effective.

Estimates

When preparing the half year financial report, the Directors undertake a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by the Directors, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the half year financial report, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2015.

Rounding amounts

The Company is of a kind referred to in ASIC Class Order Co 98/100 and in accordance with that Class Order, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

NOTE 2 - SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board and executive management in assessing performance and determining the allocation of resources. The Group is managed primarily on the basis of product category and service offerings since the diversifications of the Group's operations inherently have notably different risk profiles and performance assessment criteria.

The Group only operates within one geographical area, Australasia and has historically been segmented by the products it provides, being:

- Vehicle Panel Repair - Motor vehicle panel repairs.
- Vehicle Protection Products - Manufacture & distribution of motor vehicle protective bars.
- Automotive Electrical & Cable - Distribution of motor vehicle electrical & cable accessories.
- Automotive Component - Motor vehicle component remanufacturing & repairs.

	Vehicle Panel Repair	Vehicle Protection Products	Automotive Electrical & Cable	Automotive Component	Unallocated	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Half-year to 31 December 2015						
Revenue						
External sales	77,969	14,474	7,876	3,668	-	103,987
Other income	1,144	505	88	145	1,964	3,846
Total sales & other income	79,113	14,979	7,964	3,813	1,964	107,833
Result						
Segment gross margin	45,307	6,826	2,454	1,409	-	55,996
Unallocated expenses					(48,083)	(48,083)
Fair value adjustments						(373)
Profit from continuing operations before income tax						7,540
Net assets						
Segment assets	55,778	8,598	6,523	1,890	170,275	243,064
Segment liabilities	(39,870)	(3,389)	(1,317)	(1,103)	(54,774)	(100,453)
	15,908	5,209	5,206	787	115,501	142,611

Half-year to 31 December 2014						
Revenue						
External sales	16,125	14,022	8,732	2,928	(398)	41,409
Other income	251	438	35	145	-	869
Total sales & other income	16,376	14,460	8,767	3,073	(398)	42,278
Result						
Segment gross margin	10,334	6,109	2,957	1,318	-	20,718
Unallocated expenses					(14,479)	(14,479)
Fair value adjustments						(114)
Profit from continuing operations before income tax						6,125
Net assets as at 30 June 2015						
Segment assets	13,040	7,640	6,443	2,131	53,934	83,188
Segment liabilities	(7,587)	(2,923)	(1,642)	(1,140)	(21,526)	(34,818)
	5,453	4,717	4,801	991	32,408	48,370

Gross Margin for the Vehicle Panel Repair segment does not include direct labour or an allocation for overheads. These costs are allocated to Unallocated.

NOTE 3 - INVESTMENTS IN CONTROLLED ENTITIES

Name of entity	Country of incorporation	Class of shares	Equity holding 2015 %	Equity holding 2014 %
Continuing Operations				
A.C.N. 124 414 455 Pty Ltd ^(a)	Australia	Ordinary	100	100
Alanco Australia Pty Ltd	Australia	Ordinary	100	100
Custom Alloy Pty Ltd	Australia	Ordinary	100	100
ECB Pty Ltd	Australia	Ordinary	100	100
FluidDrive Holdings Pty Ltd	Australia	Ordinary	100	100
KT Cable Accessories Pty Ltd	Australia	Ordinary	100	100
Mr Gloss Holdings Pty Ltd	Australia	Ordinary	100	100
BMB Collision Repairs Pty Ltd ^(b)	Australia	Ordinary	100	-
Shipstone Holdings Pty Ltd ^(b)	Australia	Ordinary	100	-
Repair Management Australia Pty Ltd ^(c)	Australia	Ordinary	100	-
Phil Munday's Panel Works Pty Ltd ^(c)	Australia	Ordinary	100	-
Repair Management Australia Bayswater Pty Ltd ^(c)	Australia	Ordinary	100	-
Repair Management Australia Dandenong Pty Ltd ^(c)	Australia	Ordinary	100	-
Woods Auto Shops (Dandenong) Pty Ltd ^(d)	Australia	Ordinary	60	-
Gemini Accident Repair Centres Pty Ltd ^(e)	Australia	Ordinary	100	-
Gemini Accident Repair Centres Limited ^(e)	New Zealand	Ordinary	100	-
Ripoll Pty Ltd ^(f)	Australia	Ordinary	100	-
Woods Auto Shops (Holdings) Pty Ltd ^(f)	Australia	Ordinary	100	-
Rapid Accident Management Services Pty Ltd ^(f)	Australia	Ordinary	100	-
Woods Auto Shops (Cheltenham) Pty Ltd ^{(a) (f)}	Australia	Ordinary	100	-

