

12 February 2010

Dear Shareholder,

AMALGAMATED HOLDINGS LIMITED – DIVIDEND REINVESTMENT PLAN

The Board of Directors of Amalgamated Holdings Limited (“AHL”) is pleased to announce the reinstatement of the AHL Dividend Reinvestment Plan (“DRP”). The DRP offers you the opportunity to increase your shareholding in AHL by receiving all or part of your future dividend entitlement in AHL shares instead of cash.

Participating shareholders will be able to acquire shares under the DRP free of brokerage, commission, stamp duty and other transaction costs. Shareholders resident, or with a registered address, in Australia and New Zealand are eligible to participate in the DRP. Participation is voluntary and you may alter or cancel your participation in the DRP at any time.

The DRP Terms and Conditions are available from AHL’s website at www.ahl.com.au, alternatively, you may obtain a copy of the Terms and Conditions by contacting AHL’s share registry, Computershare. We suggest that you read all documentation carefully and seek your own independent investment and taxation advice before determining whether to participate in the DRP.

AHL expects to announce an interim dividend on 18 February 2010, the date of the release of its 2010 half-year results. At that time, AHL will confirm whether the DRP will be activated for the interim dividend and advise any discount (if any) that will apply under the DRP. All previous elections have been removed so should you choose to participate in the DRP, you need to:

- Complete the enclosed Application Form; and
- Send your completed Application Form in the enclosed reply paid envelope to AHL’s share registry, Computershare.

Alternatively, you can also complete your election online at www.investorcentre.com/drp by entering your SRN or HIN and entering the relevant information.

Your election will remain in place until you alter or terminate your participation in the DRP or the DRP is terminated. To be eligible to participate in the DRP (if activated) for the upcoming interim dividend, your Application Form must be received by Computershare by the upcoming record date. The record date will be announced on 18 February 2010.

On behalf of the Board, I invite you to consider this opportunity to increase your investment in AHL.

Your sincerely,



AG Rydge
AHL Chairman

Participation in the DRP is subject to the AHL Dividend Reinvestment Plan Terms and Conditions (“Terms and Conditions”). A copy of the Terms and Conditions is available at www.ahl.com.au. These key points and questions and answers are intended only as a summary and guide to the Terms and Conditions. This has been prepared without taking account of your investment objectives, financial situation or needs. AHL recommends that you review the Terms and Conditions in full and seek professional tax and financial advice before making your decision to participate in the DRP.

Key Points

Reinvestment of dividends

The DRP offers a convenient way for you to increase your shareholding in AHL by reinvesting some or all of your dividends in additional AHL shares.

Participation in the DRP is voluntary

You may apply to participate, change your level of participation, or cancel your participation in the DRP at any time and from time to time, provided a sufficient amount of notice is given.

Tailoring to individual circumstances: receipt of dividends in additional shares, combination of shares/cash or cash only

The DRP provides you with flexibility to choose the way in which you receive the benefit of your AHL dividends in respect to which the DRP applies. If the DRP applies to a dividend, you will have the option of receiving shares, a combination of shares and cash, or cash only.

No additional cost to participate

You do not have to appoint a broker and you do not have to pay fees, brokerage or other administration costs to participate in the DRP.

Residual amounts are carried forward

You will only receive a whole number of shares under the DRP. Where the allocation calculation would otherwise result in a fraction of a share being allocated to you, the cash amount attributable to that fraction will be retained (without interest) in your DRP account. The amount in your DRP account will be added to your next dividend in respect to which the DRP applies for the purposes of calculating the number of shares allocated to you under the DRP in respect of that later dividend.

Shares rank equally

Shares issued under the DRP rank equally with existing shares from the date of issue, unless the AHL Board determines otherwise.

DRP statement

A DRP statement will be provided to you shortly after the time of a dividend payment in respect to which the DRP applies. Your DRP statement will include details of the number, and the allocation price, of shares allocated to you under the DRP.

Frequently Asked Questions (FAQ)

Q. Is participation in the DRP voluntary?

A. Yes. If you don't want to participate in the DRP you don't have to do anything and you will continue to be paid your dividends by direct credit (where you have provided your banking details).

Q. Who is eligible to participate in the DRP?

A. The AHL Board will determine whether the DRP will apply to a particular dividend at the time it considers the declaration of that dividend. You may participate in the DRP if your address on the register of shareholders is in Australia or New Zealand.

Q. What do I have to do to participate in the DRP?

A. To participate in the DRP you need to complete an Application Form and return it to the share registry. The share registry address is shown in the Application Form.

Q. Can I participate in the DRP in respect of some but not all of my AHL shares?

A. Yes. You can nominate a specific number of your shares on the Application Form to participate in the DRP. In this case, only part of your dividend will be reinvested in additional shares when the DRP applies to a dividend. The dividend entitlement on the balance of your shareholding that is not participating in the DRP will be paid by direct credit (where you have provided your banking details).

Q. When do I have to return my Application Form by if I want to apply to participate in the DRP?

A. For your Application Form to be effective for a dividend in respect to which the DRP applies, it must be received by the share registry by 5.00pm Australian Eastern Time (or such other time set by the AHL Board) on the record date for determining entitlements to that dividend. If your form is received after this time, it will not become effective until the following dividend.

Q. Does the DRP apply in respect of every dividend?

A. No. In addition to varying, suspending or terminating the DRP the AHL Board may at any time determine that the DRP will not apply to a particular dividend by making an announcement to the market to that effect. AHL will announce to the market whether the DRP applies in respect of a particular dividend at the same time that the dividend is announced.

