

23 February 2017

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 2016.

If you have a query about any matter covered by this announcement, please contact Mr Ray Malone.

Ends.

AMA GROUP LIMITED

(ACN 113 883 560)

ASX LISTING RULES – APPENDIX 4D**FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2016**

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 2016
Previous corresponding period	- the half year ended 31 December 2015

2. Results for announcement to the market

Half year ended	31 Dec 2016 \$'000	31 Dec 2015 \$'000	Increase / (Decrease) \$'000 %	
2.1 Revenues from continuing operations (including joint venture profit share)	179,216	106,149	73,067	68.83
Earnings before interest, tax depreciation and amortization from continuing operations	18,357	9,571	8,786	91.80
Normalized earnings before interest, tax depreciation and amortization from continuing operations	20,557	12,508	8,049	64.35
2.2 Profit before tax from continuing operations attributable to members	12,320	6,759	5,561	82.27
2.3 Net profit for the period attributable to members	8,549	3,628	4,921	135.60
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				
15 March 2017				
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 2016.

3. Net Tangible Assets per Security

Half year ended	31 Dec 2016 cents	31 Dec 2015 cents	Increase / (Decrease) cents %	
Net tangible assets per security	(1.00)	(0.28)	(0.72)	(257.1)

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

On 1 July 2016, 51% of the issued capital of Aussie Radiators & Headlights Pty Ltd was acquired.

On 1 July 2016, 100% of the issued capital of Direct One Accident Repair Centres 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 2016	31 Oct 2016	1.7 cents	8,044,344	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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	%	%	\$'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.

For personal use only



Operating Specialist Automotive Aftercare and Accessory Companies

AMA GROUP LIMITED

ACN 113 883 560

**Interim Financial Report for the Half Year Ended
31 December 2016**

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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 2016. 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 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:

- On 14 November 2016, the Company announced the acquisition of six additional Accident Repair Centres located in Queensland, Victoria and Western Australia. In addition, the Company also announced the opening of two new "greenfield" sites; one located in South Australia and the other in Victoria;
- On 23 February 2017, the Company also announced the acquisition of a further five sites located in Queensland, Tasmania and Victoria. This increased the Vehicle Panel Repair network to 79 sites.
- In addition, the Company announced the agreement to open five additional "greenfield" sites located in Queensland, the Australian Capital Territory and South Western Sydney.

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 80.50 cents per share at 30 June 2016 to 106.50 cents at 23 February 2017; an increase of 32.3%.
- In October 2016, AMA paid the FY2016 final dividend of 1.70 cents per share fully franked at 30%; bringing the full year dividend to be 2.20 cents per share (fully franked). This was an increase of 29.4% over the dividend paid in 2015.

Upon finalising the half year report, the Directors are pleased to announce they have decided to declare an interim dividend, fully franked, of 0.50 cents per share with a record date of 15 March 2017 and a payment date of 14 April 2017.

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 \$9.571 million to \$18.357 million; a 91.8% increase. Adjusting this result for the impact of abnormal items normalised EBITDA has increased to \$20.557 million; an increase of 64.4%.

	2016 \$'000	2015 \$'000
Reported EBITDA	18,357	9,571
Employee equity plan expense	192	2,341
Business acquisition costs	453	596
Site integrations	300	-
Site closures and make good	175	-
Redundancies	379	-
IP Litigation	350	-
Greenfield Start Up costs	250	-
Borrowing establishment costs	101	-
Normalised EBITDA	<u>20,557</u>	<u>12,508</u>

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 the whole period compared to three months in the prior comparative period. We are delighted with the performance of the operations acquired over the past two years and the integration of the businesses recently acquired is now well advanced and the associated synergistic benefits will provide excellent outcomes in the future.
- Vehicle Protection Products & Accessories shows flat revenue and moderate comparative growth in margin. The reorganisation of the operations of this division had led to an increase in delivery lead times which has slightly impacted sales in the after-market sector. Now that lead times have returned to normal levels, Divisional management are now focussed on recovering this market share. A change in sales mix has also impacted the operating margin for the first half. With the integration in place we now believe that the benefits of this restructure will enable us 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 has enabled the merged operation to be better positioned to capitalise on this changing market. In spite of a reduction in revenue this division has been able to improve its gross margin.
- The Automotive Component Remanufacturing which now comprises the FluidDrive operation has continued to grow its results from the continued application of management strategies.

