



12th January 2011

ASX ANNOUNCEMENT TRADING UPDATE

The listed entertainment, hospitality and leisure operator Amalgamated Holdings Limited (“AHD”) today announced that it expects that the half year normalised profit (being profit before individually significant items, discontinued operations, interest and income tax) would be 25% to 30% below the prior comparable half year result. The decline in normalised profit is attributable to AHD’s cinema exhibition results, whereas the Hotel group and Thredbo achieved solid growth over the half year period.

The major factor in the cinema exhibition downturn has been the significant decline in earnings from AHD’s German Cinema operations, particularly in the month of December where relatively soft film product combined with extremely poor weather conditions lead to a fall in admissions of approximately 30%. The German result was further exacerbated by the devaluation of the Euro against the Australian dollar. Soft film product also impacted on the Australian cinema circuit result, with admissions for December down by approximately 21%. The half year result will however include an individually significant profit of \$60.3 million arising from the sale of AHD’s 49% share in the Middle East Cinema Operations, as previously disclosed.

AHD Managing Director, Mr David Seargeant commented: “The decline in admissions across our exhibition circuits has continued over January and this is being further impacted by the disruption caused by the flood crisis on our Queensland and Northern NSW cinema and hotel operations.” Mr Seargeant added: “This, and the likely short term continuation of relatively soft film product, will impact on our first quarter trading result for 2011”. Trading over this period last year did include the record breaking performance of *Avatar*.

AHD expects to release the half year results on 24th February 2011.

For further information telephone 02 9373 6600:

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