



AMALGAMATED HOLDINGS LIMITED

ANALYST PRESENTATION

Date: 11th November 2014

Further information

ASX Company Security Code:

AHD

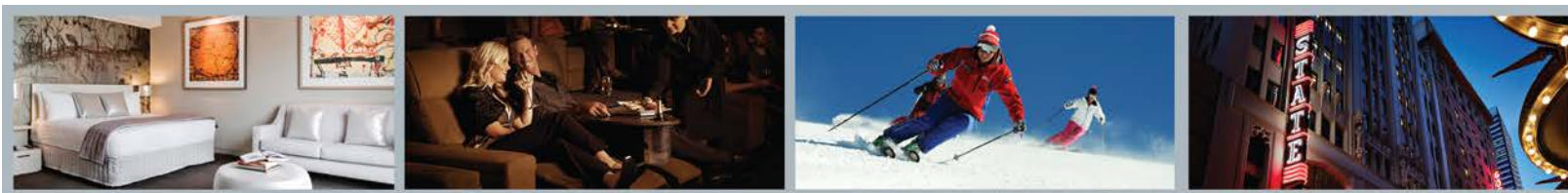
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AHL
AMALGAMATED HOLDINGS LIMITED

2014 results summary

	30 June 2014	30 June 2013
Total revenue and other income	\$1,097.138 million	\$1,039.535 million
Profit for the year	\$78.563 million	\$85.792 million
Normalised profit before interest, tax and individually significant items	\$115.196 million	\$118.048 million
Earnings per share (basic)	\$0.497	\$0.543
Net tangible asset backing per ordinary share	\$5.16	\$5.13
Final dividend (fully franked)	\$0.27	\$0.27
Total dividend (fully franked)	\$0.42	\$0.42

Key highlights

- Net profit after tax was 8.4% below the prior year result. The normalised result before interest and income tax expense was 2.4% below the prior year result.
- Final dividend remained stable at 27 cents per share (fully franked).



	30 June 14	30 June 13	Movement	
	\$'000	\$'000	\$'000	Movement
Results				
Cinema Exhibition – Australia	63,165	59,920	3,245	5.4%
Cinema Exhibition – New Zealand	4,230	3,757	473	12.6%
Cinema Exhibition – Germany	14,867	26,134	(11,267)	(43.1)%
Hotels	32,759	20,496	12,263	59.8%
Thredbo Alpine Resort	6,525	11,833	(5,308)	(44.9)%
Leisure and Attractions	1,550	2,180	(630)	(28.9)%
Technology	1,742	1,292	450	34.8%
Available-for-sale investments	604	547	57	10.4%
Property	6,130	5,871	259	4.4%
Unallocated revenues and expenses	(16,376)	(13,982)	(2,394)	(17.1)%
Total normalised result (before interest and tax)	115,196	118,048	(2,852)	(2.4)%
Net finance costs	(6,892)	(5,608)		
Discontinued operations (net of tax)	–	1,358		
Individually significant items (net of tax)	3,403	1,575		
Income tax expense	(33,144)	(29,581)		
Total reported profit	78,563	85,792	(7,229)	(8.4)%



First quarter result (for the quarter ending 30 September 2014)

	For the September quarter ending:	
	2014	2013
EBITDA	\$46.8 million	\$27.9 million
Change on prior comparable period	↑ \$18.9 million 68%	

EBITDA (earnings before interest, tax, depreciation and amortisation and other individually significant items) for the quarter ending 30 September 2014 was \$46.8 million or \$18.9 million above the comparable prior year period. The 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*.



