



AMA Group Limited (ABN 50 113 883 560) and controlled entities

Appendix 4E Preliminary Final Report For the Year Ended 30 June 2012

1. Company information

Name of entity:	AMA Group Limited
ABN:	50 113 883 560
Reporting Period:	Year ended 30 June 2012
Previous Corresponding Period:	Year ended 30 June 2011

2. Results for announcement to the market

Revenues from ordinary activities	up	16.7%	to	\$62,924,962
Profit after tax attributable to members from continuing operations	down	22.7%	to	\$7,914,386
Net profit for the period attributable to members	down	36.3%	to	\$7,664,915

Comments

The results for the period show a **profit before tax from continuing operations of \$9.982 million and this represents an increase of 58.1% against the comparative period.** The percentage movements in the post tax results shown above are influenced by the comparative period containing some beneficial transactions within tax and discontinued operations that were "one-off" in nature.

Dividends

A Dividend (Fully Franked at 30%) of 1.0 cent per security was declared on 30 September 2011 and paid on 30 November 2011.

Record date for determining entitlements to the dividend was 31 October 2011.

No Dividends were paid in the corresponding period.

3. Net tangible assets per security

Net Tangible Assets / (Liabilities) per Ordinary Security (in cents)

As at 30 June 2012	(1.70) cents per security
As at 30 June 2011	(4.51) cents per security

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

None.

5. Details of entities over which control has been lost during the period

Previously discontinued operations that were not trading, Alloair Systems Pty Ltd (A.C.N. 124 071 816) and Allomak Technology Holdings Pty Ltd (A.C.N. 128 872 033) were both de-registered on 23/02/2012 at the request of the directors of the company.

6. Details of individual and total dividends

A fully franked dividend of 1.0 cent per security was declared on 30 September 2011 with a payment date of 30 November 2011.

Dividend Declared	\$2,821,813
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7. Dividend reinvestment plan

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Not applicable.

10. Audit qualification or review

The accounts are currently in the process of being audited.

11. Attachments

Preliminary Final Report for the year ended 30 June 2012 for AMA Group Limited is attached.

12. Signed



Duncan Fischer
Chairman
AMA Group Limited

Dated: This 23rd Day of August 2012

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Preliminary Final Report

For the Year Ended 30 June 2012

(Previous corresponding period: Year Ended 30 June 2011)

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Preliminary Final Report

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For the Year Ended 30 June 2012

	Notes	30-Jun-12 \$'000	30-Jun-11 \$'000
Revenue from continuing operations	3	62,925	53,929
Raw materials and consumables used		(29,070)	(23,792)
Employee benefits expense		(16,170)	(15,085)
Depreciation and amortisation expense		(406)	(481)
Advertising and marketing		(632)	(429)
Insurance		(290)	(282)
Travel and motor vehicle		(723)	(529)
Occupancy expenses		(2,657)	(2,508)
Professional services		(739)	(1,147)
Research and development		(148)	(113)
Communication expenses		(175)	(178)
Bad and doubtful debts expense		(25)	26
Other expenses		(826)	(1,254)
Earnings before interest and tax (EBIT)		11,064	8,157
Finance costs		(794)	(1,272)
Profit from continuing operations before impairment, fair value adjustments and vendor payments		10,270	6,885
Fair Value adjustments to loan note & vendor payments		(288)	(569)
Profit before tax from continuing operations		9,982	6,316
Income tax (expense) / benefit		(2,067)	3,922
Profit after tax from continuing operations		7,915	10,238
Profit / (Loss) after tax from discontinued operations	4	(250)	1,801
Profit after tax		7,665	12,039
Total comprehensive income for the year		7,665	12,039
Profit attributable to members of AMA Group Limited		7,665	12,039
Total comprehensive income attributable to members of AMA Group Limited		7,665	12,039
Earnings per share		Cents	Cents
From Continuing operations			
Basic earnings per share		2.81	3.71
Diluted earnings per share		2.81	3.71
From continuing and discontinued operations			
Basic earnings per share		2.72	4.37
Diluted earnings per share		2.72	4.37

The accompanying notes form part of these financial statements.

