



## 2010 Annual General Meeting

held at 1235 High Street

Armadale Victoria 3143

10.00am Tuesday 23<sup>rd</sup> November 2010

### Chairman's and Chief Executive Officer's Address to Shareholders

#### Chairman's Address

I joined the AMA Group in October 2009 just over a year ago now and I am extremely pleased with the results in my 1st year with AMA.

Following the significant changes announced in 2009, 2010 has been an easier year.

We were able to focus on the business activities and on reducing our debt.

Over the past year I have seen a real business turn around:

- Revenue from continuing entities is up 14% on 2009.
- Profit from continuing entities before impairment and vendor payments saw a turn around from a loss of \$3.9m in 2009 to a profit of \$6.6m (\$10m turnaround).
- Total profit after tax - from a loss of \$59.8m to a profit of \$4.8m.

Even more pleasing is that we have reduced our bank borrowings by approx \$2.5m from 2009.

The closure of head office in Sydney late in 2009 as well as the very strenuous efforts by Ray Malone on efficiencies have resulted in a reduction of our overheads which has contributed to our results for 2010.

ECB and KT Cables under the guidance of Ray Smith-Roberts has had exceptional performance and the panel businesses have also had a great year, partly assisted by the hail storms in Melbourne during the year.

The efforts of our staff in achieving these results cannot be overstated.

As indicated in our ASX announcement last week I am pleased to let you know that we have renewed the contracts of Ray Malone and Ray Smith-Roberts for a further 5 years.

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This puts AMA in a very sound position with regards to continuity and of course succession planning.

The board is very confident that with Ray Malone and Ray Smith-Roberts continuing to guide the company's recovery, the future will see sustained improvement in performance and a rebuilding of shareholder value.

We also announced the satisfactory resolution to a legal dispute which has resulted in the recovery of close to \$2million. Ray Malone was instrumental in securing this outcome for the company.

Importantly, resolving these matters allows us to focus on the business outcomes going forward.

Given these outcomes, AMA is in a much sounder financial position now than we were at the beginning of the year.

There is still a lot of hard work to be done but I am confident that Ray and his team will manage this business well and will maximise shareholder value going forward.

I would now like to hand over to your CEO Ray Malone, to talk about the business activities.

### **CEO's Address**

2010 is now over with better than expected performance over several areas of our business.

Our teams have performed exceptionally well in working through the difficulties of the past 18 month's and have been an absolute credit to us.

Without their hard work and dedicated support, we would not be in the position that we currently are.

We have posted an \$8.15 million EBIT and increased our revenue by 14% over the period.

Our bank debt has reduced by approx. \$2.5 million.

You can see from the accounts that the overall shareholder value which is represented by total equity, has gone from a negative of \$1.067 million in July 2009 to a positive of \$6.7 million in June 2010.

This was achieved through the difficult restructure stage.

We now sit very comfortably within our banking covenants and do not envisage any problems in the foreseeable future.

Our first quarter for 2011 is showing us that the disciplines put in during the restructure are paying off with our revenues up more than 15% on last year.

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ECB's revenue has been better than expected and we have benefitted by the mop up of the recent hail event in Melbourne in our panel division.

The businesses are now well into the rhythm of the new leaner model and the results have been better than expected for the three month period.

From a fixed operation, stop the slippage perspective, we feel the past is now behind us and the company is in a sound position going forward.

Our short term goals are "more of the same" with the focus remaining on lean, profitable and well performing business with debt reduction and safety being our main priority.

Whilst we have growth plans in the pipeline once the debt has been repaid we are talking medium term.

Thankyou

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