AMALGAMATED HOLDINGS LIMITED

A.B.N. 51 000 005 103

Financial Results
For the half-year ended 31 December 2011

This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2011 Annual Report.

ASX code:	AHD
Released:	23 February 2012
Telephone:	+61 2 9373 6600
Contact:	David Seargeant (AHL Managing Director)
	Greg Dean (AHL Company Secretary)

APPENDIX 4D
HALF-YEARLY REPORT
RESULTS FOR ANNOUNCEMENT TO THE MARKET

for the half-year ended 31 December 2011
(previous corresponding period: half-year ended 31 December 2010)

Key Information

				2011 A$'000	2010 A$'000
Revenue and other income from continuing operations	Up	2.4%	to	436,432	426,255
Revenue and other income from discontinued operations				–	–
Total revenues and other income	Up	2.4%	to	436,432	426,255
Profit from continuing operations before individually significant items, net finance costs and income tax	Up	7.7%	to	65,624	60,934
Net finance costs				3	(133)
Profit from continuing operations before individually significant items and income tax expense	Up	7.9%	to	65,627	60,801
Individually significant items from continuing operations				21,540	6,249
Profit from continuing operations before income tax expense	Up	30.0%	to	87,167	67,050
Profit before income tax from discontinued operations				–	62,282
Profit before income tax expense	Down	32.6%	to	87,167	129,332
Income tax expense from continuing operations				(21,947)	(18,408)
Income tax expense from discontinued operations				–	–
Profit after income tax expense and before minority interest	Down	41.2%	to	65,220	110,924
Minority interest				–	–
Profit for the year attributable to members of the parent entity	Down	41.2%	to	65,220	110,924

Dividends (distributions)			Amount per security	Franked amount per security
Final dividend	-	2011 (paid 22 September 2011)	23 ¢	23 ¢
Special dividend	-	2011 (paid 22 September 2011)	4 ¢	4 ¢
Interim dividend	-	Current year	14 ¢	14 ¢
	-	Previous corresponding period	14 ¢	14 ¢

Record date for determining entitlements to the dividend	8th March 2012
Date of interim dividend payment	22nd March 2012

Explanation of Revenue
See attached annexure and the Directors' Report.

Explanation of Profit from Ordinary Activities After Tax
See attached interim consolidated financial report.

Explanation of Net Profit
See attached interim consolidated financial report.

Explanation of Dividends
See attached interim consolidated financial report.

Net Tangible Asset Backing

	December 2011	December 2010
Net tangible asset backing per ordinary share	$5.19	$5.05

Controlled Entities Acquired or Disposed of
See attached interim consolidated financial report.

Additional Dividend Information
See attached interim consolidated financial report.

Dividend Re-Investment Plans
The Dividend Reinvestment Plan ("DRP") was suspended in August 2010 and will not operate for the 2012 interim dividend.

Associates and Joint Venture Entities
See attached interim consolidated financial report.

Compliance statement
The information provided in this report has been prepared in accordance with Australian Accounting Standards, the Corporations Act 2001 and other standards acceptable to ASX.

The Amalgamated Holdings Limited Financial Report for the financial half-year ended 31 December 2011 has been subject to review by its auditors, KPMG. A copy of the auditor's independent review report to the members of Amalgamated Holdings Limited is attached.

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED GROUP RESULT

	31 December 2011			31 December 2010		
	Normalised result* $'000	Discontinued operations $'000	Reconciliation to reported net profit $'000	Normalised result* $'000	Discontinued operations $'000	Reconciliation to reported net profit $'000
Entertainment						
Australia	21,417	–	21,417	20,227	–	20,227
New Zealand	1,137	–	1,137	1,037	–	1,037
Germany	15,806	–	15,806	9,216	–	9,216
United Arab Emirates	–	–	–	–	1,964	1,964
Hospitality & Leisure						
Hotels	15,740	–	15,740	16,940	–	16,940
Thredbo Alpine Resort	14,238	–	14,238	17,431	–	17,431
Leisure/Attractions	2,106	–	2,106	1,166	–	1,166
Entertainment Technology						
Technology	778	–	778	510	–	510
Property and Other Investments						
Available-for-sale investments	305	–	305	255	–	255
Property	2,200	–	2,200	2,594	–	2,594
Unallocated revenues and expenses	(8,103)	–	(8,103)	(8,442)	–	(8,442)
	65,624	–	65,624	60,934	1,964	62,898
Finance revenue	1,697	–	1,697	1,597	–	1,597
Finance costs	(1,694)	–	(1,694)	(1,730)	–	(1,730)
	65,627	–	65,627	60,801	1,964	62,765
Income tax expense	(18,331)	–	(18,331)	(16,533)	–	(16,533)
	47,296	–	47,296	44,268	1,964	46,232
Individually Significant Items (net of tax)			17,924			64,692
Reported net profit			65,220			110,924

* *Normalised result is profit/(loss) before individually significant items, discontinued operations, non-controlling interest and income tax.*

OVERVIEW

Net profit after tax was $65,220,000 for the half-year ending 31 December 2011. The current half-year period includes an income item of $19,574,000 relating to interest and Value Added Tax ("VAT") refunds in respect of overpaid VAT dating back to 2005. The prior half-year included profit of $60,318,000 booked on the sale of the Group's 49% interest in the cinema business located in the United Arab Emirates. Both items have been classified as individually significant items.

The normalised result was $47,296,000, an increase of 6.8% on the previous comparable half-year period. The increase in normalised profit was mostly attributable to the Cinema Exhibition business in Germany which strongly improved on the previous comparable half-year period.

Individually significant items for the period included the following:	31 Dec 2011 $'000	31 Dec 2010 $'000
VAT and interest receivable relating to overpaid tax	19,574	–
Profit on the sale of land lots from the Bass Hill development land bank	1,966	3,998
Profit on sale of interest in MAF Greater Union LLC	–	60,318
Valuation increment recognised on the property development site in Canberra	–	2,251
Total individually significant items before income tax expense	21,540	66,567
Income tax expense relating to individually significant items	(3,616)	(1,875)
Total individually significant items after income tax expense	17,924	64,692

REVIEW OF OPERATIONS

Entertainment

Cinema Exhibition Australia

The normalised profit before interest and income tax expense was $21,417,000, an increase of 5.9% on the prior comparable half-year period.