As at 30 June 2012

	Notes	30-Jun-12 \$'000	30-Jun-11 \$'000
Assets			
Current assets			
Cash and cash equivalents	5	3,777	3,750
Trade and other receivables		11,005	7,644
Inventories		4,869	4,476
Other		446	387
Total current assets		20,097	16,257
Non-current assets			
Property, plant and equipment		1,926	2,103
Intangibles	7	27,256	27,256
Deferred tax assets	6	4,287	6,564
Trade and other receivables		38	-
Total non-current assets		33,507	35,923
Total assets		53,604	52,180
Liabilities			
Current liabilities			
Trade and other payables		8,490	7,764
Borrowings	8	3,511	3,617
Provisions		1,544	1,282
Total current liabilities		13,545	12,663
Non-current liabilities			
Borrowings	8	12,022	15,303
Deferred tax liabilities		2,157	2,166
Provisions		207	158
Other	9	1,091	2,746
Total non-current liabilities		15,477	20,373
Total liabilities		29,022	33,036
Net assets		24,582	19,144
Equity			
Contributed equity	10	57,816	57,221
Reserves		47	47
Accumulated losses		(33,281)	(38,124)
Total equity		24,582	19,144

The accompanying notes form part of these financial statements.

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For the Year Ended 30 June 2012

	Notes	Contributed Equity \$'000	Option Reserve \$'000	Accumulated Losses \$'000	Total \$'000
Balance at 1 July 2010		56,841	47	(50,163)	6,725
Shares issued net of costs		380	-	-	380
Profit attributable to members of AMA Group Limited		-	-	12,039	12,039
Balance at 30 June 2011		57,221	47	(38,124)	19,144
Shares issued net of costs	10	595	-	-	595
Dividends recognised for the year	12	-	-	(2,822)	(2,822)
Profit attributable to members of AMA Group Limited		-	-	7,665	7,665
Balance at 30 June 2012		57,816	47	(33,281)	24,582

The accompanying notes form part of these financial statements.

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For the Year Ended 30 June 2012

	Notes	30-Jun-12 \$'000	30-Jun-11 \$'000
<i>CASH FLOWS RELATED TO OPERATING ACTIVITIES</i>			
Receipts from customers		65,187	59,373
Payments to suppliers and employees		(56,548)	(51,788)
Interest received		85	134
Interest and other costs of finance paid		(796)	(1,272)
NET OPERATING CASH FLOWS		7,928	6,447
<i>CASH FLOWS RELATED TO INVESTING ACTIVITIES</i>			
Proceeds from sales of plant and equipment		6	59
Payment for purchases of plant and equipment		(249)	(186)
Payment for purchases of intangible assets		-	(3)
Payment for purchases of equity investments, net of cash acquired		(785)	(785)
Recovery of assets impaired in previously discontinued operations		-	2,208
NET INVESTING CASH FLOWS		(1,028)	1,293
<i>CASH FLOWS RELATED TO FINANCING ACTIVITIES</i>			
Repayment of borrowings		(4,051)	(7,238)
Dividends paid	12	(2,822)	-
NET FINANCING CASH FLOWS		(6,873)	(7,238)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		27	502
Cash and cash equivalents at the beginning of the year		3,750	3,248
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		3,777	3,750

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2012

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Note 1: Summary of Significant Accounting Policies

Basis of Preparation

This Preliminary Final Report has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Preliminary Final report does not include all the notes of the type normally included in an Annual Financial Report.

Accordingly, this report is to be read in conjunction any other public announcements made by the Company during the year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding-off' of amounts in the financial report and the directors' report. Amounts in the financial report and the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

New and Revised Accounting Requirements Applicable to the Current Year-end Reporting Period

For the year-end reporting period to 30 June 2012, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Group. A discussion of these new and revised requirements that are relevant to the Group is provided below:

AASB 124: Related Party Disclosures (December 2009)

AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:

The definition of a "related party" is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:

- o the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
- o entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
- o the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
- o the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.

A partial exemption is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Group.

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Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 2: Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer (chief operating decision maker) 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. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics with respect to the products sold and/or services provided by the segment.

Services Provided by Segments

- Motor Vehicle Accessory Distribution – Distribution of motor vehicle accessories.
- Motor Vehicle Protection Products – Manufacture & distribution of motor vehicle protection bars.
- Panel Repair – Motor vehicle and panel repairs.
- Cables & Accessory Distribution – Distribution of motor vehicle accessories.
- Other Segments – Motor vehicle part repairs.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Chief Executive Officer as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

The gross margin of the panel repair segment, as presented to the Chief Executive Officer, does not include direct labour costs or an allocation of overheads.

Inter-segment transactions

All inter-segment transactions are eliminated on consolidation for the Group's financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments, other than for direct labour for panel repair segment, as they are not considered part of the core operations of any segment:

- derivatives;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- other financial liabilities;
- fixed manufacturing & service costs and other cost of sale adjustments;
- finance costs;
- dividend payments;
- intangible assets; and
- discontinuing operations

Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 2: Segment Information (continued...)

