



2011

ANNUAL REVIEW

A FOCUSED PORTFOLIO OF AUSTRALIAN EQUITIES



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The Statutory Annual Report for 2011 is available on AMCIL's website www.amcil.com.au or by contacting the Company on (03) 9650 9911.

ABOUT THE COMPANY

AMCIL was originally established in 1996 as an investor in media and telecommunications companies. In late 2003 shareholders agreed to change the investment mandate to a focused portfolio drawn from the broader market.

AMCIL's portfolio covers both large and small companies. The number of companies in the portfolio will usually comprise 30 to 40 stocks depending on market conditions and thematic investment opportunities. The selection of stocks in the portfolio is based on attractive valuations as well as the outlook for growth and the competitive structure of the industry.

The Company aims to provide shareholders with attractive returns through strong capital growth in the portfolio over the medium to long term together with the generation of dividend income.

SUMMARY OF RESULTS

Reported Profit After Tax

Reported profit after tax for the year was \$8.4 million versus \$7.0 million over the corresponding period last year. These figures include the movement in the unrealised value of the Company's investment in Hastings Diversified Utilities Fund, as required under current accounting standards.

Net Operating Profit

Net operating profit, which measures the underlying income generated from the portfolio, increased to \$7.1 million from \$4.9 million last year, a rise of 44.4 per cent.

Earnings Per Share

Earnings per share based on net operating profit were 3.50 cents compared with 2.62 cents last year.

A Fully Franked Final Dividend

A fully franked final dividend of 3.5 cents per share has been determined by Directors. This is in line with the Company's dividend policy of maximising the distribution of available franking credits. Last year's final dividend was 2 cents per share fully franked. The Dividend Reinvestment Plan was suspended for this year's payment.

Total Portfolio Return

Total portfolio return during the 12 months to 30 June 2011 (change in net asset backing per share plus dividend) was 13.6 per cent whereas the S&P/ASX 200 Accumulation Index increased 11.7 per cent over the corresponding period.

Total Shareholder Return

Total shareholder return measured by change in share price plus dividend over the 12 month period was 10.8 per cent.

Total Portfolio

Total portfolio at market value at 30 June 2011 was \$161.9 million. This includes cash of \$14.0 million (before the payment of the dividend).

Management Expense Ratio

Management expense ratio was 0.80 per cent, compared to 0.88 per cent for the corresponding period last year.

Net Asset Backing

Net asset backing at 30 June 2011 was 78 cents. At 30 June 2010 the net asset backing was 70 cents.

REVIEW OF OPERATIONS

Profit and Dividend

AMCIL has reported a net profit after tax of \$8.4 million for the 12 months to 30 June 2011. This result is 19.6 per cent higher than last year's result of \$7.0 million. These figures include the movement in the unrealised value of the Company's investment in Hastings Diversified Utilities Fund, which is required under current accounting standards.

Net operating profit, which includes the income generated from the investment and trading portfolios, was the main driver of this increase. For the 12 month period net operating profit was \$7.1 million, 44.4 per cent higher than the corresponding figure of \$4.9 million last year.

A key component in this was a large increase in AMCIL's fully franked income which arose from participation in the share buy-back by BHP Billiton. AMCIL's income also benefited from other companies which lifted their dividends and the deployment into the market of cash from its share purchase plan in January 2011.

As a result, the Board has increased AMCIL's dividend to 3.5 cents per share fully franked, up from 2 cents per share last year. This amount is in line with the Company's dividend policy of maximising the distribution of available franking credits in any given year.

Given the level of cash AMCIL has available to invest and the current share price which is trading at a discount to net asset backing the Company has suspended the Dividend Reinvestment Plan for this dividend.