Domestic Exhibition produced a solid half-year period despite a 1.3% fall in Box Office. The increase in other revenues and a decrease in costs offset the marginal decline in Box Office.

The half-year result was underpinned by two titles: *Harry Potter and the Deathly Hallows: Part 2*; and *Transformers 3: Dark of the Moon*, which both achieved in excess of $35 million at the Australian Box Office. Other major contributors included *The Twilight Saga: Breaking Dawn* and *Red Dog* both achieving in excess of $20 million.

During the half-year period the Group continued to expand its digital footprint with an additional 71 screens installed across the circuit taking the total amount of digital projectors to 355. This continues to be the largest deployment of digital equipment by an exhibitor within Australia.

Merchandising revenue continued to grow with a 6.0% improvement in revenue per admission over the prior comparable half-year period. This growth was driven by the continued rollout of the successful self serve Scoop Alley candy bar concept and the ongoing success of the Gold Class cinema concept.

During the six-month period the Group increased the number of mobile channels available to book tickets and view session times, with a new mobile web site and a new App developed and launched for Android smart phones.

The contribution from the Group's 50% interest in the Village managed circuit in Victoria increased by 10.2% over the comparable half-year period. This improvement was driven by an increase in other revenue and box office, in part due to the shift in the timing of school holidays within Victoria, which saw a larger number of holidays fall into the current six months when compared to the prior half-year period.

Cinema Exhibition New Zealand

The normalised profit before interest and income tax expense was $1,137,000 for the half-year to 31 December 2011, an increase of 9.6% on the prior comparable half-year period.

The New Zealand business, which also includes the Fiji Cinema Joint Venture (66.67% share in two cinemas), experienced a marginal decline in Box Office being down by 0.6%.

The Box Office result for the period was predominately driven by the strong performances of *Harry Potter and the Deathly Hallows: Part 2* which grossed almost NZ$8 million at the New Zealand Box Office, as well as *Transformers 3: Dark of the Moon, The Twilight Saga: Breaking Dawn, Kung Fu Panda 2* and *The Smurfs*, all of which grossed in excess of NZ$3 million.

During the six month period, merchandising revenue spend per admission increased by 11.4%. This growth was driven by a continued focussed approach on staff awareness and competitions. The addition of variety into the candy bar range also helped to drive incremental spend, along with a number of successful Candy Bar Combo promotions.

During the period the Group expanded its number of screens by adding an additional two screens in the historic Embassy Theatre in Wellington. The cinemas, both with 70 seats, have access to an exclusive platinum lounge.

Subsequent to the half-year end, the Group closed the seven-screen cinema complex at Centre Place in Hamilton.

Cinema Exhibition Germany

The normalised profit before interest and income tax expense was $15,806,000, an increase of 71.5% on the prior comparable half-year period.

The comparable half-year period was impacted by a lack of consistent quality film product, poor weather conditions during December 2010 and the negative impact of the Football World Cup, which was held in July 2010.

Box Office increased by 4.7% over the prior comparable half-year. The top performing films at the German Box Office were *Harry Potter and the Deathly Hallows: Part 2, The Twilight Saga: Breaking Dawn, The Smurfs, Transformers 3: Dark of the Moon, Puss in Boots* and the German production of *What a Man.*

The Box Office contribution from German produced films also showed an increase with 16% of the box office coming from German product as against 12% in the prior comparable half-year period. The average admission price increased by 3.3% over the prior half-year period which continues to reflect the surcharge for 3D films, with a greater number of sites in Germany now having 3D. The German exhibition circuit currently has 182 screens at 52 sites with 3D capacity.

Merchandising spent per head increased by 6.7% over the prior half-year period.

The continued strengthening of the Australian dollar against the Euro continued to unfavourably impact on the results from Germany when translated to Australian dollars. The average month end rate $A/Euro exchange rate for the half-year to 31 December 2011 was 0.745 cents against 0.717 cents for the prior comparable half year period.

As noted in the 2011 Annual Report, German controlled and joint venture entities have had a long running dispute with local tax authorities over the level of VAT paid on a number of food products sold. A contingent asset was disclosed at 30 June 2011 relating to the disputed VAT and the potential interest receivable thereon. The contingent asset has now been recognised as income in the half-year reporting period and has been disclosed as an individually significant item. The total VAT and interest receivable booked as income during the half-year period totals $19,574,000.

Hospitality & Leisure

Hotels

The normalised profit before interest and income tax expense was $15,740,000, a decrease of 7.1% on the prior comparable half-year period.

Owned hotels

Occupancy in the Group’s owned hotels was 70.3%, with an average rate of some $145 representing a revpar (revenue per available room) decrease of 3.5% over the prior comparable period. The owned hotels result was impacted by the refurbishment and relaunch activity at the Group’s Rydges Lakeside Canberra and QT Gold Coast hotels.

Good demand from the corporate and government travel markets, combined with a resilient short break domestic leisure segment, continues to underpin the results from hotels in most city locations. These trends are resulting in good rate growth in periods of high demand. However heavy market wide discounting is still prevalent when demand weakens.

Conversely, flat inbound arrivals and strong growth in outbound travel is severely impacting the longer stay domestic holiday market.

Performance has been strongest in Australian mainland capital city locations, particularly those in locations impacted by resource related activity. The Group’s recently acquired Gladstone and Townsville hotels are performing well, as are Sydney hotels, particularly those located in the Western Suburbs. The aforementioned inbound and outbound travel trends continue to negatively impact results in regional and resort destinations.

Costs were generally well controlled with a rooms margin improvement assisted by a reduction in commission resulting from a strategy of shifting volume from 3rd party channels to direct web bookings.

Managed hotels
The management company produced a strong first half result. An increase in management fees was driven by solid performances across the majority of the managed portfolio, particularly hotels located in Australia's resource driven locations and New Zealand hotels benefiting from strong growth driven by the Rugby World Cup. Recent additions to the Group, including those in Darwin and Wellington also made a positive contribution.

