

FINANCIAL RESULTS

HALF-YEAR ENDED 31 DECEMBER

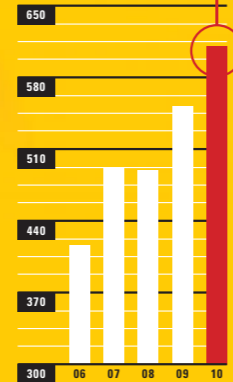
	2006	2007	2008	2009	2010
(\$ million unless indicated)					
Revenue from sales of goods or rendering of services	300.7	313.9	366.1	409.5	399.2
Other revenue and income	30.3	25.2	23.3	30.2	27.1
Revenue, gain and other income from discontinued operations	2.6	64.4	0.2	–	60.3
	333.6	403.5	389.6	439.7	486.6
Share of revenue derived from jointly controlled entities	85.4	91.3	101.6	115.2	113.6
Total revenue and other income*	419.0	494.8	491.2	554.9	600.2
Profit from continuing operations before individually significant items and income tax expense	43.3	49.3	62.2	79.4	60.9
Discontinued operations	11.2	67.3	0.2	4.7	62.3
Individually significant items	3.9	2.3	–	11.9	6.2
	15.1	69.6	0.2	16.6	68.5
Profit before income tax expense	58.4	118.9	62.4	96.0	129.4
Income tax expense from continuing operations	(8.5)	(14.4)	(15.2)	(19.8)	(18.4)
Income tax (expense)/benefit from discontinued operations	(0.2)	(26.4)	3.6	–	–
Profit after income tax expense	49.7	78.1	50.8	76.2	111.0
Basic earnings per share (cents)	39.0	60.9	37.2	54.4	69.7
Basic earnings per share from continuing operations (cents)	30.4	29.0	34.4	51.0	30.6
Interim dividend per ordinary share (cents)	10.0	11.0	11.0	14.0	14.0
Total tangible assets	819.9	752.8	838.1	938.7	1,027.5
Cash net of borrowings/(Borrowings net of cash)	(166.2)	(20.4)	(44.3)	(30.5)	105.6

* To more fairly reflect the operations of the Group, revenue disclosed includes the Group's share of the sales revenue earned by jointly controlled entities.

HIGHLIGHTS

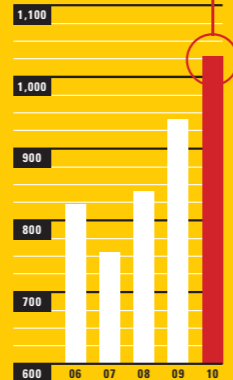
\$600.2
MILLION
8.2% INCREASE

TOTAL REVENUE AND OTHER INCOME (\$M)



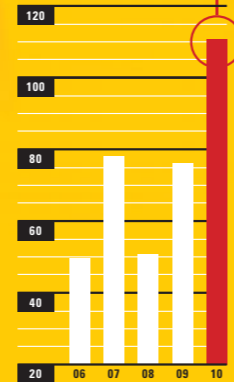
\$1,027.5
MILLION
9.5% INCREASE

TOTAL TANGIBLE ASSETS (\$M)



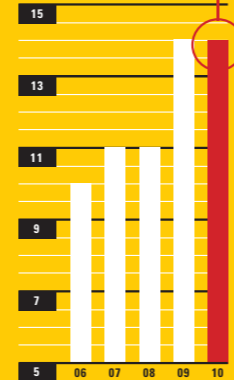
\$111.0
MILLION
45.5% INCREASE

PROFIT AFTER INCOME TAX EXPENSE (\$M)



14.0
CENTS

INTERIM DIVIDEND (CENTS) PER ORDINARY SHARE



LOCATIONS

ENTERTAINMENT

www.eventcinemas.com.au
www.eventcinemas.co.nz
www.greaterunion.com.au
www.birch.com.au

EVENT

NSW
Bondi Junction, Sydney
Campbelltown, Sydney
Castle Hill, Sydney
Macquarie, Sydney
Parramatta, Sydney
Sydney City, George Street
Top Ryde, Sydney

SA
Marion, Adelaide

WA
Innaloo, Perth

QLD
Chermside, Brisbane
Indooroopilly, Brisbane
Robina, Gold Coast

NEW ZEALAND

Albany, Auckland
Highland Park, Auckland
Manukau, Auckland
Newmarket, Auckland
Queen Street, Auckland
St Lukes, Auckland
Westcity, Auckland
Westgate, Auckland
Center Place, Hamilton
Chartwell, Hamilton
New Plymouth
Embassy, Wellington
Queensgate, Wellington
Whangerei
Rialto, Auckland
Rialto, Christchurch
Rialto, Dunedin

