



AMCIL LIMITED

ABN 57 073 990 735

APPENDIX 4D STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

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STRONG OUTPERFORMANCE IN DIFFICULT CONDITIONS

MEDIA RELEASE - HALF YEAR RESULT TO 31 DECEMBER 2008

27 January 2009

In the six month period to 31 December 2008 where the broader Australian equity market was down 27%, AMCIL's portfolio return was a decline of 18%.

This outperformance was a result of holding a solid cash position and an ongoing investment approach which sought to avoid companies with high leverage or complex business models. The Company also has limited itself to very specific exposures in the materials sector which has been extremely hard hit by the global slowdown.

Cash held at 31 December 2008 was close to \$22 million which is approximately 23% of the total portfolio.

The Net Operating Profit was up 12.2% to \$1.9 million. In line with past practice no interim dividend has been declared.

The Company was a participant in the rights issues undertaken by Commonwealth Bank, National Australia Bank, QBE Insurance and Westpac and these formed the majority of purchases during the past six months.

The major sale from the Investment Portfolio was Queensland Gas which was taken over by British Gas. Other sales included the exiting of positions in Connect East, Toll Holdings and the remaining holding in Rio Tinto.

We remain extremely cautious about the adverse near term economic prospects. AMCIL enters the remainder of the financial year with a high level of cash. Our approach to investing this cash will be to look for the best opportunities which arise in companies likely to come through the economic downturn with improved competitive positions and sustainable cash flows.

Please direct any enquiries to:

Bruce Teele
Chairman
(03) 9679 1361

Ross Barker
Managing Director
(03) 9924 0380

Geoff Driver
General Manager
(03) 9679 1659

TOP INVESTMENTS AS AT 31 DECEMBER 2008

Includes investments held in both the Investment and Trading Portfolios

TOP 20 AS AT 31/12/2008

			Total Value \$'000
1	*	BHP BHP Billiton	8,642
2		TLS Telstra Corporation	6,520
3		WBC Westpac Banking Corporation	6,046
4		NAB National Australia Bank	5,218
5		CBA Commonwealth Bank of Australia	4,624
6		QBE QBE Insurance Group	4,096
7		AMP AMP	3,444
8		BXB Brambles	2,753
9		AMC Amcor	2,610
10		CCL Coca-Cola Amatil	2,527
11		PPC Peet	2,387
12		TOX Tox Free Solutions	2,303
13		NWS News Corporation (a)	2,108
14		EQT Equity Trustees	1,990
15		BKN Bradken	1,918
16		OSH Oil Search	1,860
17		ASZ ASG Group	1,501
18		MCU Mitchell Communication Group	1,463
19		AWC Alumina	1,182
20		ILU Iluka Resources	1,160
			64,349

As % of Portfolio (\$74.6m, excludes cash and bank bills) 86.2%

(a) Includes \$0.3 million of NWSLV Class A Non-Voting Common Stock

* Indicates that options were outstanding against part or all of the holding

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 December 2008 with the previous corresponding period being the half-year ended 31 December 2007.

Results for announcement to the market

- Net Operating Profit before net gains on investments was \$1.9 million, up 12.2% from the previous corresponding period.
- Profit for the half-year (including net gains on investments sold) was \$9.9 million, up 38.3% from the previous corresponding period.
- Revenue from investments was \$2.9 million, up 25.8% from the previous corresponding period.
- Net tangible asset backing per share before any provision for tax on unrealised gains at 31 December 2008 was 54 cents per share, down from 79 cents at the end of the previous corresponding period.
- A final dividend of 3 cents per share (fully franked) in respect of the financial year ended 30 June 2008 was paid on 15 August 2008.
- In line with past practice, no interim dividend has been declared in respect of the half year ended 31 December 2008.



**AMCIL
LIMITED**

ABN 57 073 990 735

**HALF-YEAR REPORT
31 DECEMBER 2008**

COMPANY PARTICULARS

AMCIL Limited (“AMH”)

ABN 57 073 990 735

AMCIL is a Listed Investment Company. It is an investor in equities and similar securities on the stock market primarily in Australia.

Directors: Bruce Teele, Chairman
Ross Barker, Managing Director
Peter Barnett
Terry Campbell AO
Rupert Myer AM
Richard (Bob) Santamaria
Stan Wallis AC

Company Secretary: Andrew Porter

Auditor: PricewaterhouseCoopers, Chartered Accountants

Country of incorporation: Australia

Registered office: Level 21
101 Collins Street
Melbourne, Victoria 3000

Contact Details: Mail Address: GPO Box 2114, Melbourne, Victoria 3001
Telephone: (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@amcil.com.au
Internet address: www.amcil.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone: 1800 780 784 (toll free)

Share Registrar: Computershare Investor Services Pty Limited
Mail Address: Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067

AMH Shareholder
enquiry line: 1300 653 916
+613 9415 4224 (from overseas)

Facsimile: (03) 9473 2500
Email: web.queries@computershare.com.au
Internet: www.computershare.com.au

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Stock Exchange Code: AMH Shares

DIRECTORS' REPORT

This report in relation to the half-year to 31 December 2008 is presented by the Directors of AMCIL Limited ('the Company') in accordance with a resolution of Directors.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

B.B. Teele
R.E. Barker
P.C. Barnett
T.A. Campbell AO
R.H. Myer AM
R.B. Santamaria
S.D.M. Wallis AC

Company operations and results

Overview

Since 2003, the Company has been a thematic investor primarily in securities listed on the Australian Securities Exchange.

