



Dividend Announcement and supporting commentary to the 2011 Annual Report

Dividend

The board of AMA Group Limited (ASX:AMA) is very pleased to announce today, after lodging our annual accounts and after final consideration of banking covenant requirements, that it has decided to declare a 1 cent per share dividend, (fully franked).

The payment schedule for this dividend will be;

Declared date:	30/09/11
Ex/Dividend date:	25/10/11
Record date:	31/10/11
Distribution date:	30/11/11

Supporting Commentary to the 2011 Annual Report

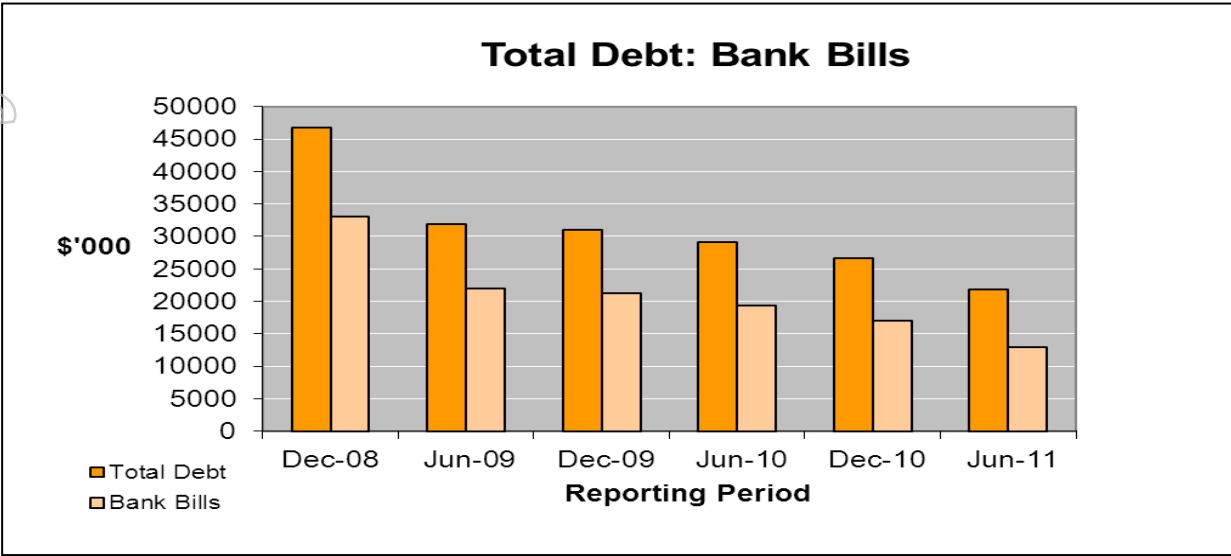
AMA is delighted to have reported total Revenue of \$53.940m, and a total group EBIT of \$10.026m for the year ended 30 June 2011.

This is a wonderful result for the company, which is now in a secure position, and well placed for the future.

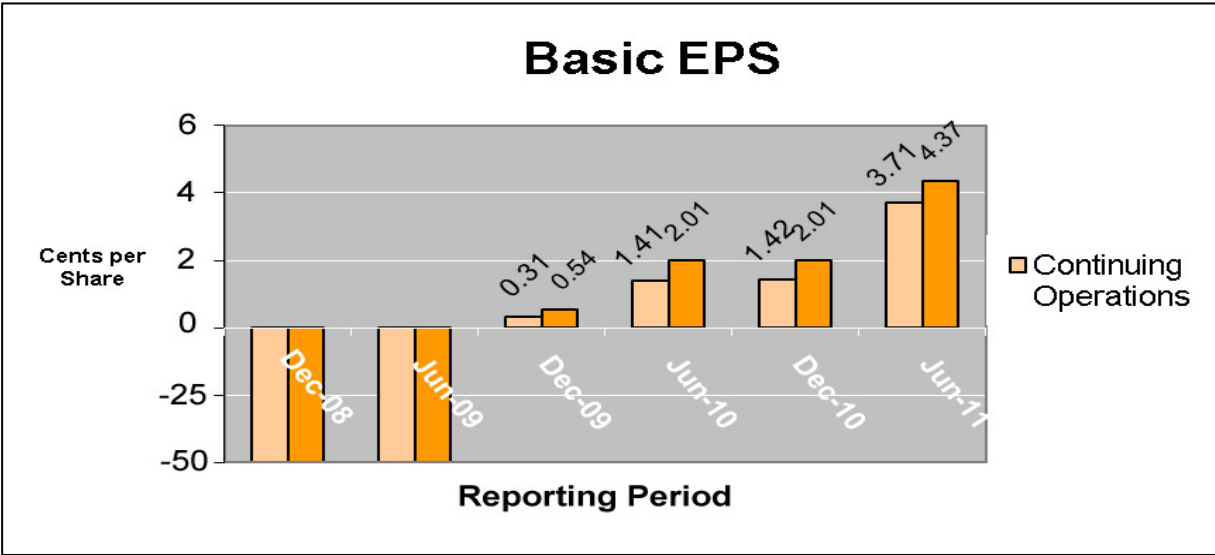
We would like to take a moment to remind shareholders how far we have come in a little over 2 years since taking control of AMA.