FIJI

Lautoka
Suva

GREATER UNION

ACT
Manuka, Canberra

NSW
Burwood, Sydney
Glendale, Newcastle
Hornsby, Sydney
Hurstville, Sydney
Liverpool, Sydney
Miranda, Sydney
Newcastle
Shellharbour
Tuggerah, Central Coast
Wollongong
Blacktown Drive-In, Sydney

SA
Arndale, Adelaide

VIC
Melbourne City

WA
Morley, Perth

BIRCH CARROLL & COYLE

NSW
Coffs Harbour
Lismore

NT
Casuarina
Darwin City

QLD
Australia Fair, Gold Coast
Brisbane City Myer Centre, Brisbane

Browns Plains, Brisbane
Cairns Central
Cairns City
Capalaba, Brisbane
Carindale, Brisbane
Coolangatta, Gold Coast
Earlville, Cairns
Garden City, Brisbane
Ipswich City
Mackay City

Mt Pleasant, Mackay
Maroochydore, Sunshine Coast
Morayfield, Brisbane
Pacific Fair, Gold Coast
North Rockhampton
Strathpine, Brisbane
Toowoomba Grand Central
Toowoomba Strand
Townsville City

OTHER

Beverly Hills Cinemas (NSW)
Cronulla Cinemas (NSW)
Noosa Cinemas (QLD)

CINESTAR

Germany
United Arab Emirates
www.cinestarcinemas.com
www.cinestar.de

STATE THEATRE

Sydney, NSW
www.statetheatre.com.au

ENTERTAINMENT TECHNOLOGY

EDGE DIGITAL TECHNOLOGY
Sydney, NSW
Melbourne, VIC
Adelaide, SA
Brisbane, QLD
Perth, WA
Auckland, NZ
www.edgedigitaltechnology.com.au

FILMLAB

Sydney, NSW
www.filmclub.com.au

HOSPITALITY & LEISURE

RYDGES HOTELS & RESORTS
www.rydges.com
Rydges Central Reservations
Toll Free 1300 857 922

AUSTRALIA

Rydges South Park, Adelaide
Rydges South Bank, Brisbane
Rydges Tradewinds, Cairns
Rydges Esplanade Resort, Cairns
Rydges Plaza, Cairns
Rydges Oasis Resort, Caloundra
Rydges Capital Hill, Canberra
Rydges Lakeside, Canberra
Rydges Eagle Hawk Resort, Canberra

Rydges Hobart
Rydges Melbourne
Rydges North Melbourne
Rydges Bell City, Preston, Melbourne
Rydges on Swanston, Melbourne
Rydges Kalgoolie
Rydges Perth
Rydges Gladstone
Rydges Sabaya Resort, Port Douglas

Rydges Southbank Townsville
Rydges Bankstown, Sydney
Rydges Campbelltown, Sydney
Rydges Camperdown, Sydney
Rydges Cronulla, Sydney
Rydges North Sydney
Rydges Parramatta, Sydney
Rydges World Square, Sydney
Rydges Port Macquarie
Rydges Wollongong
QT Gold Coast, Surfers Paradise
Capricorn International Resort, Yeppoon
Capital Square Hotel, Sydney
Art Series (The Blackman), Melbourne
Art Series (The Cullen), Melbourne
Art Series (The Olsen), Melbourne

NEW ZEALAND

Rydges Auckland
Rydges Christchurch
Rydges Lakeland Resort, Queenstown
Rydges Rotorua

UNITED ARAB EMIRATES

Rydges Plaza Dubai

UNITED KINGDOM

Rydges Kensington Plaza, London

THREDBO ALPINE RESORT

Thredbo, NSW
www.thredbo.com.au

FEATHERDALE WILDLIFE PARK

Doonside, NSW
www.featherdale.com.au

AHL CORPORATE

49 Market Street
Sydney, NSW 2000
Phone (02) 9373 6600
www.ahl.com.au

2010

AMALGAMATED HOLDINGS LIMITED

HALF-YEAR REPORT



AMALGAMATED HOLDINGS LIMITED
ABN 51 000 005 103

OVERVIEW

AHL IS ONE OF AUSTRALIA'S PREMIER ENTERTAINMENT, HOSPITALITY, AND TOURISM & LEISURE COMPANIES. ITS THREE MAIN OPERATING DIVISIONS ARE ENTERTAINMENT, ENTERTAINMENT TECHNOLOGY, AND HOSPITALITY & LEISURE.

Net profit after tax was \$110,924,000, an increase of 45.5% on the previous comparable half-year period. The increase in net profit was primarily attributable to a profit of \$60,318,000 booked on the sale of the Group's 49% interest in the cinema business located in the United Arab Emirates.