The Portfolio

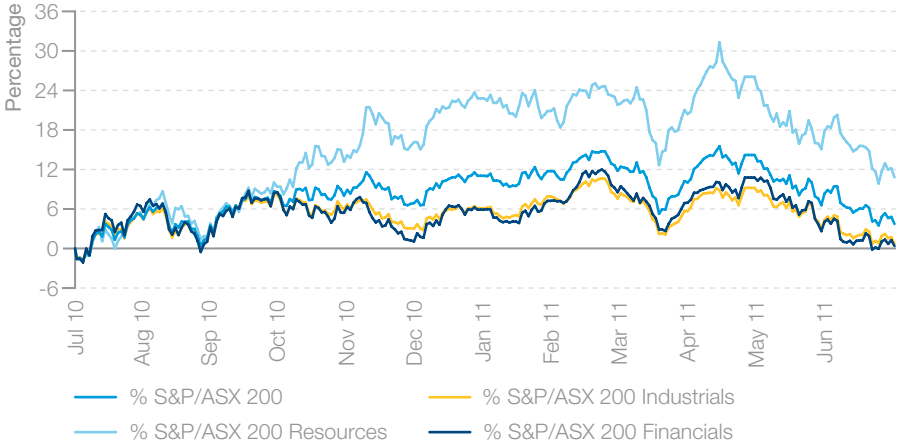
AMCIL's investment performance benefited from the focused approach it has to the portfolio. The portfolio return over the financial year (including dividends paid) was 13.6 per cent whereas the broader Australian equity market increased 11.7 per cent over the same period. Over a five year period the portfolio return for AMCIL has been 8.6 per cent per annum whereas the market on the same basis has returned 2.4 per cent per annum.

Major contributors to the positive performance of the portfolio for the year were gains in Iluka Resources, Hastings Diversified Utilities Fund, Transurban, BHP Billiton and Commonwealth Bank of Australia.

The following chart highlights the disparity in performance between different sectors of the market and the sudden fall in sentiment which occurred following the market peak for the year in April 2011.

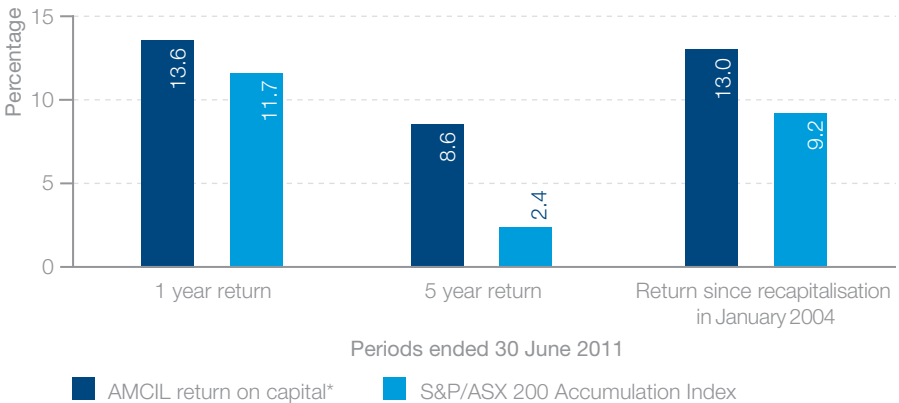
AMCIL's portfolio return for the year was very pleasing in this environment.

Comparative Sector Returns*



* Based on price movements. Does not include dividend returns.

Portfolio Return – Per Annum Return to 30 June 2011



* Return on capital is measured by the change in net asset backing plus reinvested dividends and adjusting for the additional cash received from the exercise of options since recapitalisation of the Company in January 2004.

REVIEW OF OPERATIONS CONTINUED

Major purchases in the investment portfolio were in Senex Energy, iSelect, which is currently unlisted, ANZ Banking Group, Trust Company and Engenco.

Details of the new additions to the portfolio over \$500,000 since the previous six month report sent to shareholders are:

Engenco	Engenco is a service provider to the resource, rail, defence, maritime and power generation industries providing broad-based technical sales and services to customers that rely on complex plant and equipment, specialised rolling stock, or related technical expertise to support their power, propulsion and infrastructure needs.
Boral	Boral is an international building and construction materials group. With leading market positions, Boral's core businesses are cement and construction materials in Australia; plasterboard in Australia and Asia; and bricks, roof tiles and masonry in Australia and the USA.
Blackmores	Blackmores is a natural healthcare company that distributes premium branded vitamins and supplements in Australia and South East Asia.
Asciano	Asciano is a transport infrastructure business, with a focus on ports and rail. Its portfolio includes Pacific National's rail operations and Patrick's port and stevedoring businesses. These two businesses own and operate container terminals, bulk export facilities, stevedoring equipment and associated services, and extensive rail operations.