Business operations update

Cinema Exhibition – Australia

- 67 sites (including joint operation sites)
- 633 screens (including 73 Gold Class and 44 Vmax screens)
- Strong film line-up for the balance of the year
- Extensive development pipeline – refer to details provided

Cinema Exhibition – New Zealand (including Fiji)

- 17 sites (including joint operation sites)
- 120 screens (including 4 Gold Class, 1 Vmax and 1 IMAX screens)
- Strong film line-up for the balance of the year
- Currently negotiating the purchase of two regional cinemas (12 traditional screens)

Cinema Exhibition – Germany

- 53 sites (including two 50% owned sites)
- 411 screens (including 2 IMAX screens)
- Strong film line-up for the balance of the year



Business operations update

Hotels (Rydges Hotels & Resorts, QT Hotels & Resorts, Atura Hotels)

- 22 owned hotels (3,267 rooms)
- 30 managed hotels (6,080 rooms)
- Atura Dandenong – recently acquired (128 rooms)
- Two new hotels under management agreements – Art Series hotels: The Larwill Studio (96 rooms) in Melbourne and The Watson (84 rooms) in Adelaide
- Management agreements confirmed for a hotel in Melbourne and a hotel to be constructed at RNA Showgrounds in Brisbane (to be branded a Rydges Hotel)
- Conversion of Rydges Albury to the Atura brand underway
- QT Bondi (management agreement) expected to open in Sept/Oct 2015
- Development of QT Melbourne has commenced – refer to details provided
- QT Queenstown (part of Rydges Queenstown) has been approved – refer to details provided



Business operations update

Thredbo Alpine Resort

- To date a total of **406,079** skier days has been achieved (July 2014 through to October 2014) and normalised EBIT (earnings before interest, tax and other individually significant items) for the half year to 31 December 2014 is expected to be in the vicinity of \$16 million. A summary of the financial performance for Thredbo over the last few years is provided below:

Financial year	Financial year skier days	Reported normalised profit (EBIT)		
		First half \$'000	Second half \$'000	Full Year \$'000
2008/09	392,365	17,115	(1,013)	16,012
2009/10	368,755	16,318	(1,272)	15,046
2010/11	395,257	17,431	(2,263)	15,168
2011/12	369,166	14,238	(3,537)	10,701
2012/13	425,045	13,253	(1,420)	11,833
2013/14	387,665	9,126	(2,601)	6,525



Current development pipeline

Cinemas

Location	Opening	Type of operation	Lease term	Total	Screens		
					Gold Class	Vmax	Traditional
Townsville Central QLD	2014	100%	15 years	5	-	-	5
Miranda NSW	2015	50% joint operation	20 years	10	2	2	6
Springfield (Brisbane) QLD	2015	50% joint operation	15 years	9	2	2	5
Pacific Fair QLD (upgrade)	2015	100%	13 years	11	3	1	7
Hurstville NSW (upgrade)	2015	50% joint operation	15 years	7	-	1	6
Glenelg SA	2015	50% joint operation	20 years	6	-	-	6
Palmerston Darwin NT	2016	50% joint operation	15 years	6	-	2	4
Smithfield Cairns QLD	2016	100%	20 years	6	-	1	5
North Lakes (Brisbane) QLD	2016	50% joint operation	20 years	8	2	2	4
Kotara (near Newcastle) NSW	2016	100%	20 years	8	2	1	5
Plenty Valley VIC	2017	50% joint operation	20 years	9	2	1	6
Westfield Newmarket NZ	2017	100%	20 years	6	-	2	4
Total				91	13	15	63

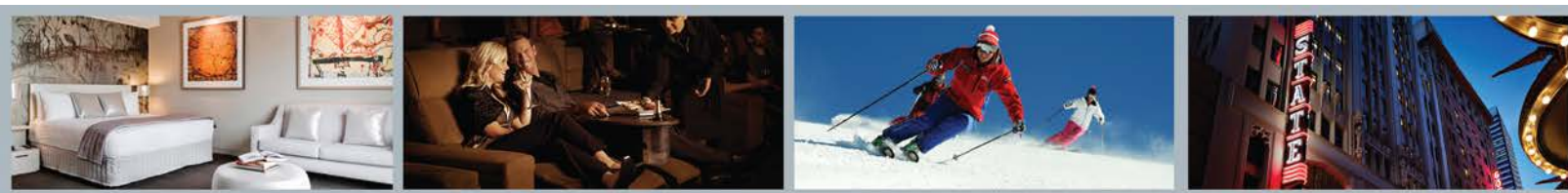
Note: Lease terms may also include additional lease extension options.