The Group's net profit before tax from continuing operations, for the six month period, increased to \$12.320 million; a rise of 82.3%. The result in the prior comparative period was impacted by several large non cash abnormal items (such as the employee equity plan expense and business acquisition costs) which distorted the effective tax rate. The effect of abnormal items in the current reporting period was not as significant and the net profit after tax attributable to AMA members, increased from \$3.628 million to \$8.549 million. As such the effective tax rate for the current reporting period has returned to approximately the corporate tax rate.

Financial Position

The gearing ratio has risen slightly from 1.73% at June 2016 to 4.80%. While the Company's market capitalisation and the amount owing on deferred vendor consideration has increased the major contributor to this increased gearing ratio has been the reduction of the cash balances held by the group. Even so the Directors believe that the Group is conservatively geared and that the Group has sufficient capital resources, including the debt facility, which was undrawn at balance date.

This capital base has enabled the Group to continue to undertake the acquisition programme which has resulted in an increased asset base; albeit most of this growth is in intangibles reflecting the service industry businesses we have acquired. As such the Net Tangible Assets per share has decreased to negative 1.00 cents per share.

Cash Position

As expected AMA's operating cash flows have reduced as a result of increased corporate tax payments and the repayment of supplier prebates of businesses acquired in FY16 and FY17. Investing cash flows reflect the business acquisitions undertaken during the current period and the capital expenditure relating to both existing and "greenfield" operations. These investments and the payment of the FY2016 final dividend have resulted in the reduction of our cash balance.

REVIEW AND RESULTS OF OPERATIONS *cont.*

The Future

The Directors believe that the strong financial performance of AMA in the current reporting period reflects the ongoing outcomes of the previously outlined strategic direction. The investments made have resulted in a significant increase in the scale and scope of our operations. Whilst challenging market conditions have persisted across most of the Group's business segments, the results are in line with the Directors' expectations, which show a substantial increase in the Group's operating revenue and EBITDA over the past two years.

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

The Board believe that there are still substantial growth opportunities presenting to our key business divisions. The consolidation of the Vehicle Panel Repair industry continues and Management are actively involved in negotiating the acquisition of existing businesses and new "greenfield" sites. The acquisition of further businesses will provide further scale to our operations.

The directors are very pleased with recent announcements relating to the further expansion, under our acquisition strategy, of our vehicle panel repair segment. The establishment and acquisition, during the reporting period, of further Accident Repair Centres in Queensland, Tasmania, Victoria and Western Australia are expected to provide some excellent growth opportunities in these geographic regions and provide further scale to our operations.

SUBSEQUENT EVENTS

On 23 February 2017, the Company also announced the acquisition of a further five sites located in Queensland, Tasmania and Victoria. This increased the Vehicle Panel Repair network to 79 sites. In addition, the Company announced the agreement to open five additional "greenfield" sites located in Queensland, the Australian Capital Territory and South Western Sydney.

On 23 February 2017, the Directors declared an interim dividend, fully franked of 0.50 cents per security with a record date of 15 March 2017 and a payment date of 14 April 2017.

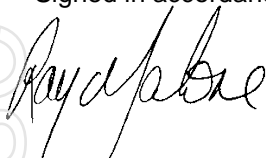
AUDITOR'S INDEPENDENCE DECLARATION

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 2016, is provided with this report.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, 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 Instrument to the nearest thousand dollars, unless otherwise indicated.

