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5 November 2009

Dear shareholder,

Renounceable entitlement offer to raise up to approximately \$107 million

On 3 November 2009, Amalgamated Holdings Limited (**AHL**), announced an equity capital raising of up to approximately \$107 million by way of a 1 for 5 renounceable entitlement offer of approximately 26.1 million fully paid new ordinary shares.

The record date for the entitlement offer is 7.00pm on Thursday 12 November 2009. The entitlement offer is open to shareholders at the record date whose registered address is in Australia or New Zealand (and who are not otherwise ineligible to participate).

Details of the entitlement offer are set out in an offer booklet (the **Offer Booklet**) announced on the Australian Stock Exchange (**ASX**) at the time of announcement of the capital raising. A copy of the Offer Booklet is available to shareholders with registered addresses in Australia or New Zealand on ASX's website at www.asx.com.au. Eligible shareholders will be mailed an Offer Booklet together with an Entitlement and Acceptance Form no later than 16 November 2009.

Key information regarding the renounceable entitlement offer is as follows:

Shares issued under the entitlement offer will be offered at \$4.10 per share, which is a 31.3% discount to AHL's closing share price on 2 November 2009 (the last day of trading before AHL announced its capital raising) and a 27.5% discount to the theoretical ex-rights price based on AHL's closing share price on the same date.

Fractional entitlements to new shares will be rounded up to the nearest whole number of shares. For this purpose, holdings in the same name will be aggregated for calculation of entitlements. New shares will rank equally in all respects with, and will otherwise have the same rights as, the existing ordinary shares, including with respect to dividends.

Rights trading will start on 6 November 2009 and end on 23 November 2009.

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 or procure subscriptions for all of their entitlements.

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 the commitments by the major shareholders, all of AHL's Directors have interests in AHL ordinary 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 ordinary shares held on his behalf under AHL's Performance Share Plan).

Following the completion of the entitlement offer, if fully subscribed, AHL will have issued an additional 26.1 million shares and will have approximately 156.5 million shares in total on issue at that time.

No handling fee will be paid to brokers who lodge acceptances or renunciations on behalf of shareholders.

Use of proceeds

The proceeds of the entitlement offer will be used to strengthen AHL's capital base and provide increased financial flexibility to pursue growth opportunities. Further details are set out in the Offer Booklet.

Actions required by shareholders

The rights to subscribe for the new shares may have value and it is important that shareholders determine whether they take up or sell their rights.

Shareholders whose registered address is outside Australia or New Zealand (or who are otherwise ineligible to participate under the terms of the offer) will not be eligible to participate in the entitlement offer and arrangements have been made by AHL to sell the entitlements of ineligible shareholders. The net proceeds from any rights sales will be sent to those ineligible shareholders.

If you are an eligible shareholder and wish to take up all of your rights you will need to complete and return the Entitlement and Acceptance Form accompanying the Offer Booklet, together with your payment for the new shares for which you wish to subscribe in accordance with the instructions on the form. A reply paid envelope will be enclosed for your convenience.

There are a number of ways in which eligible shareholders can sell some or all of their rights:

1. If you wish to sell all of your rights on ASX, you should instruct your stockbroker personally and provide details as requested from the Entitlement and Acceptance Form accompanying the Offer Booklet.
2. If you wish to sell part of your rights on ASX and take up the balance, you will need to:
 - instruct your stockbroker personally and provide details as requested from the Entitlement and Acceptance Form accompanying the Offer Booklet; and
 - forward the slip attached to the Entitlement and Acceptance Form to AHL's share registry together with your cheque, bank draft or money order for the shares applied for (or make payment using BPAY), in each case in accordance with the instructions on the form.
3. If you wish to sell some or all of your rights other than on ASX, you will need to complete a standard renunciation form (which can be obtained from your stockbroker or by calling the AHL Shareholder Information Line (see details below)). For any shares applied for you will need to forward the slip attached to the Entitlement and Acceptance Form to AHL's share registry together with your cheque, bank draft or money order for the shares applied for (or make payment using BPAY), in each case in accordance with the instructions on the form.

Eligible shareholders who take up their entitlements in full can also apply for additional shares. Additional shares will only be available where there is a shortfall between applications received from eligible shareholders (or persons to whom rights have been transferred or sold) and the number of new shares proposed to be issued under the entitlement offer. In the event that demand for additional shares exceeds the number of additional shares available for allocation, AHL will implement a scale-back in its sole discretion.

Key dates

Other key dates for shareholders are as follows:

AHL shares quoted on an 'ex' basis and rights trading commences	6 November 2009
Record date for determining rights entitlements	12 November 2009
Despatch of Offer Booklet and Entitlement and Acceptance Forms	16 November 2009
Rights trading on ASX ends	23 November 2009
New shares quoted on a deferred settlement basis and trading expected to commence for new shares	24 November 2009
Offer closes. Last day for acceptance of application money	30 November 2009
Allotment and issue of new shares	8 December 2009
Trading expected to commence for new shares on a normal T+3 basis	9 December 2009

Applications for new shares under the entitlement offer may only be made on the Entitlement and Acceptance Form which accompanies the Offer Booklet. Shareholders eligible to participate should read the Offer Booklet carefully. For further information on the entitlement offer you should contact your professional advisor or call the AHL Shareholder Information Line on 1300 823 671 (local call cost from within Australia) or +61 3 9938 4346 (outside Australia).

On behalf of the Board of AHL, I invite you to consider this investment opportunity and thank you for your ongoing support of AHL.

Yours sincerely



AG Rydge
Chairman
Amalgamated Holdings Limited