

Supplemental Commentary to the Appendix 4D – Release 26 February 2014

The Directors of AMA Group Limited ("AMA" ASX: AMA) are pleased to release the Appendix 4D for the half year ended 31 December 2013 showing the company's results for the period which show a profit before tax from continuing operations of \$4.019 million (1HFY13 \$4.514 million).

Achievements

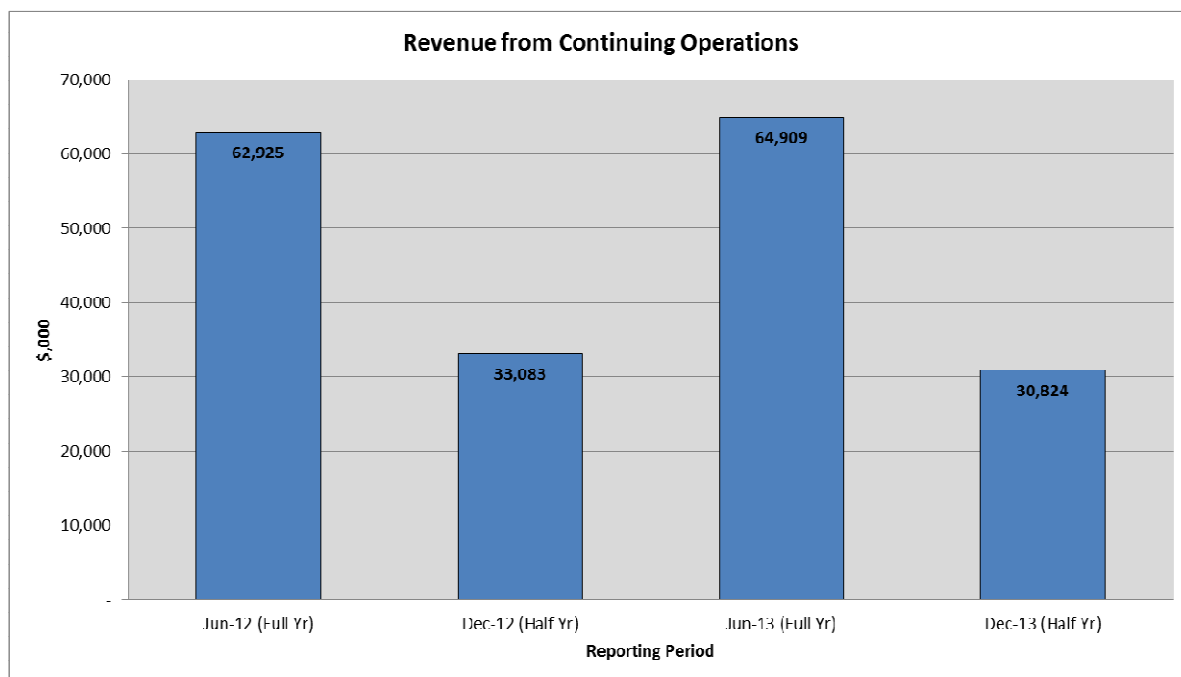
AMA has achieved a number of important milestones in the first half:

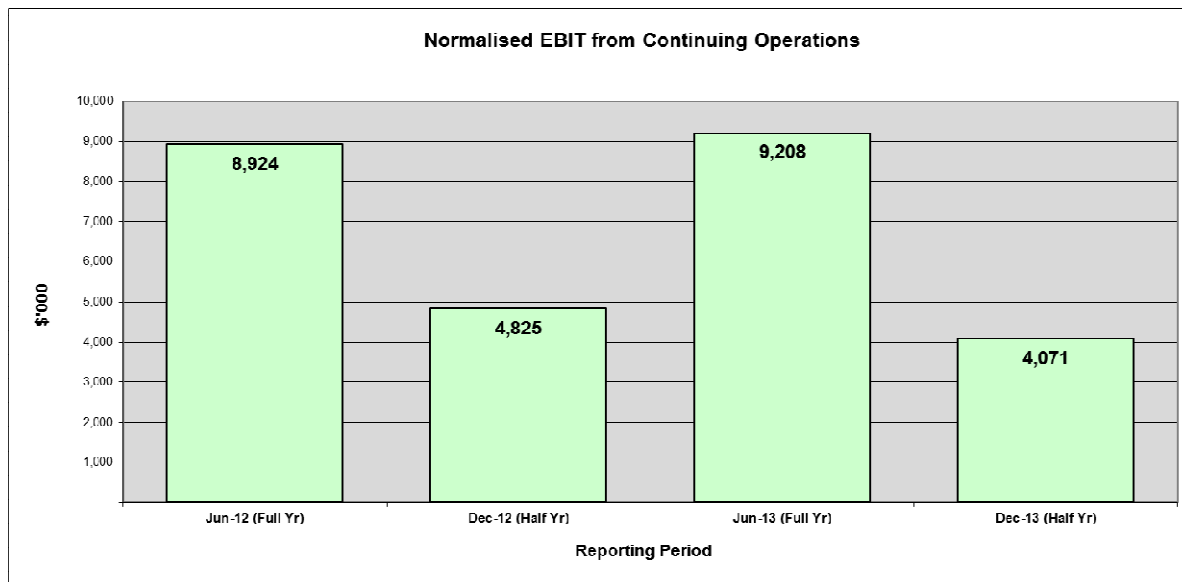
- In August AMA repaid the 2009 legacy Westpac debts in full and entered into a normal commercial banking relationship with Westpac.
- In November AMA paid a full year dividend of 1.6 cents per security.
- In November AMA completed its first major acquisition by acquiring 100% of Custom Alloy Pty Ltd – a business that principally manufactures alloy bullbars specifically for the medium commercial vehicle market. Custom Alloy is an excellent fit for our bullbar division and we are delighted with the purchase.
- In December the remaining legacy onerous equipment leases were closed out.

The directors are proud of these achievements which establish a clean operating platform for AMA to achieve commercial business growth in the future.

Financial Results

The financial performance of AMA in the first half has been somewhat disappointing, albeit achieved in challenging market conditions, with a decrease in revenue and profit before tax from continuing operations.





Specific business commentary is set out below:

- ECB has maintained market share and revenue and is well positioned for growth with the results of the Custom Alloy acquisition to flow into the second half.
- Mr Gloss (Panel) delivered revenue growth of 7.7% and has started the second half extremely well with a record January and excellent February.
- KT Cables performed well with new product initiatives and delivered revenue growth of 2.4%.
- Perth Brake Parts revenue was down 8.0% against the prior period – this business segment historically contributes <5% of AMA revenue.
- FluidDrive suffered a fall in revenue of c18.5% against a record prior period – again this business segment is a small contributor at <10% of AMA revenue.
- Alanco has improved in January and February and we are confident that the worst is now behind us.

Outlook

AMA's business is focussed on the Automotive Aftercare and Accessories sectors and has no exposure to the components supply sector linked to passenger vehicle manufacturing in Australia or any type of dependency on vehicles specifically built in Australia.

The recent announcements to end vehicle manufacturing in Australia will likely alter the dynamics of the Automotive Parts industry. However, AMA believes that this change will have almost no direct or noticeable impact on the Company's performance now or into the future.

Whilst market conditions remain challenging across some business segments, AMA believes that remedial action implemented to date will position particular business segments better to deal with changed market conditions. In addition, key businesses such as ECB and Mr Gloss (Panel) are well positioned to deliver revenue growth in the market segments in which they operate.

Complementing our business with acquisitions remains an opportunity for growth. The Custom Alloy acquisition has been successful and AMA expects the benefits to flow in the second half. The current market conditions are favourable for sensible value creating acquisitions and AMA will continue to explore other acquisition opportunities with our 'measure twice, cut once' disciplined approach.

The directors currently expect that the final dividend for 2014 financial year will not be less than 1.6 cents per security, the same as the 2013 financial year final dividend.

Terri Bakos

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 Terri Bakos
 Company Secretary
 26/02/2014