



AMALGAMATED HOLDINGS LIMITED

A.B.N. 51 000 005 103

Financial Results

For the half year ended 31 December 2012

This half year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2012 Annual Report.

ASX code:	AHD
Released:	21 February 2013
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APPENDIX 4D

HALF YEARLY REPORT

RESULTS FOR ANNOUNCEMENT TO THE MARKET

for the half year ended 31 December 2012
(previous corresponding period: half year ended 31 December 2011)

Key Information

				2012 A\$'000	2011 A\$'000
Revenue and other income from ordinary activities	Down	2.2%	to	426,885	436,432
Total revenues and other income	Down	2.2%	to	426,885	436,432
Profit before individually significant items, net finance costs and income tax expense	Up	1.7%	to	66,726	65,624
Net finance costs				(2,698)	3
Profit before individually significant items and income tax expense	Down	2.4%	to	64,028	65,627
Individually significant items				(3,251)	21,540
Profit before income tax expense	Down	30.3%	to	60,777	87,167
Income tax expense				(13,513)	(21,947)
Profit after income tax expense and before minority interest	Down	27.5%	to	47,264	65,220
Minority interest				-	-
Profit for the year attributable to members of the parent entity	Down	27.5%	to	47,264	65,220
Dividends (distributions)		Amount per security		Franked amount per security	
Final dividend	-	2012 (paid 20 September 2012)		25 ¢	25 ¢
Interim dividend	-	Current year		15 ¢	15 ¢
	-	Previous corresponding period		14 ¢	14 ¢
Record date for determining entitlements to the dividend	7 th March 2013				
Date of interim dividend payment	21 st March 2013				

Explanation of Revenue

See attached annexure and the Directors' Report.

Explanation of Profit from Ordinary Activities after Tax

See attached interim consolidated financial report.

Explanation of Net Profit

See attached interim consolidated financial report.

Explanation of Dividends

See attached interim consolidated financial report.

Net Tangible Asset Backing

	December 2012	December 2011
Net tangible asset backing per share	\$5.20	\$5.19

Controlled Entities Acquired or Disposed of

See attached interim consolidated financial report.

Additional Dividend Information

See attached interim consolidated financial report.

Dividend Re-Investment Plans

The Dividend Re-Investment Plan ("DRP") was suspended in August 2010 and will not operate for the 2013 interim dividend.

Associates and Joint Venture Entities

See attached interim consolidated financial report.

Compliance Statement

The information provided in this report has been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001 and other standards acceptable to ASX.

The attached interim consolidated financial report for Amalgamated Holdings Limited has been subject to review by its auditors, KPMG. A copy of the independent auditor's review report to the members of Amalgamated Holdings Limited is attached.

REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

CONSOLIDATED GROUP RESULT

	31 December 2012		31 December 2011	
	Normalised result* \$'000	Reconciliation to reported net profit \$'000	Normalised result* \$'000	Reconciliation to reported net profit \$'000
Entertainment				
Australia	24,024	24,024	21,417	21,417
New Zealand	2,097	2,097	1,137	1,137
Germany	16,156	16,156	15,806	15,806
Hospitality & Leisure				
Hotels	12,304	12,304	15,740	15,740
Thredbo Alpine Resort	13,253	13,253	14,238	14,238
Leisure and Attractions	1,931	1,931	2,106	2,106
Entertainment Technology				
Technology	989	989	778	778
Property and Other Investments				
Available-for-sale investments	330	330	305	305
Property	2,887	2,887	2,200	2,200
Unallocated revenues and expenses	(7,245)	(7,245)	(8,103)	(8,103)
	66,726	66,726	65,624	65,624
Finance revenue	1,062	1,062	1,697	1,697
Finance costs	(3,760)	(3,760)	(1,694)	(1,694)
	64,028	64,028	65,627	65,627
Income tax expense	(14,488)	(14,488)	(18,331)	(18,331)
	49,540	49,540	47,296	47,296
Individually significant items – net of tax		(2,276)		17,924
Reported net profit		47,264		65,220

* Normalised result is profit for the period before individually significant items (as outlined in Note 4 to the interim consolidated financial report and in the table below). As outlined in Note 2 to the financial statements, this measure is used by the Board of Directors to allocate resources and in assessing the relative performance of the Group's continuing operations. The normalised result is an unaudited non-IFRS measure.

OVERVIEW

Net profit after tax was \$47,264,000 for the half year ending 31 December 2012. The current half year includes \$3,251,000 of pre-opening costs (non-recurring) relating to the opening and launch of QT Sydney and classified as an individually significant items. The prior half year period included individually significant income of \$21,540,000 relating to interest and Value Added Tax ("VAT") refunds in respect of overpaid VAT dating back to 2005 and profit on sale of land lots from the Bass Hill development land bank.

The normalised result was \$49,540,000, an increase of 4.7% on the previous comparable half year period.

	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Individually significant items for the period included the following:		
Pre-opening costs (non-recurring) relating to the opening and launch of QT Sydney	(3,251)	–
VAT and interest receivable relating to overpaid tax	–	19,574
Profit on sale of land lots from the Bass Hill development land bank	–	1,966
Total individually significant items before income tax expense	(3,251)	21,540
Income tax expense relating to individually significant items	975	(3,616)
Total individually significant items after income tax expense	(2,276)	17,924

REVIEW OF OPERATIONS

Entertainment

Cinema Exhibition Australia

The normalised profit before interest and income tax expense was \$24,024,000, an increase of 12.2% on the prior comparable half year period.