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



Director

23 February 2017

**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 2016 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, 23 February 2017

AMA GROUP LIMITED
(ACN 113 883 560)
CONSOLIDATED INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2016



	Notes	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Revenue from continuing operations	6	179,216	106,149
Raw materials and consumables used		(75,636)	(45,272)
Employment benefits expense		(65,412)	(39,232)
Occupancy expense		(12,105)	(7,266)
Professional services expense		(2,201)	(1,312)
Travel and motor vehicle expense		(1,491)	(969)
Advertising and marketing expense		(1,265)	(677)
Insurance expense		(423)	(310)
Communication expense		(427)	(283)
Research and development expense		(123)	(130)
Other expense		(1,776)	(1,127)
Earnings before interest, tax, depreciation, amortisation and impairment expense (EBITDA)		18,357	9,571
Depreciation, amortisation and impairment expense	7	(5,405)	(2,346)
Earnings before interest and tax (EBIT)		12,952	7,225
Finance costs		(82)	(93)
Profit from continuing operations before fair value adjustments		12,870	7,132
Fair value adjustments		(550)	(373)
Profit (loss) before income tax from continuing operations		12,320	6,759
Profit (loss) before tax from discontinued operations	4	-	79
Profit (loss) before income tax		12,320	6,838
Income tax benefit / (expense)		(3,704)	(3,125)
Net profit (loss)		8,616	3,713
Profit (loss) attributable to			
Members of AMA Group Limited		8,549	3,628
Non-controlling interests		67	85
		8,616	3,713
Earnings per Share		Cents	Cents
From continuing operations			
Basic earnings per share	13	1.71	0.85
Diluted earnings per share	13	1.65	0.84
From continuing and discontinuing operations			
Basic earnings per share	13	1.71	0.87
Diluted earnings per share	13	1.65	0.85

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 2016



	Notes	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Net profit (loss)		8,616	3,713
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		9	13
<i>Items that will not be reclassified to profit or loss</i>			
Other comprehensive income, net of tax		9	13
Total comprehensive income, net of tax		8,625	3,726
Total comprehensive income attributable to:			
Members of AMA Group Limited		8,558	3,641
Non-controlling interests		67	85
		8,625	3,726

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

AMA GROUP LIMITED
(ACN 113 883 560)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016



	Notes	31 Dec 2016 \$'000	30 Jun 2016 \$'000
Current assets			
Cash and cash equivalents		7,987	22,888
Trade and other receivables		25,573	22,781
Inventories		15,665	15,402
Other current assets		2,892	1,690
Assets classified as held for sale	4	-	-
Total current assets		52,117	62,761
Non-current assets			
Property, plant and equipment	8	39,971	34,963
Intangible assets	9	152,306	149,204
Deferred tax assets		6,270	5,227
Other non-current assets		3,712	3,639
Total non-current assets		202,259	193,033
Total assets		254,376	255,794
Current liabilities			
Trade and other payables		38,099	41,179
Borrowings	10	480	601
Income tax payable		11	1,828
Provisions		11,195	9,358
Other liabilities	11	13,681	6,515
Total current liabilities		63,466	59,481
Non-current liabilities			
Borrowings	10	315	308
Deferred tax liability		3,633	2,622
Provisions		4,190	4,375
Other liabilities	11	35,437	42,458
Total non-current liabilities		43,575	49,763
Total liabilities		107,041	109,244
Net assets		147,335	146,550
Equity			
Contributed equity	12	172,542	172,149
Reserves		3,068	3,059
Retained earnings (deficit)		(28,351)	(28,855)
Total parent entity interest		147,259	146,353
Non – controlling interest		76	197
Total equity		147,335	146,550