30 June 2012	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External Sales	12,949	17,498	14,870	7,877	7,016	60,210
Other Income	53	561	34	80	529	1,257
Total Sales & Other Income	13,002	18,059	14,904	7,957	7,545	61,467
Unallocated Revenue						1,458
Total Revenue						62,925
Result						
Segment Gross Margin	4,617	8,823	8,918	3,484	2,642	28,484
Unallocated Expenses						(18,214)
Profit from continuing operations before impairment, fair value adjustments and vendor payments						10,270
Fair Value Adjustments						(288)
Profit from continuing operations before income tax expense						9,982
Other						
Acquisition of Segment Non-Current Assets Unallocated	7	115	20	71	35	248
						1
						249
Depreciation and Amortisation of Segment Assets Unallocated	46	96	104	52	96	394
						12
						406

Note: Panel Repair Gross Margin does not include direct labour or an allocation of overheads. These costs are allocated to unallocated expenses.

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Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 2: Segment Information (continued...)

30 June 2011	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue						
External Sales	9,261	15,031	16,527	6,859	5,248	52,926
Other Income	49	471	52	71	260	903
Total Sales & Other Income	9,310	15,502	16,579	6,930	5,508	53,829
Unallocated Revenue						100
Total Revenue						53,929
Result						
Segment Gross Margin						
	3,202	7,587	10,298	3,191	2,338	26,616
Unallocated Expenses						(19,731)
Profit from continuing operations before impairment, fair value adjustments and vendor payments						6,885
Fair Value Adjustments						(569)
Profit from continuing operations before income tax expense						6,316
Other						
Acquisition of Segment Non-Current Assets	-	53	64	31	37	185
Unallocated						4
						189
Depreciation and Amortisation of Segment Assets	68	113	116	53	111	461
Unallocated						20
						481

Note: Panel Repair Gross Margin does not include direct labour or an allocation of overheads. These costs are allocated to unallocated expenses

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Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 2: Segment Information (continued...)

30 June 2012	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Segment Assets	4,171	4,952	3,120	3,395	2,799	18,437
Unallocated Assets						35,167
Total Assets						53,604
Liabilities						
Segment Liabilities	1,672	2,417	1,938	807	1,195	8,029
Unallocated Liabilities						20,993
Total Liabilities						29,022

30 June 2011	Motor Vehicle Accessory Distribution	Motor Vehicle Protection Products	Panel Repair	Cable & Accessory Distribution	All Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Segment Assets	3,437	3,729	3,058	3,117	2,289	15,630
Unallocated Assets						36,550
Total Assets						52,180
Liabilities						
Segment Liabilities	1,500	1,656	1,915	571	804	6,446
Unallocated Liabilities						26,590
Total Liabilities						33,036

Geographical regions

The Group operates in one geographical location, Australia.

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Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 3: Revenue

	30-Jun-12 \$'000	30-Jun-11 \$'000
From Continuing Operations		
<i>Sales Revenue</i>		
Sale of goods	44,651	35,687
Service and hire	14,871	16,692
	<u>59,522</u>	<u>52,379</u>
<i>Other Revenue</i>		
Interest Received	85	133
Insurance Recovery	-	602
Other Revenue	3,318	815
	<u>3,403</u>	<u>1,550</u>
Total Revenue from Continuing Operations	62,925	53,929
Total Revenue from Discontinued Operations	-	11

Note 4: Discontinued Operations

The following entities form part of the discontinued operations during the year ended 30 June 2012:

- ACN 003 178 327 Pty Ltd (formerly Autolac Pty Ltd) (business sold, entity not trading)
- Diesel Test Pty Ltd (not trading)
- Dyno Dynamics Pty Ltd
- Emissions Services Pty Ltd (not trading)

	30-Jun-12 \$'000	30-Jun-11 \$'000
The (loss) / profit for the year from discontinued operations is analysed as follows:		
(Loss) from discontinued operations for the financial period	(50)	334
Income tax expense	(200)	(68)
(Loss) after tax from discontinued operations for the financial period	(250)	266
Recovery of assets impaired previously in discontinued operations	-	1,770
Costs associated with Recovery of assets impaired previously in discontinued operations	-	(235)
	<u>(250)</u>	<u>1,801</u>

The following were the results for the discontinued operations for the financial year:

Revenue	-	11
Direct costs and overheads	(47)	343
Depreciation and impairment expense	(3)	(20)
Profit / (Loss) before tax	(50)	334
Income tax expense	(200)	(68)
(Loss) / Profit after tax	(250)	266

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Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 5: Cash and Cash Equivalents

	30-Jun-12 \$'000	30-Jun-11 \$'000
Cash on hand	4	6
Cash at bank	3,773	3,744
	3,777	3,750

Note 6: Deferred Tax Asset

	30-Jun-12 \$'000	30-Jun-11 \$'000
Deferred Tax Asset	4,287	6,564
	4,287	6,564

During the prior year the Group recognised a tax benefit of \$3.922 million in relation to tax losses not previously recognised.