Thredbo Alpine Resort
The normalised profit before interest and income tax expense decreased 18.3% to $14,238,000.

Despite a promising start to the 2011 season, good early snow falls only lasted until mid July when Thredbo and all other Australian Ski resorts experienced highly unfavourable weather, negatively impacting both natural and man-made snow conditions. The resulting decline in visitation levels had an obvious impact on revenue and profitability.

Skier numbers for the entire winter period totalled 321,000 skier days representing a decrease of 11.9% compared to the prior comparable period.

In addition to the principle winter marketing activity, Thredbo continues to maintain a focus on summer activities and events.

Leisure/Attractions
The normalised profit before interest and income tax expense was $2,106,000, an increase of 80.6% on the prior comparable half-year period.

The Featherdale result increased by 63.9% and was commendable given the continued weakness in the inbound tourist market. The result from the State Theatre improved by 89% over the prior comparable half-year period. The improvement was due to an increased number of performances and growing popular support, together with increased cost control.

Entertainment Technology
The normalised profit before interest and income tax expense was $778,000, an increase of 52.5% on the prior comparable half-year period. The prior comparable half-year period included costs associated with the establishment of a new digital production studio.

Property and Other Investments

Property
The normalised profit before interest and income tax expense was $2,200,000, representing a decrease of 15.2% on the prior comparable half-year period. This was due primarily to the vacancy created at the Forum in Brisbane, due to the Borders Bookshop's early termination.

During the half year the remaining 13 land lots of the subdivision at the former Bass Hill Drive-in site were either settled or under contract, resulting a profit of $1,966,000 which has been reported as an individually significant item.

Work is progressing well on the State Theatre/Gowings development with the new 200 room QT Hotel expected to open in early September 2012 and the recently secured anchor tenant, Topshop, expected to open shortly thereafter.

AMALGAMATED HOLDINGS LIMITED
A.B.N. 51 000 005 103

INTERIM CONSOLIDATED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

Contents | Page

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT

The directors present their report together with the interim consolidated financial report for the half-year ended 31 December 2011 and the auditors' review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year period are:

Name	Period of directorship
Mr AG Rydge (Chairman)	Director since 1978
Mr AJ Clark *AM*	Director since 1998
Mr DC Seargeant (Managing Director)	Director since 2001
Mr RG Newton	Director since 2008
Mr PR Coates *AO*	Director since 2009
Mr KG Chapman	Director since 2010
Ms VA Davies	Director since 20 April 2011

Review of operations

The review and results of operations are set out in the Annexure to the Appendix 4D.

Dividend

On 23 February 2012 the directors declared an interim dividend of $22,372,048 (14 cents per share).

Lead auditor's independence declaration under section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 9 and forms part of the directors' report for the half-year ended 31 December 2011.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the class order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:

AG Rydge
Director

DC Seargeant
Director

Dated at Sydney this 23rd day of February 2012.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: *the directors of Amalgamated Holdings Limited*

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2011, there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Kenneth Reid
Partner

Sydney

23 February 2012

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	Note	31 Dec 2011 $'000	30 June 2011 $'000
ASSETS			
Current Assets			
Cash and cash equivalents		72,251	50,581
Short term deposits		17,000	65,000
Trade and other receivables		49,524	38,445
Inventories		17,974	22,713
Prepayments and other sundry assets		6,331	5,460
Total current assets		163,080	182,199
Non-Current Assets			
Trade and other receivables		1,215	310
Other financial assets		315	315
Available-for-sale financial assets		9,722	10,762
Investments accounted for using the equity method	8	118,365	114,475
Property, plant and equipment	9	673,207	642,792
Investment properties		79,950	79,350
Goodwill and other intangible assets	10	37,353	37,476
Deferred tax assets		10,480	11,036
Other non-current assets		4,477	4,989
Total non-current assets		935,084	901,505
Total assets		1,098,164	1,083,704
LIABILITIES			
Current Liabilities			
Trade and other payables		75,943	75,928
Loans and borrowings	11	45,731	219
Tax liabilities		4,373	7,658
Provisions		14,899	15,766
Deferred revenue		56,277	45,918
Other liabilities		1,618	15,477
Total current liabilities		198,841	160,966
Non-Current Liabilities			
Loans and borrowings	11	1,164	47,219
Deferred tax liabilities		15,028	10,412
Provisions		8,574	9,306
Deferred revenue		3,497	3,926
Other non-current liabilities		4,612	4,862
Total non-current liabilities		32,875	75,725
Total liabilities		231,716	236,691
Net assets		866,448	847,013
Equity			
Share capital	12	219,126	219,126
Reserves	13	3,448	6,086
Retained earnings		643,874	621,801
Total equity		866,448	847,013

The Interim Statement of Financial Position is to be read in conjunction with the condensed notes to the Interim Consolidated Financial Statements on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Note	31 Dec 2011 $'000	31 Dec 2010 $'000
Revenue and other income			
Revenue from sale of goods and rendering of services	3	390,836	399,200
Other revenue and income	3	45,596	27,055
		436,432	426,255
Expenses			
Occupancy expenses		(91,369)	(92,220)
Employee expenses		(96,606)	(98,192)
Film hire and other film expenses		(77,813)	(79,621)
Purchases and other direct expenses		(45,839)	(49,663)
Other operating expenses		(22,924)	(22,975)
Amortisation, depreciation and impairment		(20,576)	(19,490)
Advertising, commissions and marketing expenses		(10,342)	(10,342)
Finance costs		(1,694)	(1,730)
		(367,163)	(374,233)
Equity Profit			
Share of net (loss)/profit of equity accounted investees:			
Associates	14	(15)	43
Jointly controlled entities	15	17,913	14,985
		17,898	15,028
Profit before tax from continuing operations	4	87,167	67,050
Income tax expense	7	(21,947)	(18,408)
Profit after tax from continuing operations		65,220	48,642
Discontinued operations			
Profit after tax from discontinued operations	5	–	62,282
Profit for the period		65,220	110,924

	2011 Cents	2010 Cents
Earnings per share:		
Basic and diluted from continuing operations	40.8	30.6
Basic and diluted from discontinued operations	–	39.1
Basic and diluted – total	40.8	69.7

