CHAIRMAN'S ADDRESS

TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

FRIDAY 22nd OCTOBER 2010

Ladies and Gentlemen,

It is a pleasure to welcome all shareholders and visitors to the State Theatre Building for this Annual General Meeting of Amalgamated Holdings Limited.

In opening, I would like to briefly comment on the centenary of the Company. Over the past 100 years the Company has weathered and endured many negative influences, including depression, recession, threats from new media and most recently, the Global Financial Crisis, yet the Company has always managed to emerge stronger and to prosper, and this has been particularly so over the last 10 years under the management of David Seargeant. This prosperity is also due to the loyal support from its shareholder base and I would like to thank all shareholders, past and present.

Turning to the matters for today's meeting, I now present to you the financial statements of the Group for the year ended 30 June 2010. The financial statements are contained within the Annual Report, which has been released to the market and forwarded to those shareholders who have requested it. Amendments to Corporations Law have allowed some simplification of the financial statements and financial statements are no longer dual statements with only the Group results shown.

In reviewing the financial highlights of the Group it is pleasing to report that the total net profit after tax for the year was $98.8 million compared to $69.5 million in the previous year, an increase of 42%. Given the financial turbulence of the last few years, the Board has been pleased with the performance of the year under review. The results for the 2010 financial year continue to demonstrate that your Company is a collection of sound businesses with a good management team that is ably led by the Managing Director.

As a result of the increase in net profit after tax, the Board was pleased to approve a final dividend for the year of 23 cents per share which, when combined with the interim dividend, makes a total distribution of 37 cents per share. This represents an increase of 16% over the prior year's dividend and is the 9th consecutive year of increased total dividend. The Board strives to maintain a dividend policy that is mindful of the needs and expectations of shareholders, but which also endeavours to ensure the longer term continuity of earnings for both shareholders and the Group.

The total net debt at 30 June 2010 was only $1.3 million compared to $56.7 million at 30 June 2009 and the Group's financing facilities, excluding working capital components, is $230 million with maturity not until July 2012.

The net debt position was favourably impacted when, in November last year, the Company undertook a 1 for 5 Renounceable Pro-rata Entitlement Offer. The offer was well received by shareholders and raised net proceeds of approximately $106 million. The offer was over-subscribed and the Company issued 26.1 million new shares as a result of the offer.

In addition the Dividend Reinvestment Plan was reactivated for the interim dividend. The Company issued 2.2 million shares under the plan and was able to retain approximately $11.8 million of the interim dividend. The plan did not operate for the 2010 final dividend.

The Company has continued to invest for the long term and the Group acquired property, plant and equipment and software totalling $83.8 million during the year. Internationally, the Group expanded its exhibition business footprint with the acquisition of the SKYCITY cinema business, based in New Zealand and Fiji. Shareholders would also be aware that the Group recently released plans for the redevelopment of the Gowings and State Theatre Office Building sites.

The Board continues to review, assess and monitor appropriate capital management initiatives and strategies. Capital management initiatives have been implemented to maintain gearing to a level commensurate with the stability and certainty of cash flows while retaining the flexibility to make appropriate acquisitions and further investments in the business. The capital management program is managed within the context of maintaining a strong balance sheet and maximising total return to shareholders.

Last year I commented on the economic uncertainty and the impacts to the Group. The Group's track record continues to demonstrate that we have a proven business model, a capable management team and a solid foundation on which to grow shareholder returns and future expansion. The Board carefully monitors domestic and international economic environments and, whilst the current uncertainty within the global economy continues to hold cause for concern, there is considerable comfort in acknowledging that the Group has businesses that continue to perform strongly.

Turning now to corporate governance matters, pages 2 to 11 of the 2010 Annual Report sets out the corporate governance practices and procedures and should assist shareholders in understanding and appreciating the importance placed upon good corporate governance.

From an overall corporate governance perspective, I am pleased to say that the Company has continued to meet all disclosure and regulatory requirements and I can assure shareholders that the Board, and committees of the Board, remain committed to providing the highest possible standard of disclosure and maintaining best practice.

I would now like to comment on the structure of the Board and changes since the last Annual General Meeting held in 2009. In February 2010 Mr Kenneth Chapman joined the Board. Ken's appointment was recommended by the Nomination and Remuneration Committee and he is a strong contributor to the Board. I am confident that his skills and energy will see an ongoing contribution to the future performance of the Group. I welcome Ken to the Board.

Ladies and gentlemen, as I have mentioned previously, the business segments in which the Group operates are at times volatile and always subject to varying degrees of change. Your Board and management continue to focus on optimising your Company's position so it can take advantage of appropriate opportunities as they arise.

I would now like to thank my co-directors for their efforts during the year and, again, our 5,700 shareholders for their continued and on-going support. I also acknowledge the considerable efforts of the Managing Director and his unwavering commitment and dedication and also the executive team for their collective and personal efforts.

I will now ask Mr Seargeant to present his address. Thank you.

Alan Rydge
AHL Chairman

MANAGING DIRECTOR'S ADDRESS

TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

FRIDAY 22nd OCTOBER 2010

Thanks Alan and good morning Ladies and Gentlemen.

