CHAIRMAN'S ADDRESS
TO THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
FRIDAY 24 OCTOBER 2014

Ladies and Gentlemen,

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

The Group's total net profit after tax for the year was $78.6 million compared to $85.8 million in the previous year, a decrease of 8%, however the normalised result before interest and tax decreased by only 2.4%. The Managing Director will comment further on the financial highlights. However I and the Board believe this to be a commendable result given the trading circumstances experienced during the year.

Despite a fall in the total net profit, 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, which was consistent with the total dividend paid in the previous year. Shareholders will note that, since 2001, the total dividend has increased from 10 cents to the current 42 cents per share. 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 2014 was $91 million with total debt outstanding of $108 million. The Group's current total available financing facilities, excluding working capital components, is approximately $360 million. The main Australian facility was recently renegotiated on more favourable terms and conditions and is in place until 2017.

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.

Pages 2 to 15 of the 2014 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.

I am pleased to say that the Group has continued to meet all disclosure and regulatory requirements. I can assure shareholders that the Board, and Committees of the Board, remain committed to ensuring corporate governance practices are consistent with the ASX Principles and Recommendations, including those contained in the third edition which are effective for the 2015 financial year.

The Board also places a great focus on maintaining 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.

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As reported at the last Annual General Meeting, certain changes were made to the Group's remuneration arrangements in 2013, and the 2014 remuneration report reflects these changes, including the reduction in the Managing Director's total potential short term incentive from 150% to 100% with effect from the year ended 30 June 2014. The current year's remuneration report includes a short term incentive payment relating to the year ended 30 June 2013, when the Managing Director's total potential incentive was set at 150% of fixed annual remuneration. The Managing Director achieved 84% of the maximum potential incentive, reflecting the significant improvement in the Group's financial performance in the 2013 year, and the achievement of other specified key performance indicators for that year.

In regards to Board changes, shareholders would be aware that new directors Mr David Grant and Mrs Patria Mann were elected by shareholders at the 2013 Annual General Meeting. Mr Tony Clark also retired at the conclusion of that meeting. In November the Group announced that Mr Peter Coates would replace Mr Tony Clark as the Lead Independent Director and also assume the role of Chairman of the Nomination and Remuneration Committee. Mr David Grant assumed the role of Chairman of the Audit and Risk Committee. These changes occurred without any disruption and will provide a significant ongoing contribution to the Board and the Group's corporate governance practices.

Ladies and gentlemen, as mentioned in previous years, 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 6,000 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

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MANAGING DIRECTOR'S ADDRESS
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Thanks Alan and good morning Ladies and Gentlemen.

The past year presented a number of challenges which impacted on the 2013/14 trading result. I am however pleased to report that from a first quarter where earnings were down some 37% on the prior year we were able to claw back to be only 2.4% down by year end. A strong result given that we experienced one of the worst ski seasons in recent memory, had a film slate that was at best average and, of course, a June result out of Germany that was significantly impacted by the 2014 FIFA World Cup. The strong recovery was driven in large part by the significant growth in hotel earnings particularly the result out of QT Sydney and the performance of exhibition over the 2013 Christmas holiday period.

Turning now to the individual performance of our business operations, in Australian exhibition the business was impacted over the first 5 months of the year by a particularly soft movie line up.

The first major blockbuster of the financial year was in late November with *The Hunger Games: Catching Fire* and this was followed by *The Hobbit: The Desolation of Smaug* and *Frozen* in December. All these films achieved in excess of $30 million at the Australian box office and this lead to particularly strong trading over the Christmas holiday period. Easter was also strong with *The Lego Movie* achieving over $25 million at the box office.

May and June included *X-Men: Days of Future Past*, *22 Jump Street* and *Transformers: Age of Extinction*, and whilst these titles performed well, the June result fell significantly short of the record breaking box office of June 2013.

The Australian result was greatly assisted by the growth of some 20% in screen advertising revenue, and the achievement of significant operating cost savings.

Other achievements in domestic exhibition during the year included the acquisition of a 50% interest in a 12 screen cinema complex at Logan in south east Brisbane, the purchase of the remaining 49% interest in the 10 screen cinema complex at Southport on the Gold Coast, taking ownership of this site to 100%, and the refurbishment of the Skyline Drive In at Blacktown, which has since achieved strong growth in both admissions and merchandising revenue.