The Interim Income Statement is to be read in conjunction with the condensed notes to the Interim Consolidated Financial Statements on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011 $'000	31 Dec 2010 $'000
Profit for the period	65,220	110,924
Other comprehensive income/(expense)		
Foreign currency translation differences for foreign operations – net of tax	(3,685)	(6,201)
Net (decrease)/increase in fair value of available-for-sale financial assets – net of tax	(728)	677
Net gain on hedge of net investment in foreign operation – net of tax	94	405
Net change in fair value of cash flow hedges – net of tax	194	(816)
Share of associates' foreign currency translation reserve movements – net of tax	–	(1,547)
Transferred from foreign currency translation reserve to the Income Statement on sale of interest in MAF Greater Union LLC – net of tax	–	9,657
Other comprehensive (expense)/income for the period – net of income tax	(4,125)	2,175
Total comprehensive income for the period attributable to equity holders of the Company	61,095	113,099

The Interim Statement of Comprehensive Income is to be read in conjunction with the condensed notes to the Interim Consolidated Financial Statements on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

CONSOLIDATED	Share capital $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
At 1 July 2011	219,126	6,086	621,801	847,013
Profit for the period	–	–	65,220	65,220
Other comprehensive income				
Foreign currency translation differences for foreign operations – net of tax	–	(3,591)	–	(3,591)
Net increase in fair value of available-for-sale financial assets – net of tax	–	(728)	–	(728)
Net change in fair value of cash flow hedges – net of tax	–	194	–	194
Share of associates' reserves movements	–	–	–	–
Total other comprehensive income recognised directly in equity	–	(4,125)	–	(4,125)
Total comprehensive income for the period	–	(4,125)	65,220	61,095
Employee share-based payments expense – net of tax	–	1,487	–	1,487
Dividends paid	–	–	(43,147)	(43,147)
At 31 December 2011	219,126	3,448	643,874	866,448
At 1 July 2010	219,126	103	540,957	760,186
Profit for the period	–	–	110,924	110,924
Other comprehensive income				
Foreign currency translation differences for foreign operations – net of tax	–	(5,796)	–	(5,796)
Transfer of foreign currency translation reserve on sale of interest in MAF Greater Union LLC (refer Note 5)	–	9,657	–	9,657
Net increase in fair value of available-for-sale financial assets – net of tax	–	677	–	677
Net change in fair value of cash flow hedges – net of tax	–	(816)	–	(816)
Share of associates' reserves movements	–	(1,547)	–	(1,547)
Total other comprehensive income recognised directly in equity	–	2,175	–	2,175
Total comprehensive income for the period	–	2,175	110,924	113,099
Employee share-based payments expense – net of tax	–	1,247	–	1,247
Dividends paid	–	–	(36,615)	(36,615)
At 31 December 2010	219,126	3,525	615,266	837,917

The Interim Statement of Changes in Equity is to be read in conjunction with the condensed notes to the Interim Consolidated Financial Statements on pages 15 to 29.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
INTERIM STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	31 Dec 2011 $'000	31 Dec 2010 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts in the course of operations	438,904	458,932
Cash payments in the course of operations	(387,477)	(386,378)
Cash provided by operations	51,427	72,554
Distributions from associates and jointly controlled entities	13,762	20,010
Other revenue	30,882	22,792
Dividends received	318	278
Interest received	2,193	906
Finance costs paid	(1,718)	(1,246)
Income tax refund	41	–
Income tax paid	(20,130)	(19,786)
Net cash provided by operating activities	76,775	95,508
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment in an associate entity – net of costs	–	78,583
Amounts received from/(invested in) short term deposits	48,000	(70,000)
Payments for property, plant and equipment and redevelopment of investment properties	(52,685)	(23,355)
Payments for management rights, software and other intangibles	(1,905)	–
Payments for businesses acquired, including goodwill and associated plant and equipment	–	(1,750)
Increase in loans to associates and jointly controlled entities	(3,076)	(4,877)
Proceeds from disposal of other non-current assets	145	69
(Increase)/decrease in loans to/from other entities	(1,000)	124
Repayment of loans owing to other entities	(38)	(232)
Increase in loans from an associate	–	28
Net cash used in investing activities	(10,559)	(21,410)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	–	9,428
Repayment of borrowings	–	(10,066)
Dividends paid	(43,147)	(36,615)
Net cash used in financing activities	(43,147)	(37,253)
Net increase in cash and cash equivalents	23,069	36,845
Cash and cash equivalents at the beginning of the financial period	50,581	45,288
Effect of exchange rate fluctuations on cash held	(1,399)	(3,449)
Cash and cash equivalents at the end of the financial period	72,251	78,684

The Interim Statement of Cash Flows is to be read in conjunction with the condensed notes to the Interim Consolidated Financial Statements on pages 15 to 29.

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES AND COMPLIANCE

Amalgamated Holdings Limited ("Company") is a company domiciled in Australia. The condensed Consolidated Interim Financial Report of the Company as at and for the six months ended 31 December 2011 comprises the Company and its subsidiaries (collectively referred to as "Group" or "Consolidated Entity") and the Group's interest in associates and jointly controlled entities.

The interim consolidated financial report was authorised by the Board of the Company for issuance on 23 February 2012.

(a) Statement of Compliance

The interim consolidated financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reports* and the *Corporations Act 2001*.

The interim consolidated financial report does not include all of the information required for a full annual financial report.

It is recommended that this interim financial report be read in conjunction with the most recent annual financial report for the year ended 30 June 2011. This report should also be read in conjunction with any public announcements made by the Company during the half-year in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(b) Significant Accounting Policies

The accounting policies applied by the Group in this interim consolidated financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2011.

(c) Estimates

The preparation of the interim consolidated financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the interim consolidated financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2011.

(d) Financial Risk Management

Aspects of the Group's financial risk management systems are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2011.