Dis-continued Operations

Perth Brake Parts Pty Ltd ^(g)	Australia	Ordinary	100	100
Diesel Test Pty Ltd ^(h)	Australia	Ordinary	-	100
Emission Services Pty Ltd ^(h)	Australia	Ordinary	-	100

Notes:

(a) Dormant

(b) Registered - 12 December 2014

(c) Acquired - 01 July 2014

(d) Acquired - 01 July 2015

(e) Acquired - 01 October 2015

(f) Acquired - 1 November 2015

(g) Disposed - 1 February 2016

(h) De-registered - 23 July 2014

NOTE 4 – DISCONTINUED OPERATIONS

(a) Description

On 10 December 2015, the Company announced that it had entered into a binding contract to sell the business and assets of Perth Brake Parts, a business based at 20 Bellows Street, Welshpool, Western Australia. The sale of this business was completed on 1 February 2016.

Financial Information relating to this disposal group for the respective reporting periods has been classified as a discontinued operation and is set out below.

(b) Financial Information

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
Operating Result		
Revenue	1,255	1,293
Expenses	1,176	1,170
Profit before income tax	79	123
Income tax expense	-	-
Profit (loss) from discontinued operations	79	123
Financial Position		
Cash and cash equivalents	124	111
Trade receivables	116	158
Inventories	460	473
Other current assets	10	11
Plant and equipment	27	24
Goodwill	524	524
Intercompany loans	(309)	(398)
	952	903
Trade payables	229	240
Employee benefits	98	111
Provisions	-	5
	327	356
	626	547
Cash Flow		
Net cash inflow (outflow) from ordinary activities	113	135
Net cash inflow (outflow) from investing activities	(9)	-
Net cash inflow (outflow) from financing activities	(90)	(203)
Net cash inflow (outflow)	14	(68)

NOTE 4 – ENTITIES ACQUIRED

During the reporting period the Group acquired the issued capital in various entities. These acquisitions are expected to increase the Group's product offering and market share and reduce costs through economies of scale. Details of these acquisitions are as follows:

	\$'000
Cash and cash equivalents	2,328
Trade and other receivables	11,060
Inventories	5,231
Income tax receivable	498
Other current assets	1,828
Plant and equipment	19,365
Intangibles - other	383
Investments	2,044
Deferred tax assets	1,538
Trade payables and accruals	(28,336)
Provisions	(7,072)
Income tax payable	(20)
Loans - other	(5,608)
Non-controlling interests	(96)
Net assets acquired	3,143
Intangible	91,146
Value of the total consideration transferred	94,289
Representing:	
Cash paid or payable to vendor	30,669
Shares issued to vendors	50,250
Earn-Out Adjustment Shares	15,000
Net Present Value Adjustments	(1,630)
	94,289
Acquisition costs	350
	94,639

NOTE 5 - BUSINESS COMBINATIONS

During the reporting period, the Group acquired the operating assets of various businesses. These acquisitions are expected to increase the Group's market share, product offering and reduce costs through economies of scale. Details of these acquisitions are as follows:

	\$'000
Plant and equipment	606
Provisions	(76)
Net assets acquired	530
Intangible	1,038
Value of the total consideration transferred	1,568
Representing:	
Cash paid or payable to vendor	74
Shares issued or to be issued to Vendors	1,300
Earn-Out Supplementary Cash	200
Net Present Value Adjustments	(6)
	1,568
Acquisition costs	-
	1,568