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 2016**


	Notes	Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000	Non Control Interest \$'000	Total \$'000
At 1 July 2015		74,904	-	(26,534)	48,370	-	48,370
Profit for the period		-	-	3,628	3,628	85	3,713
Other comprehensive income		-	13	-	13	-	13
Total comprehensive income for the period		-	13	3,628	3,641	85	3,726
Transactions with owners in their capacity as owners:							
Non-controlling interest		-	-	-	-	96	96
Shares issued, net of costs		94,488	-	-	94,488	-	94,488
Employee equity plan		-	2,341	-	2,341	-	2,341
Dividends recognised	14	-	-	(6,957)	(6,957)	-	(6,957)
		94,488	2,341	(6,957)	89,872	96	89,968
As at 31 December 2015		169,392	2,354	(29,863)	141,883	181	142,064
At 1 July 2016		172,149	3,059	(28,855)	146,353	197	146,550
Profit for the period		-	-	8,549	8,549	67	8,616
Other comprehensive income		-	9	-	9	-	9
Total comprehensive income for the period		-	9	8,549	8,558	67	8,625
Transactions with owners in their capacity as owners:							
Non-controlling interest		-	-	-	-	8	8
Shares issued, net of costs	12	393	-	-	393	-	393
Employee equity plan		-	-	-	-	-	-
Dividends recognised	14	-	-	(8,044)	(8,044)	(196)	(8,240)
		393	-	(8,044)	(7,651)	(188)	(7,839)
As at 31 December 2016		172,542	3,068	(28,351)	147,259	76	147,335

AMA GROUP LIMITED
(ACN 113 883 560)
CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2016



	Notes	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Cash flows from operating activities			
Receipts from customers		173,317	85,365
Payments to suppliers and employees		(166,024)	(77,854)
Interest received		74	288
Interest and other costs of finance paid		(82)	(93)
Income taxes paid		(5,020)	(3,028)
Other		-	(85)
Net cash flows used in operating activities		2,265	4,593
Cash flows from investing activities			
Proceeds from sale of property plant and equipment		82	16
Payments for purchases of property plant and equipment		(5,827)	(1,089)
Payments for intangible assets		-	(5)
Payments for purchases of businesses, net of cash acquired		(2,648)	(28,418)
Loans		(70)	106
Net cash flows (used in) / provided by investing activities		(8,463)	(29,390)
Cash flows from financing activities			
Equity raised		-	43,526
Proceeds from borrowings		-	2,810
Repayment of borrowings		(472)	(10,958)
Dividends paid to AMA Shareholders		(8,044)	(6,957)
Dividends paid to Outside Equity Interests		(196)	-
Proceeds (payments) for financing discontinued operations		-	90
Net cash flows (used in) / provided by financing activities		(8,712)	28,511
Net (decrease) / increase in cash and cash equivalents		(14,910)	3,714
Cash and cash equivalents, at beginning of period		22,888	2,086
Effects of exchange changes on the balances held in foreign currencies		9	13
Cash and cash equivalents, at the end of period		7,987	5,813

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 2016 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 all of the 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 2016 and considered together with any public announcements made by the Company during the half year ended 31 December 2016 in accordance with the continuous disclosure obligations of the ASX listing rules.

The accounting policies and methods of computation are consistent with 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 2016. 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 2016.

Rounding amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with that Instrument, amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Restatement of comparatives

Final Acquisition Accounting

Accounting for Customer Contracts acquired as part of the Gemini acquisition was finalised in the current reporting period. As a result, amortisation charges in respect of these contracts have been calculated and comparative period balances re-stated to reflect charges which relate to those prior reporting periods.

	Consolidated December 2015		
	Reported \$'000	Adjust \$'000	Restated \$'000
Statement of profit or loss and other comprehensive income			
Revenue	106,149	-	106,149
Expenses	(98,530)	(781)	(99,311)
Profit before income tax expense	7,619	(781)	6,838
Income tax expense	(3,359)	234	(3,125)
Profit after income tax expense for the half-year attributable to the owners of AMA	4,260	(547)	3,713
Other comprehensive income for the half-year, net of tax	13	-	13
Total comprehensive income for the half-year attributable to the owners of AMA Limited	4,273	(547)	3,726
	Reported Cents	Adjust Cents	Restated Cents
Earnings per share attributable to continuing operations			
Basic	0.98	(0.14)	0.85
Diluted	0.97	(0.13)	0.84
Statement of financial position			
	30 June 2016		
	Reported \$'000	Adjust \$'000	Restated \$'000
Intangible assets	149,531	(327)	149,204
Other assets	106,590	-	106,590
	256,121	(327)	255,794
Deferred tax assets	2,720	(98)	2,622
Other liabilities	106,622	-	106,622
	109,342	(98)	109,244
	146,779	(229)	146,550
Retained earnings	(28,626)	(229)	(28,855)
Other equity	175,405	-	175,405
	146,779	(229)	146,550

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 & Accessories - Manufacture & distribution of motor vehicle protective bars.
- Automotive Electrical & Cable Accessories - Distribution of motor vehicle electrical & cable accessories.
- Automotive Component Remanufacturing - Motor vehicle component remanufacturing & repairs.