Current development pipeline

Hotels

- **QT Melbourne** (former cinema site on Russell Street)
 - 188 room QT hotel
 - Selling 24 apartments on the top two levels (contracts for 20 apartments have been exchanged to date)
 - Expected to open 2016
- **QT Queenstown** (conversion to part of the existing Rydges Queenstown)
 - 63 room QT hotel
 - Expected to open early 2016



Current development pipeline

Other

- **Double Bay (former cinema site)**
 - \$8.1 million capex
 - 5 levels (1 retail and 4 commercial levels)
 - Expected to open mid-2015

- **478 George Street**
 - \$38 million capex
 - 16 levels (2 retail and 14 commercial levels)
 - 950m² retail space – expecting superior returns
 - 9 of the commercial levels will be occupied by AHL (corporate office)
 - Expected to be completed by mid-2015



Potential future developments

General

- Mosman NSW (former cinema site)
 - Preparation of a planning proposal for the Mosman cinema site is currently underway
- Perth WA (former cinema site on corner of Barrack and Murray Streets)
 - Potential QT hotel
- Brisbane QLD (418 Adelaide Street)
 - Potential QT hotel
- Darwin NT (currently an operating cinema site on Mitchell Street)



Capital Expenditure

The annual routine capital expenditure for the AHL Group is expected to total approximately \$35 million.

Routine capital expenditure excludes any capital expenditure relating to significant developments or acquisitions.

Dividend History

A summary of the dividend history is provided below:

Cents per share	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Interim dividend	5.0	5.0	5.0	6.0	7.0	8.0	10.0	11.0	11.0	14.0	14.0	14.0	15.0	15.0
Final dividend	5.0	6.0	6.5	7.0	11.5	16.0	18.0	19.0	21.0	23.0	23.0	25.0	27.0	27.0
Special dividend	-	-	-	-	-	-	-	-	-	-	4.0	-	-	-
Total dividend	10.0	11.0	11.5	13.0	18.5	24.0	28.0	30.0	32.0	37.0	41.0	39.0	42.0	42.0



Upcoming film line-up

To December 2014:

- Interstellar (opened on 6 Nov 14)
- The Hunger Games: Mockingjay Part 1 (Nov 2014)
- The Hobbit: The Battle of the Five Armies (Dec 2014)
- Night at the Museum: Secret of the Tomb (Dec 2014)
- Big Hero 6 (Dec 2014)
- Horrible Bosses 2 (Dec 2014)
- The Water Diviner (Dec 2014)

From January 2015 to June 2015:

- Penguins of Madagascar (Jan 15)
- Fifty Shades of Grey (Feb 2015)
- Cinderella (Mar 2015)
- The Second Best Exotic Marigold Hotel (Mar 2015)
- Fast and Furious 7 (Apr 2015)
- The Avengers: Age of Ultron (Apr 2015)
- Mad Max: Fury Road (May 2015)
- Ted 2 (Jun 2015)
- Jurassic World (Jun 2015)
- Minions (Jun 2015)
- Inside Out (Jun 2015)



Non – IFRS Financial Information

The AHL group results are prepared under Australian Accounting Standards, and also comply with International Financial Reporting Standards (“IFRS”). This presentation includes certain non-IFRS measures, including the normalised profit concept. These measures are used internally by management to assess the performance of the business, make decisions on the allocation of resources and assess operational performance. Non-IFRS measures have not been subject to audit or review, however all items used to calculate these non-IFRS measures have been derived from information used in the preparation of the reviewed financial statements.

Included in the Appendix 4E for the reporting period ended 30 June 2014 is a reconciliation of the Normalised Result to the Statutory Result.