NOTE 2 – SEGMENT INFORMATION	Cinema Exhibition											
Operating Segments	Australia $'000	New Zealand $'000	Germany $'000	United Arab Emirates $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: discontinued operations and individually significant items $'000	Normalised result $'000
31 December 2011												
Revenue and other income												
External segment revenue	(a) 77,177	(a) 31,146	(a) 143,655	–	17,143	87,324	39,992	6,853	9,765	413,055	(3,569)	409,486
Inter-segment revenue	–	–	–	–	6,534	–	–	–	–	6,534	–	6,534
Other income – external	–	–	18,062	–	–	972	50	–	1,016	20,100	(18,035)	2,065
Segment revenue and other income	77,177	31,146	161,717	–	23,677	88,296	40,042	6,853	10,781	439,689	(21,604)	418,085
Finance revenue										3,236	(1,539)	1,697
Other unallocated revenue										41	–	41
Elimination of inter-segment revenue										(6,534)	–	(6,534)
Consolidated revenue and other income										436,432	(23,143)	413,289
Segment result before share of equity accounted business undertakings	5,756	796	31,930	–	793	15,740	14,238	2,106	4,471	75,830	(20,001)	55,829
Share of net profit from equity accounted business undertakings	15,661	341	1,911	–	(15)	–	–	–	–	17,898	–	17,898
	21,417	1,137	33,841	–	778	15,740	14,238	2,106	4,471	93,728	(20,001)	73,727
Unallocated revenue and expenses										(8,103)	–	(8,103)
Net financing costs										1,542	(1,539)	3
Profit before related income tax expense										87,167	(21,540)	65,627
Reportable segment assets	124,249	49,573	105,403	–	16,296	424,561	39,242	11,587	157,303	928,214	–	928,214
Equity accounted investments	108,198	6,533	3,498	–	136	–	–	–	–	118,365	–	118,365
Deferred tax assets										10,480	–	10,480
Unallocated corporate assets										41,105	–	41,105
Total assets										1,098,164	–	1,098,164

(a) Amount does not include the Group's share of sales revenue earned by jointly controlled entities (refer Note 15). If this share of revenue was to be included, revenue for Cinema Exhibition Australia would increase from $77,177,000 to $185,425,000, revenue for Cinema Exhibition New Zealand would increase from $31,146,000 to $33,779,000, and revenue for Cinema Exhibition Germany would increase from $143,655,000 to $149,250,000.

NOTE 2 – SEGMENT INFORMATION

Operating Segments	Cinema Exhibition Australia $'000	Cinema Exhibition New Zealand $'000	Cinema Exhibition Germany $'000	Cinema Exhibition United Arab Emirates $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Finance Revenue $'000	Consolidated $'000
31 December 2011											
Individually significant items											
VAT and interest receivable relating to overpaid tax on a number of food products sold during the period since 1 January 2005	–	–	18,035	–	–	–	–	–	–	1,539	19,574
Profit on sale of developed residential land lots	–	–	–	–	–	–	–	–	1,966	–	1.966
	–	–	18,035	–	–	–	–	–	1,966	1,539	21,540

NOTE 2 – SEGMENT INFORMATION Operating Segments	Cinema Exhibition Australia $'000	New Zealand $'000	Germany $'000	United Arab Emirates $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Consolidated $'000	Less: discontinued operations and individually significant items $'000	Normalised result $'000
31 December 2010												
Revenue and other income												
External segment revenue	[a] 80,095	[a]30,524	[a]142,439	–	20,211	85,853	43,224	5,845	13,776	421,967	(10,691)	411,276
Inter-segment revenue	–	–	–	–	2,110	–	–	–	–	2,110	–	2,110
Other income – external	–	–	–	60,318	–	32	51	–	2,582	62,983	(62,569)	414
Segment revenue and other income	80,095	30,524	142,439	60,318	22,321	85,885	43,275	5,845	16,358	487,060	(73,260)	413,800
Finance revenue										1,597	–	1,597
Other unallocated revenue										26	–	26
Elimination of inter-segment revenue										(2,110)	–	(2,110)
Revenue and other income										486,573	(73,260)	413,313
Segment result before share of equity accounted business undertakings	6,810	736	7,949	60,304	506	16,901	17,431	1,166	9,098	120,901	(66,553)	54,348
Share of net profit from equity accounted business undertakings	13,417	301	1,267	1,978	4	39	–	–	–	17,006	(1,978)	15,028
	20,227	1,037	9,216	62,282	510	16,940	17,431	1,166	9,098	137,907	(68,531)	69,376
Unallocated revenue and expenses										(8,442)	–	(8,442)
Net financing costs										(133)	–	(133)
Profit before related income tax expense										129,332	(68,531)	60,801
Reportable segment assets	109,730	48,157	78,822	–	15,490	342,426	39,704	6,034	162,353	802,716	–	802,716
Equity accounted investments	99,618	6,670	1,667	–	171	1,595	–	–	–	109,721	–	109,721
Deferred tax assets										11,117	–	11,117
Unallocated corporate assets										137,594	–	137,594
Total assets										1,061,148	–	1,061,148

(a) Amount does not include the Group's share of sales revenue earned by jointly controlled entities (refer Note 15). If this share of revenue was to be included, revenue for Cinema Exhibition Australia would increase from $80,095,000 to $184,201,000, revenue for Cinema Exhibition New Zealand would increase from $30,524,000 to $33,261,000, and revenue for Cinema Exhibition Germany would increase from $142,439,000 to $149,243,000,

NOTE 2 – SEGMENT INFORMATION Operating Segments	Cinema Exhibition Australia $'000	 New Zealand $'000	 Germany $'000	 United Arab Emirates $'000	Entertainment Technology $'000	Hotels $'000	Thredbo Alpine Resort $'000	Leisure/ Attractions $'000	Property and Other Investments $'000	Finance Revenue $'000	Consolidated $'000
31 December 2010											
Individually significant items											
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property	–	–	–	–	–	–	–	–	2,251	–	2,251
Profit on sale of developed residential land lots	–	–	–	–	–	–	–	–	3,998	–	3.998
Profit on sale of interest in United Arab Emirates cinema exhibition operations - MAF Greater Union LLC	–	–	–	60,318	–	–	–	–	–	–	60,318
	–	–	–	60,318	–	–	–	–	6,249	–	66,567