Domestic Exhibition produced a strong result due to an increase in merchandising sales and other revenues, which offset a relatively flat Box Office. The Box Office was underpinned by two titles: *Skyfall*; and *The Dark Knight Rises*, which both achieved in excess of \$40 million at the Australian Box Office. Other major contributors included *Ted* and *The Twilight Saga: Breaking Dawn – Part 2* both achieving in excess of \$25 million.

Merchandising revenue continued to grow with an 8.5% improvement in revenue per admission over the prior comparable half year period. This growth was driven by the rollout of a new Gold Class menu and the continued success of the self-serve Scoop Alley candy bar concept.

During the half year period the Group completed its digital rollout across the circuit, taking the total amount of digital projectors installed to 481, and opened a new 8 screen cinema at the Toombul shopping complex in north Brisbane. The Group also refurbished the eight screen cinema at Carindale in Brisbane's east, which included converting two auditoriums to Gold Class and two auditoriums to Vmax and refurbishing the food and beverage offerings. In addition the Group continued to expand its successful big screen, big seat Vmax concept, with an additional two traditional auditoriums converted to the Vmax concept at Innaloo in Perth and at Cairns Central in Far North Queensland. There are now a total of 32 Vmax screens across the Australian circuit.

The contribution from the Group's 50% interest in the Village managed circuit in Victoria increased by 30.1% over the comparable half-year period. This improvement was driven by an increase in other revenue and box office and a decrease in costs.

Cinema Exhibition New Zealand

The normalised profit before interest and income tax expense was \$2,097,000, an increase of 84.4% on the prior comparable half year period.

The New Zealand business, which also includes the Fiji Cinema Joint Venture (66.67% share in two cinemas), produced a comparatively strong result for the period, predominately due to the positive impact of the renegotiation of an existing lease and the closure (in January 2012) of a non-performing cinema site. The Box Office was consistent with the prior year and was underpinned by the strong performances of *The Hobbit: An Unexpected Journey* which grossed over NZ\$7.5 million at the New Zealand Box Office, as well as *Skyfall*, *The Dark Knight Rises* and *The Twilight Saga: Breaking Dawn – Part 2*, all of which grossed in excess of NZ\$5 million.

Merchandising revenue continued to grow with a 5.4% improvement in revenue per admission over the prior comparable half-year period. The growth was driven by a continued focused approach on merchandising, along with a number of successful Candy Bar Combo promotions.

During the half year period the Group completed its digital rollout of the Event Cinemas circuit in New Zealand, leaving only 11 screens in the Rialto Joint Venture to be converted to digital in New Zealand.

Subsequent to the half year end, the Group closed the eight-screen cinema complex at Highland Park in Auckland.

Cinema Exhibition Germany

The normalised profit before interest and income tax expense was \$16,156,000, an increase of 2.2% on the prior comparable half year period.

Total Box Office increased by 10.2% over the prior comparable half-year which was attributable to an increase in admissions and the average admission price increase of 7.4%, predominately from increased 3D surcharges. Merchandising spend per head also increased by 7.5% over the prior half year period.

The German circuit admissions increased by 3.8% over the prior half year. The end of the half year brought a dramatic increase in admissions from the blockbuster films *Skyfall* and *The Hobbit: An Unexpected Journey*. The other top performing films at the German Box Office were *The Dark Knight Rises*, *The Twilight Saga: Breaking Dawn – Part 2*, *Madagascar 3* and *Ice Age 4*. German film product was disappointing with only 13.7% of the Box Office coming from German product as against 18.9% in the prior year.

The result was negatively impacted by the continued strengthening of the Australian dollar against the Euro. The average month end rate \$A/Euro exchange rate for the half year to 31 December 2012 was 0.814 cents against 0.745 cents for the prior comparable half year period (an unfavourable movement of 8.5%).

During the half year there was a hand back of four traditional sites to the landlord and a continuing increased level of capital expenditure arising from the continued rollout of digital projection systems. The German circuit currently has 285 digital screens (of a total 422 screens) at 55 sites.

Hospitality & Leisure

Hotels

The normalised profit before interest and income tax expenses for the hotel group was \$12,304,000, a decrease of 21.8% on the prior comparable half-year period.

Occupancy in the Group's owned hotels decreased by 0.3 of a percentage point to 70.0% compared to the prior comparable period. The average daily rate increased by 1.5% to \$147, resulting in a 1.2% increase in the revenue per available room.

Some softening in demand has emerged during the first half. This was particularly evident in the government and leisure segments, but also flowed to corporate travel in several markets. Midweek and Saturday night occupancy levels remain high in most city locations, however this has often only been achieved by responding to continued market wide discounting. The weaker demand has shortened the length of stay and this most severely impacts Friday and Sunday night occupancy levels and properties in regional destinations.

Occupancy results in the major city hotels continue to perform at cyclically high levels; however, fierce competition across the industry continues to hold back rate growth. High levels of promotional activity have been required to retain market share. The bulk of the profit decline came from a limited number of owned hotels which are heavily reliant on Government, Inbound and conference traffic.

Margins were impacted by higher workers compensation costs in the NSW hotels and large increases in energy costs across the portfolio. Other costs were relatively well controlled.

The much anticipated QT Sydney, located within the historic Gowings and State Theatre buildings, opened in mid-September 2012.