NOTE 6: REVENUE

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
From continuing operations		
<i>Sales revenue</i>		
Sale of goods	26,018	25,283
Service and hire	77,970	16,125
	<u>103,988</u>	<u>41,408</u>
<i>Other revenue</i>		
Interest received	288	3
Other revenue	3,558	867
	<u>3,846</u>	<u>870</u>
Total revenue from continuing operations	<u>107,834</u>	<u>42,278</u>
Total revenue from discontinued operations	<u>1,255</u>	<u>1,293</u>

NOTE 7: EXPENSES

	31 Dec 2015 \$'000	31 Dec 2014 \$'000
<i>Profit before income tax includes the following specific expenses:</i>		
Executive equity plan expense	2,341	-
Professional services expense	1,312	508
Bad and doubtful debts expense / (recovery)	6	(3)

NOTE 8: BORROWINGS

	31 Dec 2015 \$'000	30 Jun 2015 \$'000
Current		
Bank Bill Business Loan	2,810	7,777
Lease Liability	507	553
	<u>3,317</u>	<u>8,330</u>
Non-current		
Bank Bill Business Loan	-	-
Lease liability	764	11
	<u>764</u>	<u>11</u>
	<u>4,081</u>	<u>8,341</u>
Total		
Bank Bill Business Loan	2,810	7,777
Lease liability	1,271	564
	<u>4,081</u>	<u>8,341</u>
Available finance facilities		
Bank Bill Business Loan:		
Facility	12,000	12,000
Unutilised at balance date	<u>9,190</u>	<u>7,777</u>

Financing arrangements

In January 2015, the Company renegotiated its finance facilities and extended the Bank Bill Business Loan facility limit by \$2 million to \$12 million. This extension was to assist with working capital requirements and the funding of the acquisitions that had been recently announced. The facility has a scheduled expiry of 24 November 2016.

The Bank Bill Business Loan facility is subject to an annual review and includes limited other reporting covenants.

The Bank Bills Business Loan facility is secured by a fixed and floating charge over all of the assets and uncalled capital of AMA Group Limited and its subsidiaries. The lease liabilities are effectively secured as the rights to the leased assets recognised in the statement of financial position revert to the lessor in the event of default.

NOTE 9 – DEFERRED VENDOR CONSIDERATION

	31 Dec 2015 \$'000	30 June 2015 \$'000
Current		
Instalments : Shares	-	-
Instalments : Cash	514	323
Earn-out : Shares	-	-
Earn-out : Cash	-	-
	<u>514</u>	<u>323</u>
Non-Current:		
Instalments : Shares	-	-
Instalments : Cash	-	-
Earn-out : Shares	7,554	8,066
Earn-out : Cash	15,792	1,865
	<u>23,346</u>	<u>9,931</u>
	<u>23,860</u>	<u>10,254</u>

NOTE 10 - ISSUED CAPITAL

	31 Dec 2015 Number	30 Jun 2015 Number	31 Dec 2015 \$'000	30 June 2015 \$'000
Listed:				
Opening balance	334,250,963	334,250,963	74,904	74,904
Share issued				
- Employees	721,796	-	270	-
- Vendors	58,582,585	-	35,250	-
- Capital Raising	75,000,000	-	43,968	-
Closing balance	<u>468,555,344</u>	<u>334,250,963</u>	<u>154,392</u>	<u>74,904</u>
Unlisted:				
Opening balance	-	-	-	-
Share issued				
- Employees	-	-	-	-
- Vendors	25,000,000	-	15,000	-
- Capital Raising	-	-	-	-
Closing balance	<u>25,000,000</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
Total	<u>493,555,344</u>	<u>334,250,963</u>	<u>169,392</u>	<u>74,904</u>

NOTE 11 – DIVIDENDS AND DISTRIBUTIONS

Dividends paid or declared during the period ended were:

	31 Dec 2015 \$	30 Jun 2015 \$
Interim dividend of 1.7 cents per share, fully franked, paid 30 Oct 2015	6,957,267	-

NOTE 12: CONTINGENT LIABILITIES

Unsecured guarantees, indemnities and undertakings have been given by the parent entity in the normal course of business in respect of financial trade arrangements entered into by its subsidiaries and a Deed of Cross Guarantee was entered into with its continuing subsidiaries during the financial year ended 30 June 2009. It is not practicable to ascertain or estimate the maximum amount for which the parent entity may become liable in respect thereof. At 31 December 2015 no subsidiary was in default in respect of any arrangement guaranteed by the parent entity and all amounts owed have been brought to account as liabilities in the financial statements.