	Vehicle Panel Repair \$'000	Vehicle Protection Products \$'000	Automotive Electrical & Cable \$'000	Automotive Component \$'000	Unallocated \$'000	Total \$'000
Half-year to 31 December 2016						
Revenue						
External sales	149,058	14,207	7,851	4,816	-	175,932
Intragroup sales	-	97	7	-	(104)	-
Other income	265	423	26	115	2,455	3,284
Total sales & other income	149,323	14,727	7,884	4,931	2,351	179,216
Result						
Segment gross margin	85,529	6,603	2,622	1,932	104	96,790
Unallocated expenses					(83,920)	(83,920)
Fair value adjustments						(550)
Profit from continuing operations before income tax						12,320
Net assets						
Segment assets	204,143	19,598	10,966	4,103	15,566	254,376
Segment liabilities	(51,562)	(2,647)	(1,850)	(1,601)	(49,381)	(107,041)
	152,581	16,951	9,116	2,502	(33,815)	147,335
Half-year to 31 December 2015						
Revenue						
External sales	77,969	14,474	7,876	3,669	-	103,988
Intragroup sales	-	9	363	-	(372)	-
Other income	1,144	505	88	144	280	2,161
Total sales & other income	79,113	14,988	8,327	3,813	(92)	106,149
Result						
Segment gross margin	45,297	6,571	2,347	1,409	372	55,996
Unallocated expenses					(48,864)	(48,864)
Fair value adjustments						(373)
Profit from continuing operations before income tax						6,759
Net assets as at 30 June 2016						
Segment assets	197,437	21,024	11,553	3,577	22,203	255,794
Segment liabilities	(50,719)	(3,764)	(2,465)	(1,255)	(51,041)	(109,244)
	146,718	17,260	9,088	2,322	(28,838)	146,550

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

The consolidated financial statements of the Group have been prepared in accordance with the accounting policy detailed in Note 1 and incorporate the assets, liabilities and results of the controlled entities set out below:

Name of entity	Country of incorporation	Class of shares	Equity holding 2016 %	Equity holding 2015 %
Continuing Operations				
A.C.N. 107 954 610 Pty Ltd ^{(a) (b)}	Australia	Ordinary	100	100
A.C.N. 122 879 814 Pty Ltd ^{(a) (c)}	Australia	Ordinary	100	100
A.C.N. 124 414 455 Pty Ltd ^(a)	Australia	Ordinary	100	100
AECAA Pty Ltd ^(d)	Australia	Ordinary	100	100
Custom Alloy Pty Ltd ^(a)	Australia	Ordinary	100	100
ECB Pty Ltd	Australia	Ordinary	100	100
FluidDrive Holdings Pty Ltd	Australia	Ordinary	100	100
Mr Gloss Holdings Pty Ltd	Australia	Ordinary	100	100
Phil Munday's Panel Works Pty Ltd	Australia	Ordinary	100	100
Repair Management Australia Pty Ltd	Australia	Ordinary	100	100
Repair Management Australia Bayswater Pty Ltd	Australia	Ordinary	100	100
Repair Management Australia Dandenong Pty Ltd	Australia	Ordinary	100	100
BMB Collision Repairs Pty Ltd	Australia	Ordinary	100	100
Shipstone Holdings Pty Ltd	Australia	Ordinary	100	100
Woods Auto Shops (Dandenong) Pty Ltd ^(e)	Australia	Ordinary	60	60
Gemini Accident Repair Centres Pty Ltd ^(f)	Australia	Ordinary	100	100
Gemini Accident Repair Centres Limited ^(f)	New Zealand	Ordinary	100	100
Ripoll Pty Ltd ^(g)	Australia	Ordinary	100	100
Woods Auto Shops (Holdings) Pty Ltd ^(g)	Australia	Ordinary	100	100
Rapid Accident Management Services Pty Ltd ^(g)	Australia	Ordinary	100	100
Woods Auto Shops (Cheltenham) Pty Ltd ^{(a) (g)}	Australia	Ordinary	100	100
Micra Accident Repair Centre Pty Ltd ^(h)	Australia	Ordinary	100	-
Direct One Accident Repair Centre Pty Ltd ⁽ⁱ⁾	Australia	Ordinary	100	-
Aussie Radiator & Headlight Centre Pty Ltd ⁽ⁱ⁾	Australia	Ordinary	51	-