The more significant disposals from the portfolio were in Mitchell Communications, which was taken over by Aegis Plc, AXA Asia Pacific as a result of the takeover by AMP, BHP Billiton as a result of participation in the buy-back, Iluka Resources and REA Group.

Purchases in the investment portfolio totalled \$17.3 million for the financial year whereas total sales were \$13.8 million for the period.

Outlook

In our view, equity market conditions are likely to remain uncertain for some time as the high level of government debt in many developed economies weighs on global growth expectations. In addition, whilst the Australian market has benefited from ongoing demand for resources, other sectors are affected by the high Australian dollar and weak consumer sentiment. Whilst this environment provides some short term difficulties it is also likely to continue to produce selected long term investment opportunities for an investor like AMCIL.

AMCIL moves into the financial year in a strong position. Following the payment of the dividend the Company has \$7 million of cash available to invest.

TOP INVESTMENTS

AS AT 30 JUNE 2011

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2011

Investments	Total Value \$'000
1 Commonwealth Bank of Australia	9,223
2 Hastings Diversified Utilities Fund	9,191
3 Westpac Banking Corporation	8,171
4 BHP Billiton	7,509
5 National Australia Bank	6,846
6 Transurban Group	6,454
7 Bradken	5,781
8 QBE Insurance Group	5,303
9 Australia and New Zealand Banking Group	5,237
10 Iluka Resources	5,034
11 Telstra Corporation	4,920
12 Tox Free Solutions	4,669
13 Australian Infrastructure Fund	4,276
14 Amcor	4,077
15 Oil Search	4,062
16 Coca-Cola Amatil	3,997
17 Brambles	3,971
18 AMP	3,968
19 ASG Group	3,401
20 Campbell Brothers	3,381
Total	109,470

As a percentage of total portfolio (excludes cash)

74.0%

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
Dividends and distributions	8,081	5,542
Revenue from deposits and bank bills	337	615
Net gains/(losses) on trading portfolio	252	122
Realised gains/(losses) from options written portfolio	20	(30)
Other revenue	20	54
Total income	8,710	6,303
Finance costs	(88)	(14)
Administration expenses	(1,239)	(1,177)
Operating profit before income tax	7,383	5,112
Income tax expense	(279)	(194)
Net operating profit	7,104	4,918
Net capital gains/(losses) on investments		
Net gains on securities sold from the investment portfolio before 7 December	-	526
Net gains/(losses) on open options positions	(11)	11
Net gains on 'puttable instruments'	1,819	2,208
Tax expense on above	(543)	(665)
	1,265	2,080
Profit for the year (including capital gains)	8,369	6,998
	Cents	Cents
Net operating profit per share	3.50	2.62
Profit for the year (including capital gains) per share	4.13	3.73

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
Current assets		
Cash	14,029	4,955
Receivables	1,201	1,046
Trading portfolio	3,760	5,095
Total current assets	18,990	11,096
Non-current assets		
Investment portfolio	144,086	126,484
Deferred tax assets	191	264
Total non-current assets	144,277	126,748
Total assets	163,267	137,844
Current liabilities		
Payables	829	851
Tax payable	373	159
Options written portfolio	-	69
Total current liabilities	1,202	1,079
Non-current liabilities		
Deferred tax liabilities – investment portfolio	5,990	1,983
Total non-current liabilities	5,990	1,983
Total liabilities	7,192	3,062
Net assets	156,075	134,782
Shareholders' equity		
Share capital	129,377	120,447
Revaluation reserve	17,224	11,500
Retained profits	9,474	2,835
Total shareholders' equity	156,075	134,782

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
Total equity at the beginning of the year	134,782	106,653
Dividends paid	(3,897)	(3,538)
Shares issued under Dividend Reinvestment Plan	1,833	1,475
Shares issued under Share Purchase Plan	7,145	9,895
Cost of share issues	(48)	(58)
Total transactions with shareholders	5,033	7,774
Revaluation of investment portfolio	7,912	14,391
Provision for tax on unrealised gains	(3,461)	(1,321)
Net unrealised gains/(losses) on investment portfolio	4,451	13,070
Net capital gains for the year not reported through profit*	3,440	287
Total other comprehensive income	7,891	13,357
Net capital gains/(losses) for the year reported through profit	1,265	2,080
Operating profit for the year	7,104	4,918
Total equity at the end of the financial year	156,075	134,782

* This figure, representing realised gains on investments sold, is transferred to accumulated profits and is available for distribution, subject to the Company's dividend policy.