Q. If I make an election of 'Full Participation' do shares acquired in the DRP participate in the DRP in respect of subsequent dividends?

A. Yes. If you elect 'Full Participation', shares issued or transferred to you under the DRP will be able to participate in the DRP in respect of subsequent dividends to which the DRP applies.

Q. Am I able to make changes to my participation?

A. Yes. You can make changes at any time by notifying the share registry using the Application Form. For the change to be effective in respect of an upcoming dividend payment, your Application Form must be received by the share registry by 5.00pm Australian Eastern Time (or such other time set by the AHL Board) on the record date for the relevant dividend.

Q. What do I need to do if I have a number of shareholdings in AHL?

A. You must complete and lodge a separate Application Form for each of your shareholdings registered in different names or with a different Shareholder Reference Number (SRN) or Holder Identification Number (HIN).

Q. Do I have to pay to participate in the DRP?

A. No. You do not have to pay any brokerage, commission or other administration cost on shares transferred or issued under the DRP and, under current laws, no stamp duty is payable by you in respect of those shares.

Q. At what price will shares be issued or transferred to me under the DRP?

A. Shares will be issued or transferred to you under the DRP at the Allocation Price (which is defined in the Terms and Conditions) for the period designated for pricing shares issued or transferred under the DRP. The Allocation Price may be reduced by a discount, which the AHL Board may determine from time to time and announce to the market. If the period for determining the Allocation Price includes or is after a dividend record date, this price will not be known at the time by which you will need to decide whether you will be participating in the DRP.

Q. Does participating in the DRP restrict me from selling my shares?

A. No. Participating in the DRP does not restrict your ability to sell your AHL shares.

Q. What happens if I am participating in the DRP and sell some or all of my shares?

A. Where you have elected 'Full Participation' and then dispose of some of your AHL shares, dividends on all of your remaining participating AHL shares will continue to be reinvested under the DRP for each dividend in respect to which the DRP applies. Where you have elected 'Partial Participation' and you dispose of some of your AHL shares, then unless you have given sufficient notice beforehand, the shares disposed of will be treated to the extent possible as coming from your shares that do not participate in the DRP and the balance, if any, will be treated as coming from your shares that do participate. In each case, if you later acquire more AHL shares, these will participate in the DRP to the extent indicated in your last Application Form. If you have ceased to hold any AHL shares by the time of a dividend record date, you are deemed to have terminated your participation in the DRP at that record date.

Q. When will I receive details of shares issued or transferred to me under the DRP?

A. Following each dividend payment in respect to which the DRP applies you will be sent a DRP statement setting out information including the number of shares allocated to you under the DRP.

Q. If I cancel my participation in the DRP or sell my AHL shares, or if AHL terminates the DRP, what happens to any balance in my DRP account?

A. If you cease to participate in the DRP or if AHL terminates the DRP the AHL Board will determine what is to be done with the residual balance of the DRP account. Any residual amount in your DRP account will either be donated to one or more registered charities nominated by the AHL Board or paid to you at the time of the next dividend payment.

Q. Can the DRP be varied, suspended or terminated?

A. Yes. The AHL Board may vary, suspend or terminate the DRP at any time by notification to the market. The AHL Board will determine whether the DRP is to apply with respect to a dividend at the time it considers the declaration of that particular dividend. AHL will announce to the market whether the DRP will apply to a dividend at the same time that the dividend is announced.

Q. What about tax implications?

A. AHL recommends that you obtain professional taxation advice about the consequences of participating in the DRP.

All correspondence to:
 Computershare Investor Services Pty Limited
 GPO Box 2975 Melbourne
 Victoria 3001 Australia
 Enquiries (within Australia) 1300 850 505
 (outside Australia) 61 3 9415 4000
 Facsimile 61 3 9473 2500
 web.queries@computershare.com.au
 www.computershare.com

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 SAM
 MR JOHN SAMPLE
 FLAT 123
 SAMPLE STREET
 SAMPLE STREET
 SAMPLE STREET
 SAMPLETOWN VIC 3030

Securityholder Reference Number (SRN)



I 1234567890 I N D

For your security keep your SRN/HIN confidential.

Dividend Reinvestment Plan

Use a **black pen**.
 Print in **CAPITAL** letters
 inside the grey areas.

A	B	C
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1	2	3
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Where a choice is required,
 mark the box with an 'X'

X

A Notice of Variation

I/We elect to vary our participation in the Dividend Reinvestment Plan as follows:

X

FULL PARTICIPATION - Including any further acquisitions.

OR

X

PARTIAL PARTICIPATION - Please specify the number of securities to participate in the DRP.

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X

TERMINATION - If you wish to cancel your participation.

B Sign Here - This section **must** be signed for your instructions to be executed.

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our securities. Where I/we have indicated participation in the Dividend Reinvestment Plan, I/we hereby agree to be bound by the Terms and Conditions of the Dividend Reinvestment Plan.

Individual or Securityholder 1

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Director

Securityholder 2

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Director/Company Secretary

Securityholder 3

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Sole Director and Sole Company Secretary

Date - Day

Month

Year

		/			/			
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Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

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How to complete this form

A Notice of Variation

Complete this section if you wish to vary your participation in the company's DRP.

If you wish to reinvest part of your securities in the company's DRP, please show the amount in figures of your securityholding that you wish to participate.

Please note that an election to participate fully in the Dividend Reinvestment Plan will override any instruction on the registry record regarding direct payment of cash dividends into a nominated account.

To be effective this form must be received by the Record Date for that Dividend.

If you no longer wish to participate in the Company's DRP, mark the box on the front of this form with an 'X'.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B Signature(s)

If you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding: where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

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Please return the completed form to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