The Group comprises the following reportable segments, which are the Group's main strategic business units. The Group has determined its operating segments based on the internal reports that are reviewed and used by the executive management team in assessing performance and determining allocation of resources. These segments are differentiated by the product or service that they provide and the key geographic market within which they operate. The following summary describes the operations in each of the Group's reportable segments:

- Cinema Exhibition Australia
  Includes the cinema exhibition operations in Australia.
- Cinema Exhibition New Zealand
  Includes cinema exhibition operations in New Zealand as well as a joint venture interest in two cinema sites in Fiji.
- Cinema Exhibition Germany
  Includes the cinema exhibition operations in Germany.
- Cinema Exhibition United Arab Emirates
  Previously included a 49% interest in an associate with cinema exhibition operations in the United Arab Emirates. The Group's interest in the United Arab Emirates associate was sold on 25 October 2010, refer to Note 5.
- Entertainment Technology
  Includes theatre equipment supply and servicing and the manufacture of film processors and related equipment.
- Hotels
  Includes the ownership, operation and management of hotels in Australia and overseas.
- Thredbo Alpine Resort
  Includes all the operations of the resort including property development activities.
- Leisure/Attractions
  Includes ancillary leisure and other activities including Featherdale Wildlife Park and The State Theatre.
- Property and Other Investments
  Includes property rental, investment properties and available-for-sale investments.

NOTE 3 – REVENUE AND OTHER INCOME	31 Dec 2011 $'000	31 Dec 2010 $'000
Revenue		
Rendering of services (see below)	269,064	274,476
Sale of goods (see below)	121,772	124,724
	390,836	399,200
Other Revenue		
Rental revenue	10,412	12,046
Management and consulting fees	11,251	10,395
Finance revenue	3,236	1,597
Dividends	318	278
VAT refund (refer individually significant item below)	18,035	–
Sundry	597	351
	43,849	24,667
Other income		
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property	111	2,251
Insurance proceeds	951	–
Profit on sale of plant and equipment	85	62
Increase in fair value of investment properties	600	75
	1,747	2,388
	436,432	426,255

Total revenues and other income disclosed above does not include the Group's share of revenue earned by jointly controlled entities (refer Note 15). Total revenue and other income, including the Group's share of the revenue and other income earned by jointly controlled entities, increased from $539,902,000 for the half-year to 31 December 2010 to $551,987,000 for the half-year to 31 December 2011.

NOTE 4 – PROFIT BEFORE INCOME TAX	31 Dec 2011 $'000	31 Dec 2010 $'000
(a) **Individually significant items**		
Profit before income tax expense includes the following revenues/expenses whose disclosure is relevant in explaining the financial performance of the Group:		
Relating to continuing operations		
VAT and interest receivable relating to overpaid tax on a number of food products sold during the period since 1 January 2005, included in other revenue and finance revenue above	19,574	–
Development gain on valuation and reclassification to an investment property of the redeveloped Canberra Civic property	–	2,251
Profit on sale of developed residential land lots	1,966	3,998
Relating to discontinued operations (refer Note 5)		
Profit on sale of interest in United Arab Emirates cinema exhibition operations - MAF Greater Union LLC	–	60,318
	21,540	66,567

(b) **Seasonality of operations**

The consolidated result includes the operations of the Thredbo Alpine Resort. Due to the timing of the Australian ski season, profits from this business for the financial year to 30 June 2011 have largely been earned in the half-year to 31 December 2011.

NOTE 5 – DISCONTINUED OPERATIONS

On 25 October 2010 the Group sold its 49% share in an associate entity, MAF Greater Union LLC. The consideration from the sale was $78,583,000 and the profit on the sale was $60,318,000. MAF Greater Union LLC operates a cinema circuit based in the United Arab Emirates which, at the date of sale, consisted of 5 cinema sites and a total of 50 screens.

Profits attributable to discontinued operations were as follows:

	31 Dec 2011 $'000	31 Dec 2010 $'000
Results of discontinued operations		
Share of net profit accounted for using the equity method	–	1,978
Other costs	–	(14)
Profit before income tax	–	1,964
Income tax expense	–	–
Net profit before gain on sale of discontinued operations	–	1,964
Profit on sale of discontinued operations	–	60,318
Income tax expense – sale of discontinued operations	–	–
Profit after tax from discontinued operations	–	62,282

There were no discontinued operations in the six months to 31 December 2011. During the six months to 31 December 2010, the discontinued operations had cash inflows from operating activities of $4,400,000, cash inflows from investing activities on disposal of $78,583,000, and cash flows from financing activities of $nil.

NOTE 6 – DIVIDENDS

	Per share Cents	Total amount $'000	Date of payment	Tax rate for franking credit	Percentage franked
Dividends on ordinary shares paid or provided for in the current and comparative periods are:					
2011					
Final 2011 dividend paid	23	36,755	22 September 2011	30%	100%
Special dividend paid	4	6,392	22 September 2011	30%	100%
2010					
Final 2010 dividend paid	23	36,615	16 September 2010	30%	100%
Subsequent events					
Since the end of the period, the directors declared the following dividend:					
Interim 2012 dividend	14	22,372	22 March 2012	30%	100%

The financial effect of this interim dividend has not been brought to account in the Interim Consolidated Financial Statements for the half-year ended 31 December 2011 and will be recognised in subsequent consolidated financial statements.