Thredbo Alpine Resort

The normalised profit before interest and income tax expense was \$13,253,000, a decrease on the prior corresponding period of \$985,000 or 6.9%.

Natural snowfalls during the 2012 season provided the best skiing conditions since 2004 with skier numbers increasing by 17% over the prior half year with 376,010 skier days recorded for the period and 423,890 skier days recorded over the full season. A heavily discounted season pass was introduced prior to the 2012 season to combat a value perception issue the Australian snow industry faces with unfavourable currency exchange rates contributing to the appeal of overseas skiing holidays. The discounted season pass combined with deeper discounts offered for online advance purchases saw a decline in lift pass yields of 7.1%.

Revenue for the period increased by 5.0% however profitability was impacted by rising energy costs and increased legal and marketing expenses. Non-winter revenues have benefitted from the opening of the new Kossie Flow Track, an additional top to bottom intermediate mountain bike trail with planning in progress for the construction of an additional 30km of mountain bike trail network.

Leisure/Attractions

The normalised profit before interest and income tax expense was \$1,931,000, a decrease of 8.3% on the prior comparable half year period. Featherdale produced a strong result, with a 50% increase in normalised profit before interest and income tax which was driven by growth in both the inbound and domestic segments. The result from the State Theatre declined by 35% with a reduced number of performances compared to the prior comparable half year period.

Entertainment Technology

The normalised profit before interest and income tax expense was \$989,000, an increase of 27.1% on the prior comparable half year period.

Property and Other Investments

Property

The normalised profit before interest and income tax expense was \$2,887,000, representing an increase of 31.2% on the prior comparable half year period. The increase was primarily due to the lease of the retail space in the Gowings Building to Topshop which commenced on 3 October 2012.



INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' REPORT

The directors present their report together with the interim consolidated financial report for the half year ended 31 December 2012 and the independent auditors' review report thereon.

Directors

The directors of the Company at any time during or since the end of the half year period are:

Name	Period of directorship
Mr AG Rydge (Chairman)	Director since 1978
Mr AJ Clark AM	Director since 1998
Mr DC Seargeant (Managing Director)	Director since 2001
Mr RG Newton	Director since 2008
Mr PR Coates AO	Director since 2009
Mr KG Chapman	Director since 2010
Ms VA Davies	Director since 2011

Review of operations

The review and results of operations are set out in the Annexure to the Appendix 4D.

Dividend

On 21 February 2013 the directors declared an interim dividend of \$24,083,988 (15 cents per share).

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 9 and forms part of the directors' report for the half year ended 31 December 2012.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the class order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



AG Rydge
Director



DC Seargeant
Director

Dated at Sydney this 21st day of February 2013.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Amalgamated Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG.

KPMG

Kenneth Reid
Partner

Sydney

21 February 2013

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Note	31 Dec 2012 \$'000	30 June 2012 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		87,867	63,309
Trade and other receivables		63,183	39,294
Inventories		17,050	22,029
Prepayments and other sundry assets		7,474	4,904
Total current assets		175,574	129,536
Non-current assets			
Trade and other receivables		1,160	1,220
Other financial assets		315	315
Available-for-sale financial assets		12,487	10,032
Investments accounted for using the equity method	8	117,809	115,390
Property, plant and equipment	9	731,614	705,638
Investment properties		69,600	79,350
Goodwill and other intangible assets	10	35,730	36,293
Deferred tax assets		9,377	6,433
Other non-current assets		5,188	4,018
Total non-current assets		983,280	958,689
Total assets		1,158,854	1,088,225
LIABILITIES			
Current liabilities			
Trade and other payables		88,502	86,443
Loans and borrowings	11	92	184
Current tax liabilities		5,602	7,882
Provisions		17,046	15,930
Deferred revenue		63,851	48,948
Other liabilities		4,979	1,807
Total current liabilities		180,072	161,194
Non-current liabilities			
Loans and borrowings	11	82,381	46,617
Deferred tax liabilities		8,138	5,442
Provisions		7,588	7,363
Deferred revenue		4,897	4,173
Other non-current liabilities		4,435	4,563
Total non-current liabilities		107,439	68,158
Total liabilities		287,511	229,352
Net assets		871,343	858,873
Equity			
Share capital	12	219,126	219,126
Reserves	13	9,175	3,829
Retained earnings		643,042	635,918
Total equity		871,343	858,873

The Statement of Financial Position is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INCOME STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Revenue and other income			
Revenue from sale of goods and rendering of services	3	402,159	390,836
Other revenue and income	3	24,726	45,596
		426,885	436,432
Expenses			
Employee expenses		(105,062)	(96,606)
Occupancy expenses		(89,386)	(91,369)
Film hire and other film expenses		(80,775)	(77,813)
Purchases and other direct expenses		(47,611)	(45,839)
Other operating expenses		(26,162)	(22,924)
Amortisation and depreciation		(21,748)	(20,576)
Advertising, commissions and marketing expenses		(10,768)	(10,342)
Finance costs		(3,760)	(1,694)
		(385,272)	(367,163)
Equity profit			
Share of net profit/(loss) of equity accounted investees:			
Associates	14	(4)	(15)
Jointly controlled entities	15	19,168	17,913
		19,164	17,898
Profit before income tax expense	4	60,777	87,167
Income tax expense	7	(13,513)	(21,947)
Profit for the period		47,264	65,220
		31 Dec 2012	31 Dec 2011
		Cents	Cents
Earnings per share:			
Basic earnings per share		29.9	41.4
Diluted earnings per share		29.7	41.0

