CHAIRMAN'S ADDRESS
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FRIDAY 25 OCTOBER 2013

Ladies and Gentlemen.

It is a pleasure to welcome all shareholders and visitors back to Event Cinemas George Street for this Annual General Meeting of Amalgamated Holdings Limited.

Turning to the first matter for today's meeting, I now present to you the financial statements for the Group for the year ended 30 June 2013. 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 $85.8 million compared to $79.7 million in the previous year, an increase of 8%. The normalised result (being profit before individually significant items, discontinued operations and income tax) was $112.4 million compared to $105.0 million in the previous financial year, an increase of 7%.

The Board was pleased to approve a final dividend for the year of 27 cents per share. The total dividend was 42 cents per share and represents an increase of 8% over the prior year's dividend. 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 2013 was $93 million with total debt outstanding of $79 million. The Group's current total available financing 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 to invest 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 allow 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 have proven to be strong performers.

Pages 2 to 15 of the 2013 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.

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Complementing our governance standards, the Board also 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.

The Annual Report also provides details on how the Company has responded to the "first strike" received at the 2012 Annual General Meeting. A number of initiatives were undertaken including the changes made to the remuneration arrangements for the Managing Director. The Managing Director's base remuneration will remain at the current level until June 2015. In addition, the Managing Director's total potential Short Term Incentive has been reduced from 150% of base remuneration to 100% with effect from 1 July of this year.

The Group has also conducted a review of its Long Term Incentive arrangements and based on the professional advice received, the Directors have resolved that the Company should cease to offer executives the opportunity to participate in the Performance Share Plan which was previously approved by shareholders at the 2006 Annual General Meeting. An alternative equity plan, the parameters of which have been outlined within the Notice of Meeting, will be put to shareholders for approval today.

The principal difference of the proposed plan is the use of Performance Rights, rather than Performance Shares, when granting awards to executives and this change reflects current market practice for Long Term Incentive arrangements. The performance hurdles and other key aspects of the Performance Share Plan have been retained for the proposed Rights Plan and are consistent with current market practice.

I would now like to comment on the structure of the Board and changes since the last Annual General Meeting in 2012. In July 2013, Mr Tony Clark indicated his intention to retire at this Annual General Meeting. Tony has been a committed Board member since 1998 and has brought great diligence, care and focus to the Board's deliberations. Tony's participation and contribution, including his chairmanship of the Audit and Nomination and Remuneration Committees, has been invaluable and the Group and its shareholders have greatly benefited from Tony's experience, wisdom and professional approach. On behalf of the AHL Board and Group, I express sincere appreciation to Tony for his contribution and commitment and I wish him well for the future.

Mr David Grant was appointed in July 2013. David's appointment was recommended by the Nomination and Remuneration Committee and he has already proved himself to be a strong contributor to the Board. The Board also announced in July the decision to endorse Mrs Patria Mann for election as a Director at this Annual General Meeting. Patria's proposed appointment was also recommended by the Nomination and Remuneration Committee, and the Board is pleased to support the recommendation. I am delighted we have identified two new candidates with the experience of David and Patria, both of whom will be valuable additions to the AHL Board. You will hear from David and Patria later in the meeting.

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 6,100 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.

I am pleased to report that despite the many challenges of the past year we recorded a strong trading result for the 2012/13 year with normalised profit before individually significant items and discontinued operations, interest and tax of $118 million representing an increase of 12% over the prior year.

Shareholders will recall that at our last Annual General Meeting we announced a trading result for the first quarter of the 2012/13 year some 30% down on the prior year. We noted that this was in large part due to the lack of any strongly performing film product, particularly in Germany which represented almost 70% of the earnings shortfall. It was from this low first quarter base that we were able to produce a significant recovery resulting in the strong full year result that was achieved. A major driver of the turnaround was the reversal of the performance in exhibition particularly across our German circuit.

An important characteristic of the cinema business is that we need a consistency of popular, talked about movies for our cinemas to maintain a pattern of habit with our customers. When this consistency is broken and people fall out of the habit of going to the movies, it does take a big film to bring the mass volume market back.

This we got midway through the second quarter with the bond movie *Skyfall* which ended up grossing $48.5 million in Australia, $7.5 million in New Zealand and €65.6 million in Germany. In Australia this represented the biggest grossing Bond film ever and the tenth biggest grossing film of all time.

Across all territories this marked a strong return to that all important habit of going to the movies.

Now turning to the individual performance of our business operations. In Australia the performance of *Skyfall* was followed by the successful Boxing Day release of *The Hobbit: An Unexpected Journey*, which grossed over $40 million. The other big releases over this period included *Life of Pi*, *Les Miserables* and *The Twilight Saga: Breaking Dawn - Part 2* all delivering around $30 million. The Easter holiday period was also strong with *Iron Man 3* and *The Croods*.