The normalised result was \$44,268,000, a decrease of 26.4% on the previous comparable half-year period. The decline in normalised profit was mostly attributable to the Cinema Exhibition business which was affected by the relatively soft film line-up over the traditionally strong Christmas holiday trading period. Hotels and Thredbo achieved solid growth over the previous comparable half-year period.

DIVIDEND

Directors have declared a fully franked interim dividend of 14 cents per share.

Individually significant items included the following:	31 Dec 2010 \$'000	31 Dec 2009 \$'000
Profit on sale of interest in MAF Greater Union LLC	60,318	—
Valuation increment recognised on the property development site in Canberra	2,251	9,300
Profit on the sale of land lots from the Bass Hill development land bank	3,998	2,604
Total individually significant items before income tax expense	66,567	11,904

REVIEW OF OPERATIONS

BY DIVISION



ENTERTAINMENT

CINEMA EXHIBITION AUSTRALIA

The normalised profit before interest and income tax expense was \$20,227,000, a decrease of 14.1% on the prior comparable half-year period.

Domestic Exhibition experienced a weaker half-year period recording a 1.3% decrease in Box Office. This decline in Box Office was the result of a disappointing Christmas trading period, with total Box Office for December down on the prior comparable half-year period by 18.8%.

The half-year result was underpinned by two titles, *Harry Potter and the Deathly Hallows* and *Inception*, which both achieved in excess of \$35 million at the Australian Box Office. Other major contributors included *The Twilight Saga: Eclipse* and *Toy Story 3* both achieving in excess of \$30 million during the period. *Despicable Me* achieved in excess of \$20 million.

During the half-year period the Group continued to expand its 3D digital footprint significantly and capitalised on the increasing number of titles released in 3D. Over the six-month period 49 additional 3D projectors were installed over the circuit taking the total amount of projectors to 164. This is the largest deployment of any exhibitor within Australia.

Merchandising revenue continued to grow with a 5.1% improvement in revenue per admission over the prior comparable half-year period. This growth was driven by the continued rollout of the successful self serve Scoop Alley candy bar concept and the ongoing success of the Gold Class cinema experience.

During the six-month period the Group opened a new eight-screen cinema at the Top Ryde City shopping complex in north western Sydney. The development is an Event Cinema and includes one Vmax screen and seven traditional auditoriums. The Group also completed the purchase of the Moonlight Cinema business for \$1,750,000. Moonlight Cinema operates an outdoor cinema business across five sites, located in Sydney, Melbourne, Adelaide, Brisbane and Perth.

The contribution for the Group's 50% interest in the Village managed circuit in Victoria decreased by 3.0% over the comparable half-year period. This downturn was due largely to the soft film line-up over the Christmas period.

CINEMA EXHIBITION NEW ZEALAND

The normalised profit before interest and income tax expense was \$1,037,000 for the half-year to 31 December 2010. The Cinema Exhibition New Zealand business was acquired in February 2010 and, as a result, there are no comparable reported profit results.

The New Zealand business, which also includes the Fiji Cinema Joint Venture (66.67% share in two cinemas), experienced a difficult half-year period with Box Office down 11.1%. The majority of the decline was experienced over the traditionally busy December month, which was down 37.5% over the prior comparable period.

The Box Office result for the period was predominately driven by strong performances from *Inception* which grossed in excess of NZ\$6 million at the New Zealand Box Office, as well as *Toy Story 3*, *Harry Potter and the Deathly Hallows* and *The Twilight Saga: Eclipse*, all of which grossed in excess of NZ\$5 million. *Despicable Me* achieved NZ\$4.2 million.

During the six month period, merchandising revenue spend per admission increased by 4.7% despite the negative impact on net revenues resulting from the increased GST rate on 1 October 2010 from 12.5% to 15.0%. This growth was driven by a continued focussed approach on a number of Candy Bar Combo promotions.

During the period the Group expanded the 3D digital footprint to 29 screens, which helped to capitalise on the increased number of titles being released in 3D. In addition during the period the Group commenced capital projects to refurbish four key cinema locations across the New Zealand circuit.

CINEMA EXHIBITION GERMANY

The normalised profit before interest and income tax expense was \$9,216,000, a decrease of 69.4% on the prior comparable half-year period.

The German circuit suffered from a lack of consistent quality film product, extremely poor weather conditions during December and the negative impact of the Football World Cup on the July 2010 trading month. Box Office in Euros decreased by 16.9% over the very strong prior comparable half-year period. The box office contribution from German produced films also showed a significant decline with only 10% of the box office coming from German product as against 28% in the prior comparable half-year period. The top performing films at the German

Box Office were *Harry Potter and the Deathly Hallows: Part 1*, *Twilight Saga: Eclipse*, *Inception*, *Despicable Me* and *Shrek Forever After*.