The Income Statement is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Profit for the period	47,264	65,220
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations – net of tax	3,032	(3,685)
Net change in fair value of available-for-sale financial assets – net of tax	1,718	(728)
Net change on hedge of net investment in foreign operation – net of tax	(122)	94
Net change in fair value of cash flow hedges – net of tax	15	194
Other comprehensive income/(expense) for the period – net of income tax	4,643	(4,125)
Total comprehensive income for the period	51,907	61,095

The Statement of Comprehensive Income is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Share capital \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 2012	219,126	3,829	635,918	858,873
Profit for the period	–	–	47,264	47,264
Other comprehensive income				
Foreign currency translation differences for foreign operations – net of tax	–	2,910	–	2,910
Net change in fair value of available-for-sale financial assets – net of tax	–	1,718	–	1,718
Net change in fair value of cash flow hedges – net of tax	–	15	–	15
Total other comprehensive income recognised directly in equity	–	4,643	–	4,643
Total comprehensive income for the period	–	4,643	47,264	51,907
Employee share-based payments expense – net of tax	–	703	–	703
Dividends paid	–	–	(40,140)	(40,140)
Balance at 31 December 2012	219,126	9,175	643,042	871,343
Balance at 1 July 2011	219,126	6,086	621,801	847,013
Profit for the period	–	–	65,220	65,220
Other comprehensive (expense)/income				
Foreign currency translation differences for foreign operations – net of tax	–	(3,591)	–	(3,591)
Net change in fair value of available-for-sale financial assets – net of tax	–	(728)	–	(728)
Net change in fair value of cash flow hedges – net of tax	–	194	–	194
Total other comprehensive (expense)/income recognised directly in equity	–	(4,125)	–	(4,125)
Total comprehensive (expense)/income for the period	–	(4,125)	65,220	61,095
Employee share-based payments expense – net of tax	–	1,487	–	1,487
Dividends paid	–	–	(43,147)	(43,147)
Balance at 31 December 2011	219,126	3,448	643,874	866,448

The Statement of Changes in Equity is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Cash flows from operating activities		
Cash receipts in the course of operations	437,169	438,904
Cash payments in the course of operations	(389,208)	(387,477)
Cash provided by operations	47,961	51,427
Distributions from associates and jointly controlled entities	16,847	13,762
Other revenue	22,614	30,882
Dividends received	344	318
Interest received	978	2,193
Finance costs paid	(3,688)	(1,718)
Income tax refunds	30	41
Income tax paid	(15,032)	(20,130)
Net cash provided by operating activities	70,054	76,775
Cash flows from investing activities		
Amounts received from short term deposits	–	48,000
Payments for property, plant and equipment and redevelopment of properties	(34,171)	(52,685)
Payments for management rights, software and other intangible assets	(540)	(1,905)
Increase in loans to associates and jointly controlled entities	(7,192)	(3,076)
Proceeds from disposal of other non-current assets	132	145
Decrease in loans from other entities	(43)	(1,000)
Repayment of loans owing to other entities	–	(38)
Net cash used in investing activities	(41,814)	(10,559)
Cash flows from financing activities		
Proceeds from borrowings	35,000	–
Dividends paid	(40,140)	(43,147)
Net cash used in financing activities	(5,140)	(43,147)
Net increase in cash and cash equivalents	23,100	23,069
Cash and cash equivalents at the beginning of the period	63,309	50,581
Effect of exchange rate fluctuations on cash held	1,458	(1,399)
Cash and cash equivalents at the end of the period	87,867	72,251

The Statement of Cash Flows is to be read in conjunction with the condensed notes to the interim consolidated financial report on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND COMPLIANCE

Amalgamated Holdings Limited (“Company”) is a company domiciled in Australia. The condensed interim consolidated financial report of the Company as at and for the six months ended 31 December 2012 comprises the Company and its subsidiaries (collectively referred to as “Group” or “Consolidated Entity”) and the Group’s interest in associates and jointly controlled entities.

The interim consolidated financial report was authorised by the Board of the Company for issuance on 21 February 2013.

(a) Statement of Compliance

The interim consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reports* and the *Corporations Act 2001*.

The interim consolidated financial report does not include all of the information required for a full annual financial report.

It is recommended that this interim consolidated financial report be read in conjunction with the most recent annual financial report for the year ended 30 June 2012. This report should also be read in conjunction with any public announcements made by the Company during the half year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and directors’ report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(b) Significant Accounting Policies

The accounting policies applied by the Group in this interim consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2012.

(c) Estimates

The preparation of the interim consolidated financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim consolidated financial report, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2012.

