

Half-Yearly Review to 31 December 2009

AMCIL



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Summary of Results for the Six Months to 31 December 2009

Net Operating Profit

Net operating profit which excludes net gains on investments was \$2.8 million (last year \$1.9 million), up 47.7 per cent from the previous corresponding period. This operating profit is primarily made up of dividends received from the investment portfolio, interest income and revenue from the trading portfolio. It does not include realised gains.

Reported Profit After Tax

Reported profit after tax which includes some net realised gains on investments sold was \$3.3 million (last year \$9.9 million).

Earnings Per Share

Earnings per share based on net operating profit were 1.55 cents compared with 1.08 cents last year.

Total Portfolio Return

Total portfolio return during the six months to 31 December 2009 (change in net asset backing per share plus dividend) was positive 26.7 per cent whereas the S&P/ASX 200 Accumulation Index increased 25.6 per cent over the corresponding period.

Total Shareholder Return

Total shareholder return measured by change in share price plus dividends over the six month period was positive 30.9 per cent.

Total Portfolio

Total portfolio at market value at 31 December 2009 was \$144.5 million. This includes cash available for investment of \$19.0 million.

Management Expense Ratio

Management expense ratio on an annualised basis was 0.9 per cent. The figure for the corresponding period last year was 1.3 per cent.

Net Asset Backing

Net asset backing at 31 December 2009 was 74 cents.

Review of Operations

Chairman's Comments on the Portfolio

AMCIL's portfolio performed well during the six months to 31 December 2009 as the market made significant gains on improved sentiment about economic conditions. AMCIL's portfolio return over this period was up 26.7 per cent whereas the broader Australian equity market increased 25.6 per cent.

The Company's portfolio benefited from the recovery in the share prices of the banking sector over the period as well as from its holdings in smaller companies such as Bradken, ASG Group and Tox Free Solutions, some of which had been particularly hard hit during the market downturn.

In managing the investments during the period, the Company was careful in its approach as the market recovered strongly. However opportunities did arise to add companies with good yields to the portfolio with new stocks Australia Infrastructure Fund, Hastings Diversified Utilities Fund (via a capital raising), Perpetual Limited and Trust Company purchased during the half. The Company also topped up its holdings in Oil Search, Brambles, PrimeAg Australia and Amcor. A number of smaller additions were also made through placements and discounted dividend reinvestment plans.

In total, purchases amounted to \$12.7 million for the half and involved holdings in 22 companies. Major sales from the portfolio were in Diversified United Investment and Mermaid Marine. Sales totalled \$2.4 million for the half.

Profit and Dividend

The net operating profit increased from \$1.9 million last year to \$2.8 million, an increase of 48 per cent. This increase was a result of income from the additional investments made during the period and the turnaround in contribution from the trading portfolio.

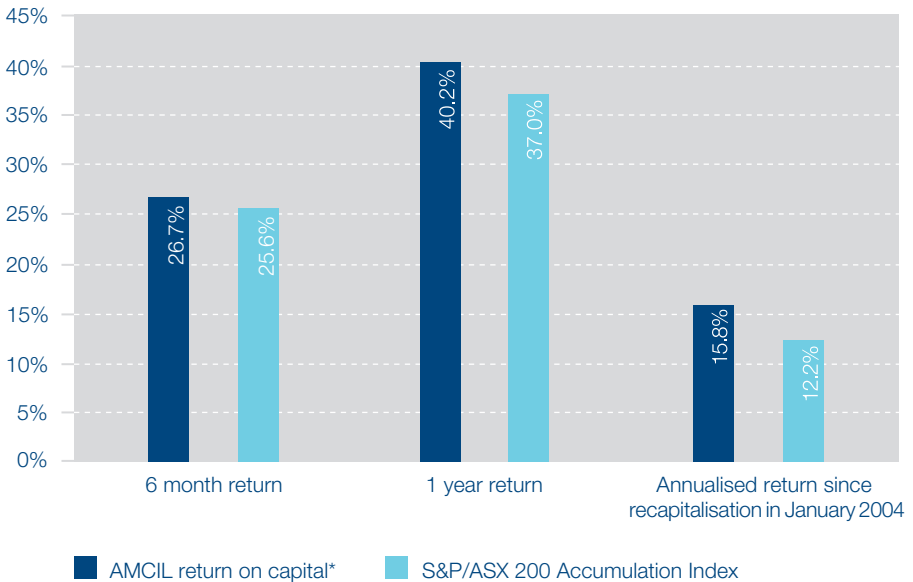
Reported profit for the half was \$3.3 million versus \$9.9 million last year. These figures include realised gains up to 7 December 2009 which is the date of adoption of a new accounting standard dealing with among other things the treatment of realised gains, this being the earliest possible date for adoption. There was very little in the way of realised gains this half-year, \$0.5 million, whereas last year the Company benefited from the takeover of Queensland Gas which substantially contributed to the \$8.0 million of realised gains last half-year. In line with the practice adopted over recent years the Board has not declared an interim dividend.