- Rationalised operations by reducing the number of businesses from 13 (many non-performers) to 6 profitable businesses.
- Although we have reduced revenue by removing the non-profitable businesses (\$79.3m to \$53.9m), we have turned a loss making operation into one that has now delivered a total group EBIT of \$10.026m

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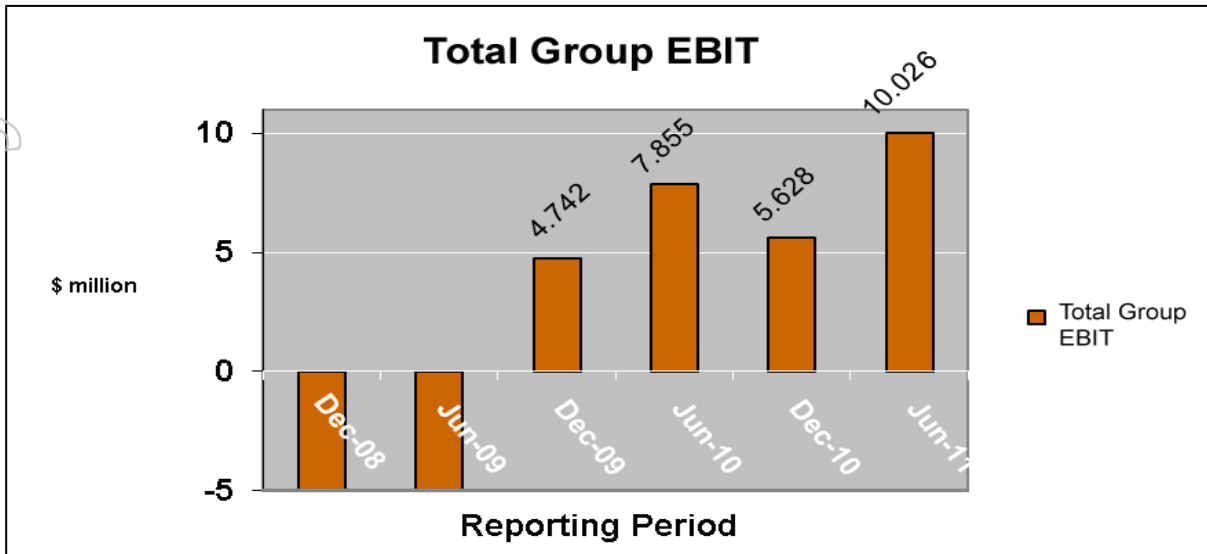


- We have paid off over a third of our bank bills in the last 12 months.
- Interest bearing debt has been reduced from \$22.580m to \$12.964m (AMA has a total of \$6.0m in non-interest bearing bank debt payable in 2019).
- Gearing is under 1.3 times and our interest cover sits at approximately 7.9 times.



- Earnings per share have increased to 4.37 cents
- Each business is now profitable in its own right, and most of our key personnel own shares in the company.
- A dividend has been declared whilst complying with our banking covenants.

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As at 30 June 2011, AMA was in a very sound financial position:

- \$3.750m in cash.
- \$7.644m in receivables.
- \$4.476m in inventory.
- \$3.594m excess of current assets over current liabilities
- Considerable future income tax benefits arising from brought forward trading losses of \$12.421m after satisfying 2011 tax obligations, as well as brought forward capital losses of \$12.430m
- \$12.964m in interest bearing debt which includes bank bills and leases. (This figure has been reduced from \$19.542m over the last 12 months).

AMA is now in a great position. We have \$3.090m in franking credits available before our current declared dividend, which we are planning to use over the next few years.

We believe it is important to benefit shareholders and pay dividends where appropriate.

As the Board and Management together own approximately 57% of the Company, we believe our interests are aligned with shareholders.

We thank our exceptional staff once again for a job very well done.

Duncan Fischer,
Chairman
AMA Group Limited.
30 September 2011