Notes:

(a) Dormant

(b) Previously known as Alanco Australia Pty Ltd

(c) Previously known as Perth Brake Parts Pty Ltd. Name changed when business disposed on 1 February 2016

(d) Previously known as KT Cable Accessories Pty Limited

(e) Acquired – 01 July 2015

(f) Acquired – 01 October 2015

(g) Acquired – 1 November 2015

(h) Acquired – 4 January 2016

(i) Acquired - 1 July 2016

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 2016 \$'000	31 Dec 2015 \$'000
Operating Result		
Revenue	-	1,255
Expenses	-	1,176
Profit before income tax	-	79
Income tax expense	-	-
Profit (loss) from discontinued operations	-	79
Financial Position		
Cash and cash equivalents	-	124
Trade receivables	-	116
Inventories	-	460
Other current assets	-	10
Plant and equipment	-	27
Goodwill	-	524
Intercompany loans	-	(309)
	-	952
Trade payables	-	229
Employee benefits	-	98
Provisions	-	-
	-	327
	-	625
Cash Flow		
Net cash inflow (outflow) from ordinary activities	-	113
Net cash inflow (outflow) from investing activities	-	(9)
Net cash inflow (outflow) from financing activities	-	(90)
Net cash inflow (outflow)	-	14

NOTE 5 – ENTITIES / BUSINESSES ACQUIRED

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	4
Trade and other receivables	290
Inventories	108
Income tax receivable	18
Other current assets	12
Plant and equipment	1,002
Deferred tax assets	130
Trade payables and accruals	(2,504)
Borrowings	(357)
Provisions	(433)
Non-controlling interests	22
Net assets acquired	(1,708)
Intangible	2,406
Value of the total consideration transferred	698
Representing:	
Cash paid or payable to vendor	-
Shares issued to vendors	-
Earn-Out Adjustment Shares	774
Net Present Value Adjustments	(76)
	698
Acquisition costs	67
	765

Businesses acquired

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
Inventory	262
Other assets	9
Plant and equipment	1,673
Deferred tax assets	142
Provisions	(472)
Net assets acquired	1,614
Intangible	2,350
Value of the total consideration transferred	3,964
Representing:	
Cash paid or payable to vendor	2,230
Shares issued or to be issued to Vendors	-
Earn-Out Supplementary Cash	1,888
Net Present Value Adjustments	(154)
	3,964
Acquisition costs	150
	4,114

NOTE 6: REVENUE

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
From continuing operations		
Sales revenue		
Sale of goods	26,859	26,018
Service and hire	149,073	77,970
	<u>175,932</u>	<u>103,988</u>
Other revenue		
Interest received	74	288
Other revenue	3,210	1,873
	<u>3,284</u>	<u>2,161</u>
Total revenue from continuing operations	<u>179,216</u>	<u>106,149</u>
Total revenue from discontinued operations	<u>-</u>	<u>1,255</u>

NOTE 7: EXPENSES

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Profit before income tax includes the following specific expenses:		
Depreciation expense	3,356	1,348
Amortisation expense	1,749	998
Debtors / inventory provision	300	-
	<u>5,405</u>	<u>2,346</u>
Executive equity plan expense	192	2,341