Outlook

Following the successful completion of the share purchase plan in December which raised \$9.9 million, the Company has \$19 million of cash, which is approximately 13 per cent of the

total portfolio, to invest. Whilst the market has run strongly, we expect opportunities for AMCIL to still arise as investment themes run in and out of favour over the coming year.

Portfolio Return



* 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.

Top Investments

As at 31 December 2009

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 31 December 2009

Investments	Total Value \$'000
1 Westpac Banking Corporation	9,287
2 Commonwealth Bank of Australia	9,125
3 BHP Billiton	8,624
4 National Australia Bank	7,085
5 Telstra Corporation	7,039
6 Hastings Diversified Utilities Fund	6,564
7 QBE Insurance Group	5,923
8 Tox Free Solutions	5,382
9 Bradken	5,130
10 AMP	4,557
11 Peet	4,299
12 Amcor	3,818
13 ASG Group	3,631
14 Oil Search	3,488
15 Brambles	3,390
16 Equity Trustees	3,287
17 REA Group	3,226
18 Coca-Cola Amatil	3,171
19 Mitchell Communication Group	2,840
20 Oakton	2,528
Total	102,393

As a percentage of total portfolio (excludes cash)

81.6%

Income Statement

For the Half-Year Ended 31 December 2009

	Half-Year 2009 \$'000	Half-Year 2008 \$'000
Dividends and distributions	2,565	2,148
Revenue from deposits and bank bills	263	748
Net gains/(losses) on trading portfolio	562	(292)
Realised gains from options written portfolio	-	434
Other revenue	48	-
Total income	3,438	3,038
Finance costs	-	(17)
Administration expenses	(591)	(667)
Operating profit before income tax	2,847	2,354
Income tax (expense)/credit	(48)	(459)
Net operating profit	2,799	1,895
Net capital gains/(losses) on investments		
Net gains on ordinary securities sold from the investment portfolio	526	8,134
Net gains/(losses) on open options positions	-	(211)
Tax on net gains on investments	-	63
	526	7,986
Net profit for the half-year (including capital gains) after tax	3,325	9,881
	Cents	Cents
Net operating profit per share	1.55	1.08
Net profit for the half-year (including capital gains) per share	1.84	5.61

Balance Sheet

As at 31 December 2009

	31 Dec 2009 \$'000	30 June 2009 \$'000
Current assets		
Cash	19,041	21,975
Receivables	259	668
Income tax credits	295	-
Trading portfolio	3,412	-
Total current assets	23,007	22,643
Non-current assets		
Investment portfolio	122,060	84,394
Deferred tax assets	89	139
Total non-current assets	122,149	84,533
Total assets	145,156	107,176
Current liabilities		
Payables	525	523
Total current liabilities	525	523
Non-current liabilities		
Deferred tax liabilities – investment portfolio	5,077	-
Total non-current liabilities	5,077	-
Total liabilities	5,602	523
Net assets	139,554	106,653
Shareholders' equity		
Share capital	120,468	109,135
Revaluation reserve	18,269	(3,116)
Accumulated profits/(losses)	817	634
Total shareholders' equity	139,554	106,653

Summarised Statement of Changes in Equity

For the Half-Year Ended 31 December 2009

	Half-Year 2009 \$'000	Half-Year 2008 \$'000
Total equity at the beginning of the half-year	106,653	119,529
Dividends paid	(3,538)	(5,203)
New shares issued under Dividend Reinvestment Plan	1,475	2,167
New shares issued under Share Purchase Plan	9,894	-
On-market share buy-backs	-	(2)
Share issue costs	(36)	-
Total transactions with shareholders	7,795	(3,038)
Revaluation of investment portfolio	26,462	(31,201)
Provision for tax on revaluation	(5,077)	1,221
Net revaluation of investment portfolio	21,385	(29,980)
Realised gains not taken through the Income Statement*	396	-
Total Other Comprehensive Income	21,781	(29,980)
Profit for the half-year	3,325	9,881
Total equity at the end of the half-year	139,554	96,392

* This figure, representing realised gains on investments sold after 7 December, is transferred to accumulated profits and is available for distribution, subject to the Company's dividend policy.

This half-yearly review is not a full set of statutory interim financial statements. The full statutory interim financial report is available on the Company's website.

Holdings of Securities

As at 31 December 2009

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).

