



3 November 2009

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### **ASX ANNOUNCEMENT**

#### **RENOUNCEABLE ENTITLEMENT OFFER TO RAISE UP TO APPROXIMATELY \$107 MILLION**

The listed entertainment, hospitality and leisure operator Amalgamated Holdings Limited (**AHL**) today announced a 1 for 5 renounceable entitlement offer at \$4.10 per share (**Entitlement Offer**) to raise gross proceeds of up to approximately \$107 million. The record date for the Entitlement Offer is 7.00pm (EDT) on Thursday, 12 November 2009 (**Record Date**).

AHL's Managing Director David Seargeant said "Over the past 3 years we have invested over \$275 million in capital expenditure and acquisitions. We have undertaken a number of hotel and cinema acquisitions and property redevelopments, and we expect to continue to pursue such opportunities in the future. The proceeds of the Entitlement Offer will be used to strengthen our capital base and provide increased financial flexibility to pursue growth opportunities. I encourage all shareholders to subscribe for their entitlement."

#### **Key Highlights of the Entitlement Offer**

Under the Entitlement Offer, eligible shareholders are able to subscribe for 1 new share for each 5 existing AHL shares held at the Record Date. Other key highlights of the Entitlement Offer include:

- A fixed offer price of \$4.10, representing a 31.3% discount to AHL's closing share price on 2 November 2009 and a 27.5% discount to the TERP<sup>1</sup>;
- Eligible shareholders can choose to take up their entitlements in full, in part or not at all;
- Eligible shareholders who take up their entitlements in full can also apply for additional shares. The availability of additional shares will be limited to the number of lapsed entitlements. In the event that demand for additional shares exceeds the number of additional shares available for allocation, AHL Directors will implement a scale-back at their sole discretion;
- The entitlements are renounceable and can be traded on ASX. The trading period is expected to commence on 6 November 2009 and close on 23 November 2009; and
- New shares issued under the Entitlement Offer will rank equally with existing ordinary shares, including in respect of future dividends.

#### **Dividend**

AHL expects to maintain a dividend of 32 cents per share on the expanded share capital in FY2010, subject to any unforeseen circumstances. It is expected that FY2010 dividends will continue to be fully franked.

#### **Participation of Major Shareholders**

The Entitlement Offer is not underwritten. However, AHL's major shareholders (Alphoeb Pty Limited, Carlton Investments Limited, Enbear Pty Limited, Investors Mutual Limited, Maple-Brown Abbott Limited, Perennial Value Management Limited and Mr Alan Rydge), which in aggregate hold approximately 70% of the issued capital of AHL, have each entered into arrangements under which they have committed to subscribe for (or procure subscriptions for) all of their entitlements.

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<sup>1</sup> Theoretical ex-rights price based on AHL's closing share price on 2 November 2009.

Having entered into these arrangements, AHL has commitments for a minimum of 70% of the total amount that could be raised under the Entitlement Offer.

In seeking these commitments, each of the major shareholders was required to enter into a confidentiality agreement (including an acknowledgement of insider trading restrictions) before being given any details of the matter to be discussed.

In addition to these commitments all of AHL's Directors have interests in AHL shares and have indicated that they intend to take up their entitlements in full (including in the case of the Managing Director in respect of AHL shares held on his behalf under AHL's Performance Share Plan).

### **Further Details**

Further details of the Entitlement Offer, including details of the use of proceeds, the timetable and key risks of the Entitlement Offer are contained in the investor presentation released to the ASX and available on AHL's website. An offer booklet, which will include this investor presentation, will be released to the ASX and is expected to be dispatched to eligible shareholders on 16 November 2009.

AHL is advised by Caliburn Partnership.

### **Shareholder Enquiries**

Shareholders who have questions regarding the Entitlement Offer should phone the AHL Shareholder Information Line on 1300 823 671 (within Australia) or +61 3 9938 4346 (outside Australia) any time between 8:30am and 5:30pm (EDT), Monday to Friday during the Entitlement Offer period.

### **For media enquiries contact:**

#### **AHL (02 9373 6600)**

Mr David Seargeant	Managing Director
Mr Greg Dean	Company Secretary

#### **Caliburn (02 9229 1410)**

Mr Simon Mordant	Joint Chief Executive
Mr Rowan Johnston	Senior Adviser

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This announcement does not constitute an offer to *sell* or a *solicitation of an offer to buy*, securities in the United States, or to any person that is, or is acting for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 as amended (the **U.S. Securities Act**)(**U.S. Person**)). The securities referred to herein have not been, and will not be, registered under the U.S. Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons unless the securities are registered under the U.S. Securities Act or an exemption from the registration requirements of the U.S. Securities Act is available.

This announcement contains certain forward-looking statements. The words "anticipate", "believe", "expect", "project", "estimate", "likely", "intend", "should", "could", "may", "target", "plan" and other similar expressions are intended to identify forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of AHL and its officers, employees, agents or associates, which may cause actual results to differ materially from those expressed or implied in such statements. Some of these risks are set out in the investor presentation released to the ASX and available on AHL's website. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. These forward-looking statements are based on information available to AHL as of the date of this release. Except as required by law or regulation, AHL assumes no obligation to update such information.

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