A full set of AMCIL's accounts are available on the Company's website.

HOLDINGS OF SECURITIES

AS AT 30 JUNE 2011

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784 and is available on the Company's website www.amcil.com.au).

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
AGO	Atlas Iron	Iron ore miner with operating mines and mine developments in the Pilbara region of Western Australia	0	150	560
AHD	Amalgamated Holdings	Entertainment, hospitality and leisure company, with interests in cinemas, hotels, resorts and a wildlife park	0	115	667
AIO	Asciano	Transport infrastructure business, with a focus on ports and rail	0	285	467
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	1,878	2,227	4,276
AMC	Amcor	Global packaging company	566	566	4,077
AMP	AMP	Major Australasian financial services organisation	673	811	3,968
ANZ	Australia & New Zealand Banking Group	Banking and wealth management services	182	238	5,237
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	0	30	227

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
ASZ	ASG Group	Provision of computer infrastructure, application development, systems integration and specialist technical services	3,535	3,435	3,401
AWC	Alumina	Has a 40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	850	850	1,793
BHP	BHP Billiton	Diversified international resources company	200	171	7,509
BKL	Blackmores	A natural healthcare company that distributes premium branded vitamins and supplements in Australia and South East Asia	0	19	503
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	752	726	5,781
BLD	Boral	Provides building and construction materials in Australia, the USA and Asia	0	126	556
BXB	Brambles	Global provider of supply chain management and storage solutions	550	550	3,971
CBA	Commonwealth Bank of Australia	Banking and wealth management services	166	176	9,223

HOLDINGS OF SECURITIES CONTINUED

AS AT 30 JUNE 2011

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
CCL	Coca-Cola Amatil	Manufactures and distributes a range of carbonated soft drinks, fruit products and functional beverages, many of which are trademarks of The Coca-Cola Company	350	350	3,997
CPB	Campbell Brothers	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	61	74	3,381
EGN	Engenco	Group of industrial engineering businesses servicing customers in the resources, rail, transport, defence, maritime and power generation industries	0	6,894	724
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	187	209	2,905
ESG	Eastern Star Gas	Focused on the exploration and development of coal seam gas acreage in northern NSW	2,000	2,820	1,706
FWD	Fleetwood Corporation	Provider of manufactured accommodation for the resources and retirement sectors	191	166	1,876

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
HDF	Hastings Diversified Utilities Fund	Investor in utility infrastructure assets, predominantly east coast Australian gas pipelines	5,967	5,817	9,191
#	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	875	267
ILU	Iluka Resources	Miner of zircon and titanium based mineral sands products with an additional iron ore production royalty	430	300	5,034
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen based fertiliser and industrial explosives	400	400	1,544
IRD	Iron Road	Iron ore exploration company with principal project in South Australia	0	333	280
#	iSelect	Online comparison tool that matches consumers with the most appropriate insurance policy and other financial products	0	97	1,500
LYL	Lycopodium	Engineering and project management business that predominantly works on mineral processing, industrial process and utilities plant and equipment	0	90	517

HOLDINGS OF SECURITIES CONTINUED

AS AT 30 JUNE 2011

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
MGO	Marengo Mining	Developing a copper gold project in Papua New Guinea	0	1,000	260
MRM	Mermaid Marine Australia	Provider of supply base and vessel services to the offshore oil and gas industry	280	340	1,084
MYX	Mayne Pharma Group	Pharmaceutical company with a portfolio built around the optimisation and delivery of oral dosage form drugs	0	257	134
NAB	National Australia Bank	Banking and wealth management services	259	267	6,846
ORE	Orocobre	Minerals explorer with several potential lithium projects in Argentina	0	74	153
ORG	Origin Energy	Integrated energy company involved in gas and oil exploration, production, energy retailing and power generation	110	132	2,084
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	609	611	4,062
PAG	PrimeAg Australia	Owner and operator of Australian farms with a range of crops and livestock holdings	1,000	381	487
PNA	PanAust	Minerals explorer, developer and miner producing copper-gold concentrate in Laos	2,444	429	1,617