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
WBC	Westpac Banking Corporation	Banking and wealth management services	367	9,287
CBA	Commonwealth Bank of Australia	Banking and wealth management services	166	9,125
BHP	BHP Billiton	Diversified international resources company	200	8,624
NAB	National Australia Bank	Banking and wealth management services	259	7,085
TLS	Telstra Corporation	Telecommunications operator and information services provider	2,052	7,039
HDF	Hastings Diversified Utilities Fund	Investor in utility infrastructure assets, predominantly east coast Australian gas pipelines	5,967	6,564
QBE	QBE Insurance Group	General insurance and reinsurance services provider	231	5,923
TOX	Tox Free Solutions	Integrated waste management and environmental services business	2,102	5,382
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	752	5,130
AMP	AMP	Major Australasian financial services organisation	673	4,557
PPC	Peet	Involved in the acquisition, management, development, marketing and sales of broadacre residential land estates	2,067	4,299
AMC	Amcor	Global packaging company	613	3,818
ASZ	ASG Group	Provision of computer infrastructure, application development, systems integration and specialist technical services	3,492	3,631
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	569	3,488
BXB	Brambles	Global support services group	500	3,390

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	183	3,287
REA	REA Group	Operator of residential and commercial real estate advertising websites in Australia and Italy	334	3,226
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	275	3,171
MCU	Mitchell Communication Group	Australia's largest independent communications group	3,484	2,840
OKN	Oakton	Provider of IT consulting services	800	2,528
ESG	Eastern Star Gas	Focused on the exploration and development of coal seam gas acreage in northern NSW	2,000	1,650
ANZ	ANZ Banking Group	Banking and wealth management services	72	1,643
AWC	Alumina	Has a 40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	850	1,564
CPB	Campbell Brothers	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	51	1,548
ILU	Iluka Resources	Miner of zircon and titanium based mineral sands products with an additional iron ore production royalty	430	1,539
FWD	Fleetwood Corporation	Provider of manufactured accommodation for the resources and retirement sectors	191	1,523
PPT	Perpetual Limited	Diversified financial company offering investment management, financial advice and corporate trust services	40	1,497
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen based fertiliser and industrial explosives	400	1,420

Holdings of Securities continued

As at 31 December 2009

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
PNA	PanAust	Minerals explorer, developer and miner producing copper-gold concentrate in Laos	2,444	1,381
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	715	1,251
AXA	AXA Asia Pacific Holdings	Life insurance and wealth management services	164	1,073
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	600	1,068
PAG	PrimeAg Australia	Owner and operator of Australian farms with a range of crops and livestock holdings	1,000	1,035
WLL	Wellcom Group	Production company providing pre media services to advertisers, retailers and corporate organisations	454	999
VPE	Victoria Petroleum	Primarily engaged in the exploration and development of oil and gas in Australia and the USA	3,000	930
MRM	Mermaid Marine Australia	Provider of supply base and vessel services to the offshore oil and gas industry	250	760
TRU	Trust Company	Provider of corporate trustee and custodian services and personal advisory services	73	475
HXL	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	420
SHV	Select Harvests	Almond producer, exporter and crop manager	100	388
GDY	Geodynamics	A renewable energy company involved in the development of geothermal energy generation from hot fractured rocks (HFR) in Australia	460	384
CYG	Coventry Group	Distributor of automotive and industrial parts and accessories and manufacturer of automotive and industrial gaskets	126	282
VIR	Viridis Clean Energy Group	Owns a portfolio of clean energy assets in Europe and the USA	1,345	249
Total				125,472

Major Transactions in the Investment Portfolio

	Cost \$'000
Acquisitions (Above \$500,000)	
Hastings Diversified Utilities Fund	5,371
Perpetual Limited	1,350
Oil Search	971
Australian Infrastructure Fund	970
Brambles	738
PrimeAg Australia	560
Amcor	500
	Proceeds \$'000
Disposals (Above \$500,000)	
Diversified United Investment	1,469
Mermaid Marine Australia	725

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 B Teele, Chairman
Ross E Barker, Managing Director
Peter C Barnett
Terry A Campbell AO
Rupert Myer AM
Richard (Bob) Santamaria
Stan DM Wallis AC

Company Secretaries

Simon M Pordage
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

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Melbourne Victoria 3000

Mail Address

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Melbourne Victoria 3001

Contact Details

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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
GPO Box 2975 EE
Melbourne Victoria 3000

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

Sydney Meeting

Time 1.00pm
Date Monday 15 March 2010
Venue Four Seasons Hotel
Location 199 George Street
Sydney

Canberra Meeting

Time 1.00pm
Date Tuesday 16 March 2010
Venue Hyatt Hotel
Location Commonwealth Avenue
Yarralumla Canberra

Melbourne Meeting

Time 1.00pm
Date Monday 22 March 2010
Venue The Hilton on the Park
Location 192 Wellington Parade
East Melbourne

Brisbane Meeting

Time 1.00pm
Date Tuesday 30 March 2010
Venue Stamford Plaza
Location Cnr Edward and Margaret Streets
Brisbane

Perth Meeting

Time 1.00pm
Date Tuesday 13 April 2010
Venue Duxton Hotel
Location 1 St Georges Terrace
Perth

Other Meetings

Meetings of shareholders will be arranged in other centres later in the financial year. Shareholders with addresses within reasonable proximity will be notified well ahead of the meeting date.



Dated 17 February 2010

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