NOTE 8: PROPERTY, PLANT & EQUIPMENT

Movements in the fair values of Property, Plant & Equipment are set out below:

31 Dec 2016
\$'000

Opening balance

Cost	58,780
Accumulated depreciation	(22,166)
Impairment provision	(1,651)
	<u>34,963</u>

Additions	5,776
Disposals	(87)
Business acquisitions	2,675
Depreciation charge	(3,356)

Closing balance

Cost	67,594
Accumulated Depreciation	(25,972)
Impairment provision	(1,651)
	<u>39,971</u>

NOTE 9: INTANGIBLE ASSETS

Movements in the fair values of Intangible Assets are set out below:

	31 Dec 2016 \$'000
Opening balance	
Cost	160,857
Accumulated amortisation	(3,108)
Impairment provision	(8,545)
	<u>149,204</u>
Additions and adjustments	(287)
Business acquisitions	5,138
Amortisation charge	(1,749)
Closing balance	<u>152,306</u>
Cost	165,709
Accumulated amortisation	(4,858)
Impairment provision	(8,545)
	<u>152,306</u>

NOTE 10: BORROWINGS

	31 Dec 2016 \$'000	30 Jun 2016 \$'000
Current		
Bank Loans	-	-
Lease Liability	480	601
	<u>480</u>	<u>601</u>
Non-current		
Bank Loans	-	-
Lease liability	315	308
	<u>315</u>	<u>308</u>
Total		
Bank Loans	-	-
Lease liability	795	909
	<u>795</u>	<u>909</u>
Available finance facilities		
Bank Loan Facility	40,000	12,000
	<u>40,000</u>	<u>12,000</u>
Unutilised at balance date	40,000	12,000
	<u>40,000</u>	<u>12,000</u>

Financing arrangements

On 24 August 2016, the Company entered into a new Facility Agreement with National Australia Bank Limited. The key terms of this agreement are:

- a \$40 million facility, with a tenure of 36 months, to assist in funding acquisitions and general corporate needs;
- a \$6.5 million lease facility to assist with the purchase of capital equipment;
- a \$3.0 million bank guarantee facility to assist with securing property rental leases; and
- a \$0.4 million letter of credit facility.

The Facility is secured by a fixed and floating charge over all of the assets of the Company and its wholly owned subsidiaries and is subject to standard covenants.

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 11 – OTHER LIABILITIES

	31 Dec 2016 \$'000	30 June 2016 \$'000
Current		
Deferred income	5,100	5,100
Deferred vendor consideration	8,581	1,415
	<u>13,681</u>	<u>6,515</u>
Non-current		
Deferred income	12,523	14,919
Deferred vendor consideration	22,914	27,539
	<u>35,437</u>	<u>42,458</u>

Deferred income

In the previous financial year, the Group entered into an agreement with a key supplier to purchase product and services from the supplier over an agreed period of time and receives various preferential benefits; one of which is a market investment incentive. To satisfy the requirements of this agreement, the Group must continue to purchase from this supplier or otherwise repay the market investment incentive in accordance with agreed terms. The incentive is being amortised as this liability reduces. At 31 December 2016, an amount of \$5.1 million has been classified as current representing the anticipated reduction in this incentive over the next twelve months.

Deferred Vendor Consideration

The Company has recorded deferred and contingent consideration to Business Vendors for \$33.441 million (June 2016: \$31.201 million) which, as per the relevant business purchase agreement includes amounts for performance based earn-outs to be paid in a mixture of shares and cash. The present value of the liability is \$31.496 million (June 2016: \$28.954 million).