	31 Dec 2015 \$'000	30 Jun 2015 \$'000
Bank guarantees	1,752	326
	1,752	326

NOTE 13 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 4 January 2016, the Company acquired the entity Micra Accident Repair Centre Pty. Ltd. ("Micra") which operates a vehicle panel repair business in Launceston, Tasmania. Micra utilises a state of the art facility specialising in large and small smash repairs, located near Launceston Airport. It has built strong relationships with various insurance groups, including Suncorp, with which it has a long term contract. The purchase price for Micra includes an initial consideration of \$2.0 million (adjusted for any variations in working capital), including \$500,000 of shares that will be subject to escrow. The purchase price will also include an "earn out" component which is capped at a maximum of four times the normalised EBIT.

On 4 January 2016, the Group also acquired the business of BDS Panels; a Vehicle Panel Repair operation based in Mornington, Victoria. This business operates from a two acre property, providing opportunity for expansion and is the premier site in this region. The purchase price for this business will be \$900,000 (adjusted for working capital and employee entitlements) which represents an earnings multiple of approximately 2.5 times post synergies EBITDA.

On 1 February 2016, the Group acquired the business of Keswick Crash Repairs, a Vehicle Panel Repair business, specialising in Mercedes Benz, located in Adelaide South Australia. The purchase price for this business will be \$300,000 adjusted for employee entitlements.

On 10 December 2015, the Company announced that it had entered into a binding contract to sell the business and assets of Perth Brake Parts. The sale of this business was completed on 1 February 2016.

Upon finalising the half year report the Directors declared an interim dividend, fully franked, of 0.5 cents per share with a record date of 3 March 2016 and a payment date of 7 April 2016.

No other matters or circumstances have arisen since 31 December 2015 that have significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

In the Directors' opinion:

- a. the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Director

25 February 2016

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF AMA GROUP LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AMA Group Limited which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, notes comprising a summary of significant accounting policies and explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of AMA Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not prepared, in all material aspects, in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*. As the auditor of AMA Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of AMA Group Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Matters Relating to the Electronic Publication of the Financial Report

This auditor's review report relates to the financial report of AMA Group Limited for the period ended 31 December 2015 included on AMA Group Limited's website. The company's directors are responsible for the integrity of AMA Group Limited's website. We have not been engaged to report on the integrity of the AMA Group Limited's website. The auditor's review report refers only to the subject matter described above. It does not conclude on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the auditor reviewed financial report to confirm the information contained in this website version of the financial report.

ShineWing Australia

ShineWing Australia
Chartered Accountants



Nick Michael
Partner

Melbourne 25 February 2015

Directors

Mr Raymond Malone (Chairman and Executive Director)
Mr Brian Austin (Non-Executive Director)
Mr Leath Nicholson (Non-Executive Director)
Mr Hugh Robertson (Non-Executive Director)
Mr Andrew Hopkins (Executive Director)
Mr Ray Smith-Roberts (Executive Director)

Executive Management

Mr Raymond Malone (Chief Executive Officer)
Mr Andrew Hopkins (Chief Executive Officer – Vehicle Panel Repair Division)
Mr Ray Smith-Roberts (Chief Executive Officer - Automotive Components & Accessories Divisions)
Mr Ashley Killick (Chief Financial Officer)

Company Secretaries

Mr Phillip Hains
Mrs Terri Bakos

Registered Office

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Share Registry

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Auditor

Shine Wing
Level 10, 530 Collins Street, MELBOURNE VICTORIA 3000 AUSTRALIA

Solicitors

Foster Nicholson Jones
Level 7, 420 Collins Street, MELBOURNE VICTORIA 3000 AUSTRALIA

Bankers

Westpac Banking Group

Stock Exchange Listing

AMA Group Limited shares are listed on the Australian Securities Exchange, code AMA.