(d) Financial Risk Management

The Group’s financial risk management systems are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2012.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 2 – SEGMENT INFORMATION	Cinema Exhibition			Entertainment Technology \$'000	Hotels \$'000	Thredbo Alpine Resort \$'000	Leisure and Attractions \$'000	Property and Other Investments \$'000	Consolidated \$'000	Add: Individually significant items \$'000	Normalised result \$'000
	Australia \$'000	New Zealand \$'000	Germany \$'000								
Operating Segments											
31 December 2012											
Revenue and other income											
External segment revenue	(a) 79,055	(a) 31,346	(a) 146,275	18,249	93,106	42,098	6,756	7,160	424,045	–	424,045
Inter-segment revenue	–	–	–	6,671	–	–	–	–	6,671	–	6,671
Other income – external	1	2	–	–	1,393	–	–	346	1,742	–	1,742
Segment revenue and other income	79,056	31,348	146,275	24,920	94,499	42,098	6,756	7,506	432,458	–	432,458
Finance revenue									1,062	–	1,062
Other unallocated revenue									36	–	36
Elimination of inter-segment revenue									(6,671)	–	(6,671)
Consolidated revenue and other income									426,885	–	426,885
Segment result before share of equity accounted business undertakings	6,749	1,509	14,851	993	9,053	13,253	1,931	3,217	51,556	3,251	54,807
Share of net profit from equity accounted business undertakings	17,275	588	1,305	(4)	–	–	–	–	19,164	–	19,164
	24,024	2,097	16,156	989	9,053	13,253	1,931	3,217	70,720	3,251	73,971
Unallocated revenue and expenses									(7,245)	–	(7,245)
Net financing costs									(2,698)	–	(2,698)
Profit before related income tax expense									60,777	3,251	64,028
Reportable segment assets	147,654	50,774	130,038	18,994	456,152	40,550	11,681	155,087	1,010,930	–	1,010,930
Equity accounted investments	108,326	6,784	2,547	152	–	–	–	–	117,809	–	117,809
Deferred tax assets									9,377	–	9,377
Unallocated corporate assets									20,738	–	20,738
Total assets									1,158,854	–	1,158,854

(a) Amount does not include the Group's share of sales revenue earned by jointly controlled entities (refer Note 15). If this share of revenue was to be included, revenue for Cinema Exhibition Australia would increase from \$79,055,000 to \$190,087,000, revenue for Cinema Exhibition New Zealand would increase from \$31,346,000 to \$34,201,000, and revenue for Cinema Exhibition Germany would increase from \$146,275,000 to \$152,199,000.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 2 – SEGMENT INFORMATION	Cinema Exhibition			Entertainment Technology \$'000	Hotels \$'000	Thredbo Alpine Resort \$'000	Leisure and Attractions \$'000	Property and Other Investments \$'000	Finance Revenue \$'000	Consolidated \$'000
	Australia \$'000	New Zealand \$'000	Germany \$'000							
Operating Segments										
31 December 2012										
Individually significant items										
Pre-opening expenses relating to the launch and opening of QT Sydney	-	-	-	-	(3,251)	-	-	-	-	(3,251)
	-	-	-	-	(3,251)	-	-	-	-	(3,251)

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 2 – SEGMENT INFORMATION	Cinema Exhibition			Entertainment Technology \$'000	Hotels \$'000	Thredbo Alpine Resort \$'000	Leisure and Attractions \$'000	Property and Other Investments \$'000	Consolidated \$'000	Less: Individually significant items \$'000	Normalised result \$'000
	Australia \$'000	New Zealand \$'000	Germany \$'000								
Operating Segments											
31 December 2011											
Revenue and other income											
External segment revenue	(a) 77,177	(a) 31,146	(a) 143,655	17,143	87,324	39,992	6,853	9,765	413,055	(3,569)	409,486
Inter-segment revenue	-	-	-	6,534	-	-	-	-	6,534	-	6,534
Other income – external	-	-	18,062	-	972	50	-	1,016	20,100	(18,035)	2,065
Segment revenue and other income	<u>77,177</u>	<u>31,146</u>	<u>161,717</u>	<u>23,677</u>	<u>88,296</u>	<u>40,042</u>	<u>6,853</u>	<u>10,781</u>	<u>439,689</u>	<u>(21,604)</u>	<u>418,085</u>
Finance revenue									3,236	(1,539)	1,697
Other unallocated revenue									41	-	41
Elimination of inter-segment revenue									(6,534)	-	(6,534)
Consolidated revenue and other income									<u>436,432</u>	<u>(23,143)</u>	<u>413,289</u>
Segment result before share of equity accounted business undertakings	5,756	796	31,930	793	15,740	14,238	2,106	4,471	75,830	(20,001)	55,829
Share of net profit from equity accounted business undertakings	15,661	341	1,911	(15)	-	-	-	-	17,898	-	17,898
	<u>21,417</u>	<u>1,137</u>	<u>33,841</u>	<u>778</u>	<u>15,740</u>	<u>14,238</u>	<u>2,106</u>	<u>4,471</u>	<u>93,728</u>	<u>(20,001)</u>	<u>73,727</u>
Unallocated revenue and expenses									(8,103)	-	(8,103)
Net financing costs									1,542	(1,539)	3
Profit before related income tax expense									<u>87,167</u>	<u>(21,540)</u>	<u>65,627</u>
Reportable segment assets	124,249	49,573	105,403	16,296	424,561	39,242	11,587	157,303	928,214	-	928,214
Equity accounted investments	108,198	6,533	3,498	136	-	-	-	-	118,365	-	118,365
Deferred tax assets									10,480	-	10,480
Unallocated corporate assets									41,105	-	41,105
Total assets									<u>1,098,164</u>	<u>-</u>	<u>1,098,164</u>