Since the last Annual General Meeting, the business climate has continued to be characterised by problems associated with the financial crisis affecting almost all of the world's economies. Unlike some, we recognised this time as one of opportunity. It was an opportunity to lean up, restructure, reduce our overheads and develop a micro focus on our costs, whilst continuing to maintain our drive to pursue innovation and to gain market share. It was also an opportunity to pursue any attractive acquisition opportunities that the tough market conditions may present. This focus has again been reflected within the results and has contributed to normalised profit before other significant items, interest and tax, increasing over the prior year by 34.3% to $131 million. Over the period of the past 2 years we have achieved growth in normalised profit before other significant items, interest and tax of some 70%.

In hotels we set some new levels of market share, achieving in our owned hotels a level of market share averaging some 4 occupancy points over our competitive set. This represented additional revenue for our owned hotels of some $3 million. We achieved growth in occupancy of some 2.3 percentage points with occupancy at the highest level achieved in over a decade.

In our Australian cinemas, we achieved a market share growth of 1 full share point further consolidating our position of market share leader, and this represented some $10.6 million in additional Box Office revenue. We achieved this through a constant focus and a program of aggressive price driven promotions such as our Family & Friends viral campaign and through driving our premium offers, of Gold Class and further expanding our premium large screen experience, Vmax. This was in addition to the significant impact of 3D and our proportionately higher share of 3D screens compared to our competitors. The result across all our exhibition territories was characterised by the amazing performance of *Avatar* which, in grossing $2.8 billion worldwide, became the highest grossing movie of all time. Other major contributors were *Harry Potter and the Half-Blood Prince*, *Transformers: Revenge of the Fallen*, *Alice in Wonderland*, *The Twilight Saga: New Moon*, *Ice Age 3: Dawn of the Dinosaurs*, *Up* and *Iron Man 2*.

The German cinema circuit achieved an exceptional result with normalised profit before interest and tax of $30.2 million. This represented an increase of $18.2 million over the prior year result. The contribution from our interest in the Cinestar circuit based in the UAE was $9 million, a similar result to the prior year which, given the economic consequences of the Dubai property market collapse, was a solid result.

In taking advantage of the uncertain market conditions we have also made acquisitions totalling $55.8 million. These acquisitions included the Rydges Gladstone and Townsville hotels, and cinemas in Cronulla and Beverly Hills in NSW, Noosa in Queensland and very recently the Moonlight Outdoor Cinema business.

Internationally, we acquired the SKYCITY cinema circuit at a purchase price of NZD$61.1 million. This circuit is the largest in New Zealand and consists of 14 leasehold cinemas, the Rialto Joint Venture and the Fiji Cinema Joint Venture. A total of 12 cinemas have been re-branded to Event cinemas and a major marketing campaign was undertaken in June 2010 to launch and promote the Event brand. Even after allowing for all these acquisitions, and only due in part to our rights issue capital raising, we remain in the enviable position of being relatively debt free.

We have continued to pursue value adding property development opportunities. A seven-level commercial office development at the former Civic Cinema site in Canberra was completed and has been leased to an external tenant. We also undertook a residential sub division of the former Bass Hill Drive-In site. These two projects contributed a combined $18.5 million to the gross profit for the year.

We have also announced the launch of our new boutique hotel brand, QT Hotels & Resorts, and the redevelopment of the Gowings and State Theatre Office Building sites in Sydney. The commercial levels of these properties will be developed into a 4½ star boutique hotel which will be branded under the new QT brand. The State Theatre itself will remain unchanged. This project is of particular importance to the Group. The State Theatre and State Theatre Office Block were built by the Group in 1929 and have been an integral part of the Company since that time. The Gowing's Building, which is also an iconic building to Sydney, was purchased by the Company in 2006. The redevelopment of the two buildings is a significant milestone for the Group and the Sydney CBD.

With poor natural snow conditions the result out of Thredbo showed a decline of some 6% over the prior year's record result. The benefits of our investment in snow making were however of critical importance in limiting the impact of the very low level of natural snow.

Specific details in relation to the year's trading have been outlined within the Directors Report which forms part of the 2010 Annual Report. I will now comment on the current year and the results achieved for the first three months.

The profit before tax for the quarter ending 30 September 2010 was $43.8 million. This result includes individually significant items totalling $3.7 million relating to further profit recognised from sales of residential land lots at Bass Hill, plus additional development gains that can now be recognised in respect of the Canberra Civic property. This represents an increase of 4.3% over the prior comparable period. The major drivers of this lift in earnings have been the individually significant items, an increase in the profits from hotels and Thredbo and lower interest costs, these were however offset by a fall in the exhibition earnings primarily out of our circuit in Germany which following a record quarter in the year prior was affected by the impact of the Football World Cup on July trading.

The result from our hotel business was encouraging with a continuing uplift in the corporate and conference markets.

Thredbo, despite experiencing inconsistent conditions over the July and August period had a strong finish for September which contributed to the record level of earnings for Thredbo for the first quarter.

I now wish to advise shareholders that, overnight Australian Time, we exchanged contracts to sell our 49% shareholding in the MAF Greater Union Cinema Joint Venture in the UAE. The selling price was AED$283 million (approximately $78.7 Australian Dollars) and this represents a book profit on our investment of A$60.6 million. We expect to complete the transaction on Monday 25th October. A release to the ASX regarding the sale was made earlier this morning.

Uncertainty still surrounds many of the world's major economies and it remains difficult to comment with any high level of confidence on the outlook for the remainder of the year. With a strong film line up, improved outlook in Germany and some encouraging signs in the hotel sector we do believe however that we are well positioned to continue to meet the challenges this uncertainty presents.

Thank you. Your support and interest in attending this morning is appreciated.

David Seargeant
AHL Managing Director