Providing further resurgence in our exhibition business was the record level of box office achieved in June driven by the major blockbuster releases for the US summer season. These included *Fast & Furious 6*, *World War Z*, *The Hangover Part III*, *The Great Gatsby*, *Monsters University* and *Despicable Me 2*.

During the year we completed the digitisation of our circuit and continued our focus on providing premium cinema experiences with the addition of a further 5 big screen, big seat Vmax auditoriums to our circuit and 2 Gold Class screens at our refurbished Carindale complex in Brisbane. Almost 25% of our box office is now generated through our premium priced Vmax and Gold Class concepts and this has also continued to drive growth in our market share.

In Germany the level of local German productions was a little disappointing comprising 13% of box office compared with the already low base of 16% for the prior year. The Met opera performances however continue to grow in popularity and now represent 1% of the total box office.

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The digitisation of our German circuit is almost complete and it is expected to be 100% by December this year. During the year we handed back some 5 marginal sites to landlords. A new 3 year agreement with the labour council was concluded in late May.

In New Zealand the contribution from our circuit grew by 14.7% over the prior year and this was driven in large part by the closure of a loss making site and strong growth in merchandising revenue.

In our hotel business, the year was a significant one with the completion of the redevelopment of the State Theatre and Gowings buildings and the opening of the flagship of our new hotel brand QT Sydney. The hotel has set new standards of style and vibrancy within the Australian hotel market and has received many local and international awards and accolades. The hotel joined the QT resorts at Port Douglas and Gold Coast and recently acquired Falls Creek resort. Plans have already been announced for the conversion of Rydges Lakeside to QT Canberra for early 2014 with QT Melbourne planned for early 2016 and QT Perth in late 2016.

Trading in the Rydges branded properties was mixed with many experiencing a softening in demand as corporate confidence continued to be affected by the unstable political situation and the continuing concern with the world economy.

We gained two very important additions to our managed hotel portfolio with a 300 room property in Fremantle WA and the landmark Rydges Sydney Airport Hotel which opened very successfully in May of this year.

The hotel group has joined the Global Hotel Alliance, a marketing and distribution affiliation of some 400 affiliate hotels across 54 countries.

Our Thredbo Alpine Resort experienced excellent skiing conditions across the 2012 season with strong growth in skier days. Average ticket price was however down on the prior year due to heavy discounting of our season ticket product. Business over summer was encouraging with increasing demand driven by mountain biking activities.

The property division grew earnings by some 84% primarily due to the lease of the retail space in the Gowings building to UK retailer Topshop.

I will now comment on the current year and our performance over the first quarter.

The profit before interest, tax, depreciation and amortisation for the first quarter ending September 2013 was $27.9 million. This disappointing result reflected a decline in earnings of 37% over the same period of the prior year.

This decline has resulted from a very soft film line up across all our territories being Australia, New Zealand and Germany and one of the worst ski seasons of the past 25 years at our Thredbo Alpine Ski Resort.

In Australian exhibition the only film to achieve more than $20 million at the Australian box office in the first quarter of 2014 was *Man of Steel*. In Germany the impact of the disappointing film line up was compounded by the heat wave conditions throughout Europe over most of the summer. The downturn in Germany represented some 60% of the overall shortfall.

For Thredbo not only was there an almost complete lack of natural snowfall, conditions were in most part unsuitable to make snow resulting in extremely marginal skiing conditions for the majority of the season.

In hotels, whilst the result for the Rydges branded hotels was relatively flat, our new QT brand drove some very encouraging growth even after accounting for the fact it was off a low base.

The future outlook is more positive for exhibition with the highly anticipated *The Hunger Games: Catching Fire* expected to launch a strong summer season headlined by the second instalment of *The Hobbit* and the Disney animated feature *Frozen*.

In hotels we just last week opened our new Atura branded hotel on the site of our drive-in at Blacktown adjacent to the soon to open Wet'n'Wild theme park. The drive-in is reopening as the Skyline Drive In tonight.

Construction is well advanced on our 17 level development of the Mick Simmons State Theatre annexe site on George Street Sydney with completion expected in early 2015.

We are continuing to grow our asset base both from acquisitions and redevelopment. The market value of the Group's non-current assets is approximately $1.2 billion which reflects an annual compound growth rate of 9% since the onset of the global finance crisis in 2008.

The Group remains relatively debt free and has current available financing facilities totalling $350 million. We will continue to look at further opportunities to grow the future asset base and earning capability of the Company.

With uncertainty still surrounding many of the world's major economies we at least now have some level of political stability in Australia however in balance we believe that conditions will remain challenging and that a continuing micro focus on costs and aggressive promotions to drive spend will be critical elements in meeting these challenges.

I would like to take the opportunity to acknowledge and thank our very capable and committed executive team for their very focussed efforts particularly in these challenging times and also to thank you all for your support and interest in attending this morning.

David Seargeant
AHL Managing Director