

9 June 2017

AMA Group Limited (ASX: AMA)

Automotive Solutions Group Limited – Response to Target’s Statement

The Board of AMA has now reviewed the Target’s Statement released by Automotive Solutions Group Limited (**ASGL**) on 7 June 2017.

The board of AMA makes the following observations about the Target’s Statement:

1. The Statement makes a comparison of earnings multiples. Any comparison to AMA is not relevant given the offer is entirely in cash, and does not involve AMA group shares. The board also considers comparisons to other companies in the Target’s Statement is misconceived as those companies are in different circumstances to ASGL.
2. In its first year of trading as a Public Company, ASGL has dramatically reduced the forecast made at the time of the IPO, only 7 months ago.
3. Given the above, AMA treats with extreme scepticism the claims made in the Target’s Statement of future profitability and prospects.
4. The resignation of the Managing Director, following the profit downgrade leaves ASGL in a position whereby the company appears ill equipped to:
 - (a) handle the serious challenges facing the company;
 - (b) adequately explain why 65% of shareholders value has been destroyed in 7 months;
 - (c) identify and explain what is the coherent management plan to try and redress this loss.
5. Were it not for the buying of ASGL shares by AMA and the subsequent takeover offer there is no proof that the share price of ASGL would have recovered at all from the 23c at which they traded after the announcement of the earnings downgrade. Hence AMA considers that an appropriate premium has been offered for the ASGL shares and rejects the suggestion that no premium has been offered.
6. The board of AMA has accordingly resolved that their **final offer** to be **35c per share**.

The offer is due to close on the 7th of July 2017.

The takeover bid launched by AMA in relation to ASGL is based on the Board's view that the businesses owned by ASGL will be synergistic to the existing non-panel division of AMA and will benefit from AMA's strong management and operational skills in this area.

AMA also remains focused on its ongoing acquisition of suitable panel repair businesses. AMA has a strong pipeline of acquisitions and anticipates releasing an update as to panel acquisitions in the near future.

Further the AMA board confirms its previous guidance that AMA is expected to generate an EBITDA, on a normalised basis, for FY2017 Full Year in excess of \$40 million.

Terri Bakos
Company Secretary