The average admission price increased by 6.8% over the prior half-year period which was partly attributable to the surcharge for 3D films, with a greater number of sites in Germany now having 3D capacity. The German exhibition circuit currently has 96 screens at 50 sites with 3D capacity.

Merchandising spent per head increased by 8% over the prior half-year period.

The strengthening of the Australian dollar against the Euro continued to have a negative impact on the results from Germany when translated to Australian dollars. The average month end SA/Euro exchange rate for the half-year to 31 December 2010 was 71.7 cents against 60.4 for the prior comparable half-year period.

CINEMA EXHIBITION – UNITED ARAB EMIRATES

The Groups' 49% interest in the Middle East cinema business was sold during the period to joint venture partner the Majid Al Futtaim Group for AED283 million (A\$78.7million). The earnings received for the period prior to the sale were \$1,964,000 and the profit on sale was \$60,318,000.

HOSPITALITY & LEISURE HOTELS

The normalised profit before interest and income tax expense was \$16,940,000, an increase of 10.6% on the prior comparable half-year period.

OWNED HOTELS

Occupancy in the Group's owned hotels of 79.3%, with an average rate of some \$134 represented a revpar increase of 6.2% over the prior comparable period.

Corporate Travel rebounded strongly from the Global Financial Crisis lows of the previous year. Volume from the corporate segment has been strong throughout the period, with rate growth emerging towards the end of the first half. The important conference segment is still yet to recover, with results in-line with the prior year.

Domestic leisure travellers continue to be very price sensitive, however this segment has proven to be resilient in most locations, albeit with some softening emerging toward the end of the first half.

The Group continues to focus on maximising Revpar growth via an equal focus on driving average room rate when demand allows, whilst supplementing demand with strong promotional activity when required. The Group's market share continues to improve.

Food and Beverage revenue has grown 23% over the prior comparable period. This is primarily as a result of the new F&B Bar and Restaurant concepts recently opened in Canberra, Melbourne, Cronulla and Cairns.

Higher workers compensation premiums resulted in a slight decline in room's margin, however F&B margin grew strongly off the back of the pleasing revenue growth and good cost control. Earnings were impacted by one-off costs arising from preparations for the launch of the new QT brand on the Gold Coast.

MANAGED HOTELS

The management company produced a solid first half result. Income grew by some 16.7%, with a corresponding 19.6% increase in contributions. This was a result of solid trading across the bulk of the managed portfolio, particularly hotels located in the mainland Australian capital cities, which have benefited from the resurgent corporate travel market described above. Fee income was also positively impacted by an expansion of hotels under management during 2010. Unfortunately, the improved trading environment was not experienced in all locations, with Dubai and Queensland resort areas continuing to be characterised by over supply and soft demand.

OPERATIONS

The Group continues to leverage the increasingly powerful combination of www.rydges.com and the Rydges PriorityGUEST program to deal directly with guests and drive increasing revenues into hotels. The program had some 371,000 members at 31 December 2010 (331,000 members at 30 June 2010). Revenue booked via rydges.com increased by 15.8% over the prior comparable half-year period.

THREDBO ALPINE RESORT

The normalised profit before interest and income tax expense was \$17,431,000, an increase of 6.8% on the prior comparable half-year period.

Thredbo experienced solid trading despite inconsistent natural snow conditions during the first half of the season, however favorable weather conditions allowed Thredbo to produce a record amount of man-made snow giving very favorable skiing conditions during July and into early August, this was followed by near record snow falls for the remainder of the 2010 ski season. The September result was particularly strong when compared to prior seasons.

LEISURE/ATTRACTIONS

The normalised profit before interest and income tax expense was \$1,166,000, a decrease of 6.4% on the prior comparable half-year period.

ENTERTAINMENT TECHNOLOGY

The normalised profit before interest and income tax expense was \$510,000, a decrease of 42.6% on the prior comparable half-year period. This was due to the establishment of a new digital production studio.

OTHER

PROPERTY

The normalised profit before interest and income tax expense was \$2,594,000, a significant increase on the prior comparable half-year period.

During the half-year period a further 27 contracts for land lots were settled on the subdivision of the former Bass Hill Drive-In site, providing a profit of \$3,998,000 which has been booked as an individually significant item.

A further fair value adjustment of \$2,251,000 was booked as an individually significant item in relation to the Canberra Civic development following finalisation of all outstanding claims on the development.

DC Seargeant
AHL Managing Director