(a) Amount does not include the Group's share of sales revenue earned by jointly controlled entities (refer Note 15). If this share of revenue was to be included, revenue for Cinema Exhibition Australia would increase from \$77,177,000 to \$184,425,000, revenue for Cinema Exhibition New Zealand would increase from \$31,146,000 to \$33,779,000, and revenue for Cinema Exhibition Germany would increase from \$143,655,000 to \$149,329,000.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 2 – SEGMENT INFORMATION	Cinema Exhibition			Entertainment Technology \$'000	Hotels \$'000	Thredbo Alpine Resort \$'000	Leisure and Attractions \$'000	Property and Other Investments \$'000	Finance Revenue \$'000	Consolidated \$'000
	Australia \$'000	New Zealand \$'000	Germany \$'000							
Operating Segments										
31 December 2011										
Individually significant items										
VAT and interest receivable relating to overpaid tax on a number of food products sold during the period since 1 January 2005	–	–	18,035	–	–	–	–	–	1,539	19,574
Profit on sale of developed residential land lots	–	–	–	–	–	–	–	1,966	–	1,966
	–	–	18,035	–	–	–	–	1,966	1,539	21,540

Segment information is presented in respect of the Group's reporting segments. These are the Group's main strategic business segments and have differing risks and rewards associated with the business due to their different product or service and geographic markets. For each of these operating segments, the Group's Managing Director regularly reviews internal management reports.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of segments relative to other businesses. Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest bearing loans and borrowings and borrowing costs, interest income and corporate head office assets and expenses.

Operating segments

The Group comprises the following main operating segments:

- **Cinema Exhibition Australia**
Includes the cinema exhibition operations in Australia.
- **Cinema Exhibition New Zealand**
Includes cinema exhibition operations in New Zealand as well as a joint venture interest in two cinema sites in Fiji.
- **Cinema Exhibition Germany**
Includes the cinema exhibition operations in Germany.
- **Entertainment Technology**
Includes theatre equipment supply and servicing.
- **Hotels**
Includes the ownership, operation and management of hotels in Australia and overseas.
- **Thredbo Alpine Resort**
Includes all the operations of the resort including property development activities.
- **Leisure and Attractions**
Includes ancillary leisure and other activities including Featherdale Wildlife Park and The State Theatre.
- **Property and Other Investments**
Includes property rental, investment properties and available-for-sale investments

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 3 – REVENUE AND OTHER INCOME	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Revenue		
Rendering of services (see below)	275,538	269,064
Sale of goods (see below)	126,621	121,772
	402,159	390,836
Other Revenue		
Rental revenue	10,949	10,412
Management and consulting fees	10,610	11,251
Finance revenue	1,062	3,236
Dividends	344	318
VAT refund (refer individually significant items below)	–	18,035
Sundry	363	597
	23,328	43,849
Other income		
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property	–	111
Insurance proceeds	1,379	951
Profit on sale of plant and equipment	4	85
Increase in fair value of investment properties	15	600
	1,398	1,747
	426,885	436,432

Total revenues and other income disclosed above does not include the Group's share of revenue earned by jointly controlled entities (refer Note 15). Total revenue and other income, including the Group's share of the revenue and other income earned by jointly controlled entities, decreased from \$551,987,000 for the half year to 31 December 2011 to \$546,696,000 for the half year to 31 December 2012.

NOTE 4 – PROFIT BEFORE INCOME TAX	31 Dec 2012 \$'000	31 Dec 2011 \$'000
(a) Individually significant items		
Profit before income tax expense includes the following revenues/(expenses) whose disclosure is relevant in explaining the financial performance of the Group:		
Pre-opening expenses relating to the launch and opening of QT Sydney	(3,251)	–
VAT and interest receivable relating to overpaid tax on a number of food products sold during the period since 1 January 2005, included in other revenue and finance revenue above	–	19,574
Profit on sale of developed residential land lots	–	1,966
	(3,251)	21,540
(b) Seasonality of operations		
The consolidated result includes the operations of the Thredbo Alpine Resort. Due to the timing of the Australian ski season, profits from this business for the financial year to 30 June 2013 have largely been earned in the half year to 31 December 2012.		

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 5 – DISCONTINUED OPERATIONS

Half-year to 31 December 2012

There were no discontinued operations during the half year period to 31 December 2012.

Prior comparable half year period

There were no discontinued operations during the half year period to 31 December 2011.

NOTE 6 – DIVIDENDS

	Per share Cents	Total amount \$'000	Date of payment	Tax rate for franking credit	Percentage franked
Dividends on ordinary shares paid or provided for in the current and comparative periods are:					
2012					
Final 2012 dividend paid	25	<u>40,140</u>	20 September 2012	30%	100%
2011					
Final 2011 dividend paid	23	<u>36,755</u>	22 September 2011	30%	100%
Special dividend paid	4	<u>6,392</u>	22 September 2011	30%	100%
Subsequent events					
Since the end of the period, the directors declared the following dividend:					
Interim 2013 dividend	15	<u>24,084</u>	21 March 2013	30%	100%