Performance Indicators and Outcomes

The net operating profit, which excludes realised gains from investments sold from the investment portfolio, was \$1.9 million for the six months ended 31 December 2008, up from \$1.7 million last year, an increase of 12%. This is equivalent to 1.08 cents per share. Profit including the realised gains was \$9.9 million, up from \$7.1 million for the previous corresponding period.

A key component of earnings was distributions from the companies in which we invest of \$2.1 million, of which \$1.8 million was from the receipt of fully franked dividends. Combined contribution from the trading portfolio and the realised gains on options was up \$0.2 million.

Realised gains of \$8.1 million were made in the investment portfolio primarily as the result of the sale of the Company's holdings in Queensland Gas, Rio Tinto and ConnectEast during the half.

In accordance with previous practice, the Board has decided not to declare an interim dividend.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

Rounding of amounts

The Company is of the kind referred to in Class Order 98/0100 issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the directors' report and financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

A handwritten signature in cursive script, appearing to read 'T. A. Campbell'.

T. A. Campbell
Director
Melbourne
27 January 2009

PricewaterhouseCoopers
ABN 52 780 433 757

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2 Southbank Boulevard
SOUTHBANK VIC 3006
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MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Auditor's Independence Declaration

As lead auditor for the review of AMCIL Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of AMCIL Limited during the period.



David Coogan
Partner
PricewaterhouseCoopers

Melbourne
27 January 2008

INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	Half-year 2008 \$'000	Half-year 2007 \$'000
Dividends and distributions		2,148	1,843
Revenue from deposits and bank bills		748	459
Total revenue		2,896	2,302
Net gains/(losses) on trading portfolio		(292)	(246)
Realised gains/(losses) from options written portfolio		434	161
Income from operating activities before net gains on investments		3,038	2,217
Finance costs		(17)	(11)
Administration expenses		(667)	(589)
Operating profit before income tax expense and net gains on investments		2,354	1,617
Income tax (expense)/credit*		(459)	72
Net operating profit before net gains on investments		1,895	1,689
Net gains/(losses) on investments			
Net gains on Ordinary Securities sold from the investment portfolio		8,134	5,355
Net gains/(losses) on open options positions		(211)	144
Tax (expense)/credit on net gains on investments*		63	(43)
		7,986	5,456
Profit for the half-year		9,881	7,145
		Cents	Cents
Basic earnings per share	8	5.61	4.16
Diluted earnings per share	8	5.61	4.16
		Half-year 2008 \$'000	Half-year 2007 \$'000
* Total Tax (Expense)/Credit		(396)	29

This Income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	31 Dec 2008 \$'000	30 June 2008 \$'000
Current assets			
Cash		21,814	17,984
Receivables		220	196
Income Tax Credits		148	-
Trading portfolio	3	-	8,087
Total current assets		22,182	26,267
Non-current assets			
Investment portfolio		74,655	95,474
Deferred tax assets		111	650
Total non-current assets		74,766	96,124
Total assets		96,948	122,391
Current liabilities			
Payables		522	946
Tax payable		-	474
Options written portfolio	4	34	221
Total current liabilities		556	1,641
Non-current liabilities			
Deferred tax liabilities - investment portfolio	5	-	1,221
Total non-current liabilities		-	1,221
Total liabilities		556	2,862
Net Assets		96,392	119,529
Shareholders' equity			
Share Capital	6	109,135	106,970
Revaluation Reserve		(13,537)	16,443
Accumulated Profits/(Losses)		794	(3,884)
Total shareholders' equity		96,392	119,529

This balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	Half-year 2008 \$'000	Half-year 2007 \$'000
Total equity at the beginning of the half-year		119,529	134,467
Dividends paid	7	(5,203)	(10,077)
Shares issued under Dividend Reinvestment Plan		2,167	4,107
On-market share buy-backs		(2)	-
Share Issue costs		-	(14)
Total transactions with shareholders		(3,038)	(5,984)
Revaluation of investment portfolio		(31,201)	(5,415)
Provision for tax on unrealised gains		1,221	(80)
Net unrealised gains/(losses) on investment portfolio		(29,980)	(5,495)
Profit for the half-year		9,881	7,145
Total recognised income (including unrealised gains/losses) & expense for the half-year		(20,099)	1,650
Total equity at the end of the half-year		96,392	130,133

This statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Half-year 2008 \$'000 INFLOWS/ (OUTFLOWS)	Half-year 2007 \$'000 INFLOWS/ (OUTFLOWS)
Cash flows from operating activities		
Sales from trading portfolio	8,560	4,776
Purchases for trading portfolio	(765)	(5,508)
Interest received	576	459
Proceeds from entering into options in options written portfolio	37	731
Payment to close out options in options written portfolio	-	(341)
Dividends and distributions received	2,090	1,793
	10,498	1,910
Administration expenses	(736)	(569)
Finance costs paid	(17)	(6)
Taxes paid	(482)	(3)
Net cash inflow/(outflow) from operating activities	9,263	1,332
Cash flows from investing activities		
Sales from investment portfolio	20,509	20,473
Purchases for investment portfolio	(22,905)	(13,173)
Net cash inflow/(outflow) from investing activities	(2,396)	7,300
Cash flows from financing activities		
Share issues under Dividend Reinvestment Plan	2,167	4,107
Share issues transaction costs	-	(14)
On-market share buy-back	(2)	-
Dividends paid	(5,202)	(10,077)
Net cash inflow/(outflow) from financing activities	(3,037)	(5,984)
Net increase/(decrease) in cash held	3,830	2,648
Cash at the beginning of the half-year	17,984	16,558
Cash at the end of the half-year	21,814	19,206

This cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2008 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. In addition, it is noted that *AASB 139 - Financial Instruments: Recognition and Measurement* requires the Company to assess at each reporting date whether there is any objective evidence that an investment in the investment portfolio is impaired.

The Company's portfolio is regularly reviewed on an ongoing basis throughout the year. Where an investment is considered to be impaired it is either sold from the portfolio or an impairment charge is recognised through the income statement in accordance with AASB 139.

The Company has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market Value	Fair Value for Actively Traded Securities

2. Financial reporting by segments

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

3. Current assets – trading portfolio

The Company enters into option contracts in the trading portfolio for the purpose of enhancing returns, offsetting risk or providing opportunities to acquire or sell securities at advantageous prices.

As at balance date there were no call options outstanding (30 June 2008: call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of \$1.3 million) held by the Company in its trading portfolio and no put options outstanding (30 June 2008 : put options outstanding that potentially required the Company to buy prior to the respective expiry dates, if they were exercised, certain securities at prices which in aggregate totalled \$0.6 million).

4. Current liabilities – options written portfolio

As at balance date there were call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of \$0.9 million (30 June 2008: \$4.5 million).

5. Deferred tax liabilities – investment portfolio

At balance date, the Company had unused losses on the sale of investments available to set-off against future capital gains of \$6.5 million (30 June 2008: \$16.0 million). During the half-year, \$9.5 million worth of brought forward losses were applied to realised capital gains.

6. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Issue price \$	Paid-up Capital \$'000
01/07/2008	Opening Balance		173,418		106,970
15/08/2008	Dividend Reinvestment Plan	i	3,495	0.62	2,167
Various	On-market share buy-backs	ii	(3)		(2)
31/12/2008	Balance		<u>176,910</u>		<u>109,135</u>

- i The Company has introduced a Dividend Reinvestment Plan under which shareholders elected to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares was based on the average selling price of shares traded on the Australian Stock Exchange in the five days from the day the shares begin trading on an ex-dividend basis. The issue was at a 5% discount to the calculated price.
- ii The Company introduced an on-market Buy-Back Programme in April 2007. During half-year ended 31 December 2008 the Company had bought back 3,000 shares at an average price of 57 cents. During the corresponding period in 2007, no shares were bought back.

7. Dividends	Half-year 2008 \$'000	Half-year 2007 \$'000
Dividends provided for or paid during the period	5,203	10,077

8. Earnings per Share	Half-year 2008	Half-year 2007
	Number	Number
Weighted average number of ordinary shares used as the denominator	176,037,845	171,694,661
Basic earnings per share		
	\$'000	\$'000
Profit attributable to members of the company	9,881	7,145
	Cents	Cents
Basic earnings per share	5.61	4.16
Net operating profit per share		
	\$'000	\$'000
Net operating profit	1,895	1,689
	Cents	Cents
Net operating profit per share	1.08	0.98

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as Basic Earnings per Share. This similarly applies to diluted net operating profit before net gains on investment portfolio per Share.

9. Events subsequent to balance date

Since 31 December 2008 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

10. Contingencies

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 16 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2008 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



T. A. Campbell
Director
Melbourne
27 January 2009

Independent auditor's review report to the members of AMCIL Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of AMCIL Limited, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for AMCIL Limited (the company).

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AMCIL Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

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 half-year financial report of AMCIL Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



David Coogan
Partner

Melbourne
27 January 2008