CHAIRMAN'S ADDRESS
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FRIDAY 26 OCTOBER 2012

Ladies and Gentlemen,

It is a pleasure to welcome all shareholders and visitors to Event Cinemas George Street for this Annual General Meeting of Amalgamated Holdings Limited. It is worth noting that this is the first time that the Annual General Meeting has been held at the George Street cinemas.

Turning to the matters for today's meeting, I now present to you the financial statements for the Group for the year ended 30 June 2012. 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.

In reviewing the financial highlights of the Group, the total net profit after tax for the year was $79.7 million compared to $139.8 million in the previous year. Shareholders will recall that the prior year net profit included a $60.3 million profit booked on the sale of the Group's interest in the cinema exhibition business based in the UAE. The normalised result (being profit before individually significant items, discontinued operations and income tax) was $106.6 million compared to $102.3 million in the previous financial year, an increase of 4%.

The Board was pleased to approve a final dividend for the year of 25 cents per share. The total dividend was 39 cents per share and represents an increase of 5% over the prior year's dividend, excluding the special dividend of 4 cents paid in 2011. The Board strives to maintain a dividend policy that is mindful of the needs and expectations of shareholders, and in doing so provides continuity of earnings for both shareholders and the Group.

The Group's total cash balance at 30 June 2012 was $63.3 million with total debt outstanding of $47 million. The Group's financing facilities were renegotiated and finalised during the year and the current total available facilities, excluding working capital components, is $350 million.

The Board continues to review, assess and monitor appropriate capital management initiatives and strategies. The capital management program is managed within the context of maintaining a strong balance sheet and maximising total return to shareholders. In line with this strategy the Group continued investment in its core businesses during the year.

Over the last few years I have commented on the continuing economic uncertainty and the potential impacts to the Group, and this year is no different. However, 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 comprises businesses that continue to perform strongly.

Pages 2 to 15 of the 2012 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 Group 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.

The Board places a high focus on having an appropriate approach to remuneration. Details of this approach are dealt with in the Annual Report. In particular, the Group's policies are designed to, as far as possible, ensure that the remuneration package is reflective of an employee's duties and responsibilities and to enable the Group to attract, motivate and retain high calibre executives.

For many executives, the remuneration package contains a significant component which is performance related, in the form of an "at risk", cash-based, Short Term Incentive. One of the hurdles, on which the incentive is calculated, is Group performance. Notwithstanding the performance of the Group and the increase in dividend noted above, the AHL Managing Director achieved 47% of his total potential 2011 Short Term Incentive, and 45% of his 2012 Short Term Incentive. In addition the AHL Managing Director did not receive an increase in base remuneration at the last review conducted in June 2013. Regarding the Long Term Incentive, the Board has approved a review of the existing plan and arrangements and expects that some changes may be adopted to the Long Term Incentive Plan.

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 the Group'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 continuing commitment and dedication. To the executive team and all Group employees I extend our thanks 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
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Thanks Alan and good morning Ladies and Gentlemen.

Since the last Annual General Meeting, the business climate has remained uncertain and has continued to be characterised by problems associated with the 2008 financial crisis. Throughout the period following the crisis we have had a very clear and constant focus on the following key performance drivers: gain and retain increased market share; develop innovative new ways to drive incremental spend; and to maintain a micro focus on costs, and this was again the case over this past year.

As a result of the continuing focus on these key performance drivers, the current year's normalised profit before other significant items, interest and tax increased over the prior year by 4.7% to $107 million.

Since 2008 we have achieved growth in normalised profit before individually significant items, interest and tax of some 38% and net tangible assets per share have increased by 19%, from $4.29 per share in 2008 to the current level of $5.12 per share. This has been achieved not only through our operational initiatives but by continuing to look at opportunities to grow the future earnings of the Company.

The Group acquired property, plant and equipment totalling $118.8 million during the year. This included development costs in respect of QT Sydney which opened last month, the completion of the redevelopment of QT Gold Coast and the refurbishment of QT Port Douglas. During the refurbishment of both the Gold Coast and Port Douglas resorts significant disruption to trading was experienced. The impact on earnings of this has been estimated at approximately $2 million.