Note 7: Non-Current Assets – Intangibles

	30-Jun-12 \$'000	30-Jun-11 \$'000
Goodwill – at cost	51,078	51,078
Less impairment	(23,828)	(23,828)
	27,250	27,250
Patents & trademarks – at cost	6	6
Less accumulated amortisation	-	-
	6	6
	27,256	27,256

Reconciliation

	Goodwill \$'000	Patents & Trademarks \$'000	Group \$'000
Balance as at 1 July 2010	27,250	3	27,253
Additions	-	3	3
Balance as at 30 June 2011	27,250	6	27,256
Additions	-	-	-
Amortisation expense	-	-	-
Balance as at 30 June 2012	27,250	6	27,256

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Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 8: Borrowings

	30-Jun-12 \$'000	30-Jun-11 \$'000
Current		
Bank bills	3,500	3,534
Lease liability	11	83
	<u>3,511</u>	<u>3,617</u>
Non-current		
Bank bills and loan note	12,022	15,293
Lease liability	-	10
	<u>12,022</u>	<u>15,303</u>
Total secured liabilities		
The total secured liabilities (current and non-current) are as follows:		
Bank bills and loan note	15,522	18,827
Lease liability	11	93
	<u>15,533</u>	<u>18,920</u>

Assets pledged as security

The bank loans are secured by a fixed and floating charge over all of the assets and uncalled capital of AMA Group Limited and all of 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.

Financing arrangements

On 30 June 2009, the Company completed negotiations for a revised banking facility. This facility defers the due date on the bank bills until 30 June 2014 and the debt repayment is now considered as a non-current liability. The facility also requires 35% of the Company's EBIT to be paid and, should the gearing ratio (as defined in the agreement) be greater than a specified value, 75% of free cash flow annually (as defined in the agreement) to be paid towards the principle of the bills.

The revised banking facility includes the following covenants:

- achievement of an interest cover target
- achievement of a gearing target
- achievement of EBIT targets

As at the date of this report all the above covenants have been met.

Finance Facilities

	30-Jun-12 \$'000	30-Jun-11 \$'000
Bank bills	9,522	12,871
Loan notes *	12,000	12,000
	<u>21,522</u>	<u>24,871</u>

The \$12 million loan note is part of the revised bank facility. This \$12 million was recapitalised as interest free payable over 9 years and 9 months with an option to forego \$6 million in debt at any time by paying down the debt by \$6 million.

* The fair value of the loan note as disclosed in the financial statements is \$6.000 million (30 June 2011: \$5.956 million).

Notes to the Financial Statements

For the Year Ended 30 June 2012 (Continued...)

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Note 9: Non-Current Liabilities – Other

	30-Jun-12 \$'000	30-Jun-11 \$'000
Non-current		
Deferred cash consideration - key vendors	937	1,971
Onerous lease	154	775
	1,091	2,746

Note 10: Contributed Equity

	30-Jun-12 Shares	30-Jun-11 Shares	30-Jun-12 \$'000	30-Jun-11 \$'000
Ordinary Shares - fully paid	282,181,291	277,529,305	57,816	57,221
Equity to be issued	-	-	-	-
Total Issued Capital	282,181,291	277,529,305	57,816	57,221

During the year ended 30 June 2012 the following movements in equity occurred:

Details	Date	Qty of Shares	Issue price	\$'000
Balance as at 1 July 2010		269,911,670		56,841
Shares issued to employees	31/08/2010	2,500,000	\$0.0600	137
Shares issued to employees	11/10/2010	5,117,635	\$0.0500	243
Balance as at 30 June 2011		277,529,305		57,221
Balance as at 1 July 2011		277,529,305		57,221
Shares issued to employees	21/07/2011	2,950,000	\$0.1100	324
Shares issued to employees	28/09/2011	2,701,986	\$0.1004	271
Shares cancelled	24/11/2011	(1,000,000)	\$0.0000	-
Balance as at 30 June 2012		282,181,291		57,816

Note 11: 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 discontinuing 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 30 June 2012 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.

	30-Jun-12 \$'000	30-Jun-11 \$'000
Bank guarantees	1,858	1,858
	1,858	1,858

Notes to the Financial Statements

For the Year Ended 30 June 2012 *(Continued...)*

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Note 12: Dividends

On 30 September 2011 the company declared a fully franked dividend and \$2.8 million was paid on 30 November 2011.

Note 13: Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the reporting period, not otherwise disclosed in this report, which significantly affected or may significantly affect the operations of the consolidated entity, the result of those operations or the state of affairs of the consolidated entity in subsequent financial years.

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