NOTE 7 – TAXATION	31 Dec 2011 $'000	31 Dec 2010 $'000
Income tax expense		
The major components of income tax expense are:		
Income Statement		
Income tax expense reported in the Income Statement	21,947	18,408
Income tax attributable to discontinued operations – Note 5	–	–
	21,947	18,408
Current income tax		
Current income tax expense	17,493	16,828
Adjustments in respect of current income tax of prior period	(725)	(221)
Deferred income tax		
Relating to origination and reversal of temporary differences	5,179	1,801
Income tax expense reported in the Income Statement	21,947	18,408
Statement of Changes in Equity		
Income tax related to items charged or credited directly to equity		
Net gain on revaluation of cash flow hedges	18	65
Unrealised (loss)/gain on available-for-sale investments	(312)	290
Adjustments to share-based payments reserve	(120)	(69)
Currency translation movements of deferred tax balances of foreign operations	405	765
Income tax (benefit)/expense reported in equity	(9)	1,051
Reconciliation between tax expense and pre-tax net profit		
A reconciliation between tax expense and accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:		
Profit before tax from continuing operations	87,167	67,050
Profit before tax from discontinued operations	–	62,282
Accounting profit before income tax expense	87,167	129,332
Prima facie income tax expense calculated at the Group's statutory income tax rate of 30% (2010: 30%) on the accounting profit	26,150	38,800
Increase in income tax expense due to:		
Non-deductible depreciation and amortisation of buildings	127	174
Non-refundable franking credits grossed up	39	33
Non-deductible items and losses in non-resident controlled entities	657	1,055
Non-deductible acquisition and capital costs	45	230
Amortisation of management rights and other intangible assets	279	235
Share of associates' net loss/(profit)	4	(606)
Sundry items	121	(33)
	1,272	1,088
Decrease in income tax expense due to:		
Non-assessable profit on sale of interest in United Arab Emirates cinema exhibition operations	–	18,095
Prior year tax losses of non-resident controlled entities not previously recognised offset against current period profit	4,016	2,547
Franking credits on dividends received	131	109
Share of incorporated jointly controlled entities net profit	573	380
Difference between book and tax values for investment properties recognised	30	128
	4,750	21,259
Income tax over provided in prior period	(725)	(221)
	21,947	18,408

NOTE 8 – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	31 Dec 2011 $'000	30 June 2011 $'000
Associates (refer to Note 14)	136	151
Jointly controlled entities (refer to Note 15)	118,229	114,324
	118,365	114,475

NOTE 9 – PROPERTY, PLANT AND EQUIPMENT

Acquisitions

During the six months ended 31 December 2011 the Group acquired property, plant and equipment with a cost value of $52,685,000 (2010: $22,073,000).

NOTE 10 – GOODWILL AND OTHER INTANGIBLE ASSETS	31 Dec 2011 $'000
Intangible assets comprise of goodwill, construction rights, management and leasehold rights, liquor licences and software. Movements in intangible assets during the half-year period were as follows:	
Balance at the beginning of the period – 1 July	37,476
Acquisitions through business combinations:	
Additions	1,905
Net foreign currency differences on translation of foreign operations	(444)
Amortisation	(1,584)
Balance at the end of the period – 31 December	37,353

NOTE 11 – LOANS AND BORROWINGS	31 Dec 2011 $'000	30 June 2011 $'000
Current		
Interest bearing liabilities and borrowings		
Bank loans – secured	45,645	–
Deferred financing costs	(192)	–
	45,453	–
Non-interest bearing loans		
Loans from other companies – unsecured	278	219
	45,731	219
Non-current		
Interest bearing liabilities and borrowings		
Bank loans – secured	–	46,321
Deferred financing costs	–	(299)
	–	46,022
Non-interest bearing loans		
Loans from other companies – unsecured	1,164	1,197
	1,164	47,219

Bank debt – secured

The Group's secured bank debt facilities comprise the following:

- A$160,000,000 revolving multi-currency loan facility;
- A$70,000,000 cash advance facility;
- A$38,750,000 credit support facility (for the issue of letters of credit and bank guarantees); and
- a total of A$5,050,000 in overdraft limits to support its transactional banking facilities.

These facilities are supported by interlocking guarantees from most Group entities and are secured by specific property mortgages. Debt drawn under these facilities bears interest at the relevant inter-bank benchmark reference rate plus a margin of between 0.45% and 0.90% per annum. At 31 December 2011, the Group had drawn $45,645,000 (30 June 2011: $46,321,000) under the debt facilities, of which none (30 June 2011: 17%) was subject to interest rate swaps used for hedging.

The above facilities mature on 10 July 2012. The Company is currently negotiating the refinancing of bank facilities. It is expected that new facilities will be in place by 30 June 2012.

Other loans – Germany

In addition to the above facilities, wholly owned subsidiaries in Germany have a working capital facility totalling €9,000,000 (A$11,469,000), secured by a letter of credit and bank guarantees drawn under the credit support facility in Australia. Debt drawn under this facility bears interest at the relevant inter-bank benchmark reference rate plus a margin of 0.80% per annum. This facility is subject to annual review.

NOTE 12 – SHARE CAPITAL	31 Dec 2011 $'000	30 June 2011 $'000
Share capital		
159,800,346 (30 June 2011: 159,800,346) ordinary shares fully paid	219,126	219,126

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTE 13 – RESERVES	31 Dec 2011 $'000	30 June 2011 $'000
Available-for-sale investments revaluation	6,850	7,578
Investment property revaluation	3,820	3,820
Hedging	(269)	(463)
Share-based payments	10,068	8,581
Foreign currency translation	(17,021)	(13,430)
	3,448	6,086

NOTE 14 – INVESTMENTS IN ASSOCIATES

Details of the Group's investments in associates are as follows:

Name	Principal Activities	Interest 31 Dec 2011 %	Interest 30 Jun 2011 %	Investment carrying amount 31 Dec 2011 $'000	Investment carrying amount 30 Jun 2011 $'000	Contribution to operating profit 31 Dec 2011 $'000	Contribution to operating profit 31 Dec 2010 $'000	Contribution to operating profit 30 Jun 2011 $'000
Cinesound Movietone Productions Pty Ltd	Film owner and distributor	50	50	136	151	(15)	4	(16)
Digital Cinema Integration Partners Pty Limited	Administration	48	48	–	–	–	–	–
MAF Greater Union LLC	Film exhibitor	(d) –	(d) –	–	–	–	1,978	1,978
Rydges Rotorua Hotel Limited	Hotel owner	(e) –	(e) –	–	–	–	39	33
				136	151	(15)	2,021	1,995
Less: Discontinued operations – MAF Greater Union LLC (refer Note 5)						–	(1,978)	(1,978)
						(15)	43	17

Notes:

(a) Dividends received from associates for the half-year ended 31 December 2011 amount to $nil (2010: $4,400,000).

(b) Cinesound Movietone Productions Pty Limited and Digital Cinema Integration Partners Pty Ltd were incorporated in Australia. MAF Greater Union LLC was incorporated in the United Arab Emirates. Rydges Rotorua Hotel Limited was incorporated in New Zealand.