In Germany, as expected, the 2014 football World Cup severely impacted the second half of the year, with few major titles released during this period. Normalised profit in Germany was 43% down on the prior year with some 80% of this shortfall occurring in June. The performance of local German content was encouraging and comprised 20% of box office compared with 13% for the prior year. The German production *Fack Ju Göhte* was a particular success, achieving over 7 million admissions.

The digitisation of our German circuit was completed during the year and other achievements included the settlement and closure of the loss-making Augsberg site, the successful settlement of a rental dispute for our site in Frankfurt, and the opening of a digital IMAX screen in Karlsruhe.

In New Zealand the contribution from our circuit grew by 13% over the prior year and this was driven by significant operating cost savings achieved during the year.

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In our hotel business, substantial profit growth was achieved due largely to the contribution from the Group's QT hotels. The result from QT Sydney improved by around $6 million for the year and represented half the overall growth in earnings for the hotel business. In addition to this improvement in trading performance, QT Sydney has continued to receive international recognition as one of the world's finest designer lifestyle hotels.

Across the Group's owned hotels, occupancy increased by 4.9 percentage points to 72.2% with average room rate increasing by 4.6% to $157. The Group benefitted from solid growth in the corporate and conference segments in Australian and New Zealand capital cities, particularly Sydney and Melbourne. This growth was however partially offset by softer demand in the mining sector, impacting on our hotels in Perth, Brisbane and Gladstone.

The rebranding of Rydges Lakeside as QT Canberra and the launch of QT Falls Creek were successfully completed during the year, and in the recent Gourmet Traveller Hotel Guide, QT Port Douglas and QT Gold Coast were two of only eight Queensland resorts named in their top 50 resorts guide.

We gained a number of additions to our managed hotel portfolio, including the newly developed Rydges Latimer Christchurch, and the 284 room Rydges Sydney Central, previously known as the Sebel Surry Hills.

A major refresh of the Rydges brand was completed, which included a new logo, striking red signage, and staff uniforms. We launched our popular free guest Wi-Fi across all Rydges, QT, and Atura branded hotels in early 2014.

The first Atura hotel successfully opened in Blacktown in October 2013. Since the end of the financial year, the Group has acquired the Chifley Hotel in Doveton, which will be rebranded as an Atura hotel, and work has commenced on Rydges Albury to be relaunched as Atura Albury.

Our Thredbo Alpine Resort suffered one of the worst ski seasons on record. Any material snowfall during the 2013 season was followed by warm winds and rain, with conditions were rarely suited to snowmaking. As a result, normalised profit fell some 45% in comparison to the previous year. Business over summer was encouraging however with mountain biking revenue showing a 23% increase.

I will now comment on the current year and our performance over the first quarter. The profit before interest, tax, depreciation and amortisation and other individually significant items for the first quarter ending 30 September 2014 was $46.8 million or $18.9 million above the comparable prior year period. This very significant improvement reflects the outstanding 2014 ski season in Thredbo, improved box office in Germany and ongoing growth in the hotel segment.

The performance of exhibition in Australia and New Zealand has been generally soft over the first quarter and this is expected to continue until the opening in late November of *The Hunger Games: Mockingjay - Part 1*. This will be followed in December by *The Hobbit: The Battle of the Five Armies* and the Disney animation feature *Big Hero 6*. The second half of the year looks very encouraging with *Fifty Shades of Grey*, *Cinderella* and *Inside Out* as well as the highly anticipated sequels *Avengers: Age of Ultron*, *Fast and Furious 7*, *Ted 2*, *Mad Max: Fury Road*, *Minions*, *Jurassic World* and *The Second Best Exotic Marigold Hotel*.

At the conclusion of today's meeting we will be showing selected footage from a number of these exciting future releases.

In development, QT Residences Bondi is scheduled to open in August next year, and the redevelopment of the former cinema site at 131 Russell Street in Melbourne to a QT hotel is underway, with completion expected in 2016.

Construction will be completed next year on our 17 level development of the Mick Simmons State Theatre annexe site on George Street in Sydney, which will include our new corporate offices.

We are continuing to grow our asset base both from acquisitions and redevelopment with the market value of the Group's assets now at approximately $1.5 billion.

The Group remains relatively debt free and has current available financing facilities totalling around $360 million which well positions us to look at further opportunities to grow the future asset base and earning capability of the Group.

I would like to take the opportunity to acknowledge and thank our capable and committed executive team and staff 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