The financial effect of this interim dividend has not been brought to account in the interim consolidated financial report for the half year ended 31 December 2012 and will be recognised in subsequent consolidated financial reports.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 7 – TAXATION	31 Dec 2012 \$'000	31 Dec 2011 \$'000
Income tax expense		
The major components of income tax expense are:		
Income Statement		
Income tax expense reported in the Income Statement	13,513	21,947
<i>Current income tax</i>		
Current income tax expense	13,704	17,493
Adjustments in respect of current income tax of prior period	(158)	(725)
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(33)	5,179
Income tax expense reported in the Income Statement	13,513	21,947
Statement of Changes in Equity		
<i>Income tax related to items charged or credited directly to equity</i>		
Net gain on revaluation of cash flow hedges	5	18
Unrealised gain/(loss) on available-for-sale investments	737	(312)
Adjustments to share-based payments reserve	(603)	(120)
Currency translation movements of deferred tax balances of foreign operations	(355)	405
Income tax benefit reported in equity	(216)	(9)
Reconciliation between tax expense and pre-tax net profit		
A reconciliation between tax expense and accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting profit before income tax expense	60,777	87,167
Prima facie income tax expense calculated at the Group's statutory income tax rate of 30% (2011: 30%) on the accounting profit	18,233	26,150
Increase in income tax expense due to:		
Non-deductible depreciation and amortisation of buildings	170	127
Non-refundable franking credits grossed up	42	39
Non-deductible items and losses in non-resident controlled entities	643	657
Non-deductible acquisition and capital costs	84	45
Amortisation of management rights and other intangible assets	275	279
Share of associates' net loss	1	4
	1,215	1,151
Decrease in income tax expense due to:		
Prior year tax losses of non-resident controlled entities not previously recognised offset against current period profit	5,064	4,016
Franking credits on dividends received	142	131
Share of incorporated jointly controlled entities net profit	391	573
Difference between book and tax values for investment properties recognised	3	30
Sundry items	177	(121)
	5,777	4,629
Income tax over provided in prior period	(158)	(725)
	13,513	21,947

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 8 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	31 Dec 2012 \$'000	30 June 2012 \$'000
Associates (refer to Note 14)	152	156
Jointly controlled entities (refer to Note 15)	117,657	115,234
	<u>117,809</u>	<u>115,390</u>

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the six months ended 31 December 2012 the Group acquired property, plant and equipment with a cost value of \$34,171,000 (2011: \$52,685,000).

NOTE 10 – GOODWILL AND OTHER INTANGIBLE ASSETS	31 Dec 2012 \$'000
Goodwill and other intangible assets comprise of goodwill, construction rights, management and leasehold rights, liquor licences and software. Movements in goodwill and other intangible assets during the half year period were as follows:	
Balance at the beginning of the period – 1 July 2012	36,293
Additions	840
Transfers	89
Net foreign currency differences on translation of foreign operations	236
Amortisation	(1,728)
Balance at the end of the period – 31 December 2012	<u>35,730</u>

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 11 – LOANS AND BORROWINGS	31 Dec 2012	30 June 2012
	\$'000	\$'000
Current		
Non-interest bearing loans		
Loans from other companies – unsecured	92	184
Non-current		
Interest bearing liabilities and borrowings		
Bank loans – secured	82,589	46,981
Deferred financing costs	(1,866)	(2,214)
	80,723	44,767
Non-interest bearing loans		
Loans from other companies – unsecured	1,658	1,850
	82,381	46,617

Bank debt – secured

The Group's secured bank debt facilities comprise the following:

- A\$350,000,000 revolving multi-currency loan facility;
- A\$30,000,000 credit support facility (for the issue of letters of credit and bank guarantees); and
- a total of A\$50,000 in overdraft limits to support its transactional banking facilities.

These facilities mature on 10 July 2015 and are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages. Debt drawn under these facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 1.80% and 2.55% per annum. At 31 December 2012, the Group had drawn \$82,589,000 (30 June 2012: \$46,981,000) under the debt facilities, of which none (30 June 2012: 0%) was subject to interest rate swaps used for hedging.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 12 – SHARE CAPITAL	31 Dec 2012 Shares	30 June 2012 Shares	31 Dec 2012 \$'000	30 June 2012 \$'000
Share capital				
Fully paid ordinary shares	157,861,183	157,798,418	219,126	219,126
Share capital consists of:				
Ordinary shares	157,653,602	157,587,043		
Tax Exempt Share Plan	46,261	42,455		
Employee Share Plan	161,320	168,920		
	157,861,183	157,798,418		
<i>Treasury shares</i>				
Performance shares	2,698,740	2,761,505		
	160,559,923	160,559,923		

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 13 – RESERVES	31 Dec 2012 \$'000	30 June 2012 \$'000
Available-for-sale investments revaluation	8,785	7,067
Investment property revaluation	3,821	3,821
Hedging	3	(12)
Share-based payments	12,579	11,876
Foreign currency translation	(16,013)	(18,923)
	9,175	3,829

**AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 14 – INVESTMENTS IN ASSOCIATES

Details of the Group's investments in associates are as follows:

Name	Principal Activities	Interest		Investment carrying amount		Contribution to operating profit		
		31 Dec 2012 %	30 Jun 2012 %	31 Dec 2012 \$'000	30 Jun 2012 \$'000	31 Dec 2012 \$'000	31 Dec 2011 \$'000	30 Jun 2012 \$'000
Cinesound Movietone Productions Pty Ltd	Film owner and distributor	50	50	152	156	(4)	(15)	5
Digital Cinema Integration Partners Pty Limited	Administration	48	48	–	–	–	–	–
Digital Cinema Integration Partners NZ Pty Limited	Administration	60	60	–	–	–	–	–
				152	156	(4)	(15)	5

Notes:

- (a) Dividends received from associates for the half year ended 31 December 2012 amount to \$nil (2011: \$nil).
- (b) Cinesound Movietone Productions Pty Limited and Digital Cinema Integration Partners Pty Ltd were incorporated in Australia. Digital Cinema Integration Partners NZ Pty Limited was incorporated in New Zealand.
- (c) The balance date of all associates is 30 June.
- (d) Digital Cinema Integration Partners NZ Pty Limited is not consolidated as the Group does not have control and the power to govern financial and operating policies.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 15 – INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

Details of the Group's investments in jointly controlled entities are as follows:

Name	Principal activities	Nature of interest	Profit share		Investment carrying amount		Contribution to operating profit/(loss)		
			31 Dec 2012 %	30 Jun 2012 %	31 Dec 2012 \$'000	30 Jun 2012 \$'000	31 Dec 2012 \$'000	31 Dec 2011 \$'000	30 Jun 2012 \$'000
Australian Theatres Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	50	50	92,208	91,123	13,849	12,447	29,227
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	403	379	24	34	75
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	4,409	4,436	472	500	1,127
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	4,819	4,154	1,215	1,303	2,851
Fiji Cinema Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	(b),(c) 66.7	(b),(c) 66.7	4,622	4,374	490	378	756
Filmpalast am ZKM Karlsruhe GmbH & Co. KG	Operator of a multiscreen cinema complex	Equity Share	(a) 50	(a) 50	1,820	855	915	1,346	1,836
Filmpalast Konstanz GmbH & Co. KG	Operator of a multiscreen cinema complex	Equity Share	(a) 50	(a) 50	727	782	390	566	798
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	3,093	3,028	515	471	1,088
Geelong Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	659	803	356	230	617
Jam Factory Cinema Operations Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	477	682	295	(41)	300
Rialto Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	(b) 50	(b) 50	2,162	2,353	98	(38)	103
Southport 6 Cinemas Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	(c) 51	(c) 51	1,251	1,236	270	395	827
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	1,007	1,029	279	322	698
					117,657	115,234	19,168	17,913	40,303

Notes:

- (a) Filmpalast am ZKM Karlsruhe GmbH & Co. KG and Filmpalast Konstanz GmbH & Co. KG were incorporated in Germany.
(b) Fiji Cinema Joint Venture operates in Fiji and Rialto Joint Venture operates in New Zealand.
(c) The joint venture is not consolidated as the Group does not have control and the power to govern financial and operating policies.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
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NOTE 16 – BUSINESS COMBINATIONS

Half-year to 31 December 2012

During the half year period to 31 December 2012, there were no significant business combinations.

Prior Year

During the half year period to 31 December 2011, there were no significant business combinations.

NOTE 17 – COMMITMENTS AND LEASES

Other than the following, there have been no material changes in commitments and leases since 30 June 2012.

	31 Dec 2012 \$'000	30 June 2012 \$'000
Capital expenditure commitments		
Contracted but not provided for and payable:		
Within one year	3,362	8,306
Operating lease commitments – as lessee		
Future minimum operating lease rentals not provided for and payable:		
Within one year	88,268	88,454
Later than one year but not later than five years	278,253	286,730
Later than five years	252,322	275,463
	618,843	650,647

Operating lease commitments have reduced largely due to the movement in the exchange rate between the Australian dollar and the Euro and the reduction of the remaining lease term, for most leases, by six months.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 18 – CONTINGENT LIABILITIES AND CONTINGENT ASSETS

With exception to the following, there have been no material changes in contingent liabilities or contingent assets since 30 June 2012.

Contingent Liabilities	31 Dec 2012 \$'000	30 June 2012 \$'000
<i>Jointly controlled entities</i>		
Certain subsidiaries have obligations in respect of the lease commitments for jointly controlled entities. Operating lease commitments of jointly controlled entities not included in the Group's financial report, for which a controlled entity has obligations, are due:		
Not later than one year	37,260	38,232
Later than one year but not later than five years	122,912	125,378
Later than five years	94,611	108,098
	254,783	271,708

Contingent liabilities have reduced largely due to the restructure of certain lease arrangements and guarantees and the reduction of the remaining lease term, for most leases, by six months.

NOTE 19 – EVENTS SUBSEQUENT TO REPORTING DATE

Dividends

For details of the interim 2013 dividend declared after 31 December 2012 refer to Note 6.

Performance Shares

Subsequent to 31 December 2012, the Company offered Performance Shares to certain employees under the Company's Performance Share Plan. A total of 661,650 Performance Shares are expected to be allocated to participants on, or around, 21 February 2013.

NOTE 20 – NON-CASH INVESTING ACTIVITIES

31 December 2012

There were no significant non-cash investing activities during the half year period to 31 December 2012.

31 December 2011

There were no significant non-cash investing activities during the half year period to 31 December 2011.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES DIRECTORS' DECLARATION

In the opinion of the directors of the Company:

1. The interim consolidated financial statements and notes set out on pages 10 to 29 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the half year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



AG Rydge
Director



DC Seargeant
Director

Dated at Sydney this 21st day of February 2013



Independent auditor's review report to the members of Amalgamated Holdings Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Amalgamated Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2012, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2012 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Amalgamated Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

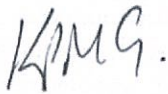
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

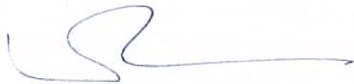
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Amalgamated Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2012 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



Kenneth Reid
Partner

Sydney

21 February 2013