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
PPC	Peet	Involved in the acquisition, management, development and marketing of broadacre residential land estates	2,067	2,267	3,321
PPT	Perpetual	Diversified financial company offering investment management, financial advice and corporate trust services	65	69	1,719
QBE	QBE Insurance Group	General insurance and reinsurance services provider	256	307	5,303
REA	REA Group	Operator of residential and commercial real estate advertising websites in Australia and Italy	334	250	2,975
SHV	Select Harvests	Almond producer, exporter and crop manager	202	194	358
SXY	Senex Energy (formerly Victoria Petroleum)	Oil and gas explorer and developer with assets in South Australia and Queensland	4,000	8,419	3,031
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	1,200	1,234	6,454
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	800	812	1,140
TLS	Telstra Corporation	Telecommunications operator and information services provider	2,052	1,702	4,920

HOLDINGS OF SECURITIES CONTINUED

AS AT 30 JUNE 2011

Code	Company	Principal Activities	Number Held 2010 '000	Number Held 2011 '000	Market Value 2011 \$'000
TOX	Tox Free Solutions	Integrated waste management and environmental service business	2,102	2,202	4,669
TRU	Trust Company	Provider of corporate trustee and custodian services and personal advisory services	240	400	2,202
WBC	Westpac Banking Corporation	Banking and wealth management services	367	367	8,171
WLL	Wellcom Group	Production company providing pre media services to advertisers, retailers and corporate organisations	715	815	1,719
Total					147,846

Unlisted security.

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions (Above \$1 Million)	Cost \$'000
Senex	1,549
iSelect*	1,500
ANZ Banking Group	1,267
Trust Company	936
Engenco*	827
Amalgamated Holdings*	750
AMP#	736
Eastern Star Gas	689
Boral*	663
Australian Infrastructure Fund	655
BHP Billiton	635
QBE Insurance	591
Campbell Brothers	536
Blackmores*	533
Asciano*	500

Disposals (Above \$500,000)	Proceeds \$'000
Mitchell Communications [^]	4,309
Iluka Resources	2,770
BHP Billiton	1,779
REA Group	1,127
AXA Asia Pacific [#]	1,051
PrimeAg Australia	822

* New holding.

Takeover of AXA Asia Pacific.

[^] Taken over by Aegis Group Plc.

COMPANY PARTICULARS

AMCIL Limited ('AMH')
ABN 57 073 990 735

AMCIL is a listed investment company. It is a thematic 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 Secretaries

Simon Pordage
Andrew Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

Level 21, 101 Collins Street
Melbourne Victoria 3000

Mail Address

GPO Box 2114
Melbourne Victoria 3001

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@amcil.com.au
Website 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 Ltd
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Lines 1300 653 916
+613 9415 4224 (from overseas)
Facsimile (03) 9473 2500
Email web.queries@computershare.com.au
Website www.computershare.com.au

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

Australian Securities Exchange Code

AMH Ordinary shares

SHAREHOLDER MEETINGS

Annual General Meeting

Time 10.00am
Date Thursday 29 September 2011
Venue Hilton on the Park
Location 192 Wellington Parade
East Melbourne

Sydney Shareholder Meeting

Time 1.00pm
Date Monday 10 October 2011
Venue Four Seasons Hotel
Location 199 George Street
Sydney

Adelaide Shareholder Meeting

Time 1.00pm
Date Thursday 13 October 2011
Venue Adelaide Festival Centre
Location King William Road
Adelaide

Brisbane Shareholder Meeting

Time 1.00pm
Date Monday 24 October 2011
Venue Hilton Hotel
Location 190 Elizabeth Street
Brisbane