Current

Shares	6,710	791
Cash	1,871	624
	<u>8,581</u>	<u>1,415</u>

Non-Current:

Shares	1,048	6,833
Cash	21,867	20,706
	<u>22,915</u>	<u>27,539</u>
	<u>31,496</u>	<u>28,954</u>

NOTE 12 - ISSUED CAPITAL

	31 Dec 2016 Number	30 Jun 2016 Number	31 Dec 2016 \$'000	30 June 2016 \$'000
Listed:				
Opening balance	473,196,686	468,555,344	157,149	154,392
Share issued				
- Employees	491,756	533,838	393	290
- Vendors	-	4,107,504	-	2,467
- Capital Raising	-	-	-	-
Closing balance	473,688,442	473,196,686	157,542	157,149
Unlisted:				
Opening balance	25,000,000	25,000,000	15,000	15,000
Share issued				
- Employees	-	-	-	-
- Vendors	-	-	-	-
- Capital Raising	-	-	-	-
Closing balance	25,000,000	25,000,000	15,000	15,000
Total	498,688,442	498,196,686	172,542	172,149

Listed Fully Paid Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and, upon a poll, each share is entitled to one vote.

Unlisted Fully Paid Ordinary shares entitle the holder to all the same benefits and responsibilities of holders of Quoted Fully Paid Ordinary shares with exception that they do not entitle the holder to participate in dividends or vote at general meetings of the Company. As such they are not listed for trade on the ASX. They have been issued as part consideration for the acquisition of Gemini Accident Repair Centres Pty Ltd and are subject to a restriction period of two years. In the event that the business has met its earnings target at the completion of this restriction period, the shares are then eligible to participate in dividends.

NOTE 13 - EARNINGS PER SHARE

	31 Dec 2016 \$'000	31 Dec 2015 \$'000
Profit after income tax attributable to members of AMA Group Ltd		
- From continuing operations	8,549	3,573
- From discontinued operations	-	55
	<u>8,549</u>	<u>3,628</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	498,309,862	418,730,784
Adjustments for calculation of diluted earnings per share	18,875,000	7,043,479
	<u>517,184,862</u>	<u>425,774,263</u>
	Cents	Cents
Continuing operations:		
- Basic earnings per share	1.71	0.85
- Diluted earnings per share	1.65	0.84
Discontinued operations:		
- Basic earnings per share	-	0.01
- Diluted earnings per share	-	0.01
Continuing and discontinued operations:		
- Basic earnings per share	1.71	0.87
- Diluted earnings per share	1.65	0.85

NOTE 14 – DIVIDENDS AND DISTRIBUTIONS

Dividends paid or declared during the period ended were:

	31 Dec 2016 \$	30 Jun 2016 \$
Final dividend of 1.7 cents per share, fully franked, paid 30 Oct 2015	-	6,957
Interim dividend of 0.5 cents per share, fully franked, paid 7 Apr 2016	-	2,354
Final dividend of 1.7 cents per share, fully franked, paid 30 Oct 2016	8,044	-
	<u>8,044</u>	<u>9,311</u>

NOTE 15 - CONTINGENT LIABILITIES AND COMMITMENTS

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 on 31 March 2016. 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 2016 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 2016 \$'000	30 Jun 2016 \$'000
Bank guarantees	<u>2,238</u>	<u>1,863</u>

Capital commitments – property, plant & equipment

Committed at the end of the reporting period but not recognised as a liability, payable within:

One year	1,478	1,970
One to five years	-	-
After more than five years	-	-
	<u>1,478</u>	<u>1,970</u>

Lease commitments – operating

Committed at the end of the reporting period but not recognised as a liability, payable within:

One year	14,621	12,800
One to five years	24,815	22,869
After more than five years	5,339	5,607
	<u>44,775</u>	<u>41,276</u>

NOTE 16 – EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 23 February 2017, the Company also announced the acquisition of a further five sites located in Queensland, Tasmania and Victoria. This increased the Vehicle Panel Repair network to 79 sites. In addition, the Company announced the agreement to open five additional “greenfield” sites located in Queensland, the Australian Capital Territory and South Western Sydney.

Upon finalising the half year report the Directors declared an interim dividend, fully franked, of 0.50 cents per share with a record date of 15 March 2017 and a payment date of 14 April 2017.

No other matters or circumstances have arisen since 31 December 2016 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 2016 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

23 February 2017

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 2016, 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 2016 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 2016 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, 23 February 2017

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 Raymond 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

National Australia Bank Limited
Westpac Banking Corporation

Stock Exchange Listing

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