(c) The balance date of all associates is 30 June, with the exception of MAF Greater Union LLC which had a balance date of 31 December.

(d) The Group's 49% interest in MAF Greater Union LLC was sold on 25 October 2010 (refer Note 5).

(e) The Group acquired the remaining 75% interest in Rydges Rotorua Hotel Limited effective 1 December 2010.

NOTE 15 – INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

Details of the Group's investments in jointly controlled entities are as follows:

Name	Principal activities	Nature of interest	Profit share 31 Dec 2011 %	Profit share 30 Jun 2011 %	Investment carrying amount 31 Dec 2011 $'000	Investment carrying amount 30 Jun 2011 $'000	Contribution to operating profit 31 Dec 2011 $'000	Contribution to operating profit 31 Dec 2010 $'000	Contribution to operating profit 30 Jun 2011 $'000
Australian Theatres Joint Venture	Operator of multiscreen cinema complexes	Share of joint venture assets	50	50	91,911	90,278	12,447	10,865	24,059
Browns Plains Multiplex Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	338	304	34	18	55
Castle Hill Multiplex Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	4,784	4,635	500	246	816
Casuarina Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	4,205	3,752	1,303	1,278	2,999
Fiji Cinema Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	(b),(c) 66.7	(b),(c) 66.7	4,390	4,279	378	357	677
Filmpalast an ZKM Karlsruhe GmbH & Co KG	Operator of a multiscreen cinema complex	Equity Share	(a) 50	(a) 50	2,441	1,226	1,346	937	1,694
Filmpalast Konstanz GmbH & Co KG	Operator of a multiscreen cinema complex	Equity Share	(a) 50	(a) 50	1,057	548	566	330	593
Garden City Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	33	33	3,312	3,290	471	414	930
Geelong Cinema Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	666	636	230	173	495
Jam Factory Cinema Operations Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	591	832	(41)	(21)	19
Rialto Joint Venture	Operator of a multiscreen cinema complexes	Share of joint venture assets	(b) 50	(b) 50	2,143	2,212	(38)	(56)	(137)
Southport 6 Cinemas Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	(c) 51	(c) 51	1,339	1,301	395	131	589
Toowoomba Cinema Centre Joint Venture	Operator of a multiscreen cinema complex	Share of joint venture assets	50	50	1,052	1,031	322	313	671
					118,229	114,324	17,913	14,985	33,460

Notes:
(a) Filmpalast am ZKM Karlsruhe GmbH & Co. KG and Filmpalast Konstanz GmbH & Co. KG were incorporated in Germany.
(b) Fiji Cinema Joint Venture operates in Fiji and Rialto Joint Venture operates in New Zealand.
(c) The joint venture is not consolidated as the Group does not have control and the power to govern financial and operating policies.

NOTE 16 – BUSINESS COMBINATIONS

Half-year to 31 December 2011

During the half-year period to 31 December 2011, there were no significant business combinations.

Prior Year

During the half-year period to 31 December 2010, the Group acquired the Moonlight Cinema business for consideration of $1,750,000. The fair value of net tangible assets and liabilities acquired as part of this acquisition amounted to $51,000, which largely comprised plant and equipment. As a result of this purchase, intangible assets being goodwill, increased by $1,699,000.

NOTE 17 – COMMITMENTS AND LEASES

Other than the following, there have been no material changes in commitments and leases since 30 June 2011.

	31 Dec 2011 $'000	30 June 2011 $'000
Capital expenditure commitments		
Contracted but not provided for and payable:		
Within one year	37,665	11,126
Operating lease commitments – as lessee		
Future minimum operating lease rentals not provided for and payable:		
Within one year	89,029	94,168
Later than one year but not later than five years	297,871	314,493
Later than five years	312,728	321,590
	699,628	730,251

Operating lease commitments have reduced largely due to the movement in the exchange rate between the Australian dollar and the Euro and the reduction of the remaining lease term, for most leases, by six months.

NOTE 18 – CONTINGENT LIABILITIES AND CONTINGENT ASSETS

With exception to the following, there have been no material changes in contingent liabilities or contingent assets since 30 June 2011.

Contingent Liabilities	31 Dec 2011 $'000	30 June 2011 $'000
Jointly controlled entities Certain subsidiaries have obligations in respect of the lease commitments for jointly controlled entities. Operating lease commitments of jointly controlled entities not included in the Group's financial statements, for which a controlled entity has obligations, are due:		
Not later than one year	37,928	37,939
Later than one year but not later than five years	126,969	130,661
Later than five years	118,425	134,883
	283,322	303,483

Contingent liabilities have reduced largely due to the restructure of certain lease arrangements and guarantees and the reduction of the remaining lease term, for most leases, by six months.

NOTE 19 – EVENTS SUBSEQUENT TO REPORTING DATE

Dividends
For details of the interim 2012 dividend declared after 31 December 2011 refer to Note 6.

Performance Shares
Subsequent to 31 December 2011, the Company offered Performance Shares to certain employees under the Company's Performance Share Plan. A total of 759,577 Performance Shares are expected to be allocated to participants on, or around, 23 February 2012.

NOTE 20 – NON-CASH INVESTING ACTIVITIES

31 December 2011
There were no significant non-cash investing activities during the half-year period to 31 December 2011.

31 December 2010
There were no significant non-cash investing activities during the half-year period to 31 December 2010.

AMALGAMATED HOLDINGS LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' DECLARATION

In the opinion of the directors of Amalgamated Holdings Limited ("the Company"):

1. The financial statements and notes set out on pages 10 to 29 are in accordance with the Corporations Act 2001, including:

   (a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

   (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

AG Rydge	DC Seargeant
Director	Director

Dated at Sydney this 23rd day of February 2012

Independent auditor's review report to the members of Amalgamated Holdings Limited

Report on the financial report

We have reviewed the accompanying interim financial report of Amalgamated Holdings Limited, which comprises the consolidated statement of financial position as at 31 December 2011, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the interim period ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Amalgamated Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Amalgamated Holdings Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2011 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Kenneth Reid
Partner

Sydney

23 February 2012