Referring now to our business operations, the Australian cinema circuit experienced relatively strong trading conditions, achieving a 2.5% increase in box office. Major contributors to the Australian box office for the year were *The Avengers* and *Harry Potter and the Deathly Hallows – Part 2*, with both achieving in excess of $50 million at the Australian box office. The Group continued to expand its big screen, big seat Vmax concept and there are now a total of 28 Vmax screens across the Australian circuit.

The New Zealand cinema circuit performed well with, on a same screen basis, box office increasing by 1.3% over the prior year. During the year the Group closed the Hamilton cinema and added two additional screens in the historic Embassy Theatre in Wellington.

The German cinema circuit similarly performed well, driven in large part by the success of *Harry Potter and the Deathly Hallows – Part 2*, *The Avengers* and the French film *The Intouchables*. Box office for the German circuit increased 3% over the prior year and whilst admissions were flat, average admission price achieved growth of 3.2%. Earnings continue to be affected by the strengthening of the Australian dollar against the euro. As detailed in the 2012 Annual Report, the profit for the year includes individually significant income of $18.8 million following the resolution of the dispute with German tax authorities over Value Added Tax from prior years.

Occupancy in the Group's like for like owned and managed hotels declined 0.8 percentage points to 68.1%. This was offset by an increase in average rate of almost 6% to $143. The Group completed refurbishment projects at Rydges Lakeside and Rydges North Sydney during the year and after accounting for the short term disruption of these refurbishments, the Group's occupancy held steady with the prior year's results.

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Normalised profit for Thredbo decreased by 29%. The 2011 season ended up being very disappointing with virtually no significant snowfalls occurring over the peak August period and conditions rarely suited for snowmaking. Overall skier numbers were 7% down on the 2010 season.

In property, all remaining lots at the residential subdivision of the Bass Hill Drive-In site were sold during the year, with a profit of $2 million booked as an individually significant item in relation to those sales. The total accounting profit over the life of the Bass Hill project was $15.8 million.

In September 2012, the Group's hotly anticipated flag-ship QT Sydney opened in the Gowings and State Theatre buildings. This followed the relaunch of our Gold Coast and Port Douglas properties as QT resorts earlier this year.

The British clothing retailer TopShop opened its new Sydney store in the retail space at the QT Sydney development earlier this month.

Further specific details in relation to the year's trading have been outlined within the Directors' Report which forms part of the 2012 Annual Report. I will now comment on the current year and the results achieved for the first three months.

The profit before interest and tax for the quarter ending 30 September 2012 was $29.8 million. This result excludes the non-recurring expenses relating to the opening of the Group's flag-ship QT Sydney. On a like-for-like basis the result is 29.6% below the prior period comparable result. Approximately 70% of the first quarter shortfall was attributable to the Group's German cinema circuit which was impacted by the lack of any strongly performing film product, the 2012 European Football championships (held in June and July) and the London Olympics. The circuits in both Australia and New Zealand were also affected by the film line-up.

The result from the hotel business has been adversely impacted by the broader economic conditions. Whilst conditions at Thredbo were greatly improved over the prior season, the result was consistent with the prior year due largely to reduced lift ticket pricing and increased costs, particularly energy.

The general forward outlook is positive, with some highly anticipated new releases scheduled over the coming months, including *Skyfall* from the Bond franchise, *The Twilight Saga: Breaking Dawn – Part 2* and *The Hobbit: An Unexpected Journey* to be released on Boxing Day.

Construction has commenced on our planned new brand Abode by Rydges at our Blacktown Drive-In site adjacent to the new Wet n Wild theme park also currently under construction. Completion is expected by mid 2013

Work is expected to commence prior to Christmas on our 17 level development of the Mick Simmons and State Theatre annex sites on George Street Sydney with completion expected by the end of 2014.

I would like to take the opportunity to acknowledge and thank our executive team for continuing to drive the performance of our Company in these difficult times.

With uncertainty still surrounding many of the world's major economies it remains difficult to comment with any high level of confidence on the outlook for the remainder of the year. However, with a strong film line up, improved outlook in Germany and some encouraging signs in the hotel sector we do believe 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

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