



Half-Yearly Review to 31 December 2010
A focused portfolio of Australian equities

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Summary of Results for the Six Months to 31 December 2010

Net Operating Profit

Net operating profit for the half increased to \$3.3 million from \$2.8 million last year, an increase of 18.9 per cent.

Reported Profit After Tax

Reported profit after tax for the half was \$5.0 million versus \$4.2 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.

Earnings Per Share

Earnings per share based on net operating profit were 1.69 cents compared with 1.55 cents last year.

Total Portfolio Return

Total portfolio return during the six months to 31 December 2010 (change in net asset backing per share plus dividend) was positive 15.2 per cent whereas the S&P/ASX 200 Accumulation Index increased 12.8 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 10.8 per cent.

Total Portfolio

Total portfolio at market value at 31 December 2010 was \$155.7 million. This includes cash of \$1.0 million.

Share Purchase Plan

Following completion of the Share Purchase Plan in January 2011 the Company had just over \$8 million of cash available for investment.

Management Expense Ratio

Management expense ratio on an annualised basis was 0.83 per cent. The figure for the corresponding period last year was 0.94 per cent.

Net Asset Backing

Net asset backing at 31 December 2010 was 79 cents. At 30 June 2010 the net asset backing was 70 cents.

Review of Operations

Chairman's Comments on the Portfolio

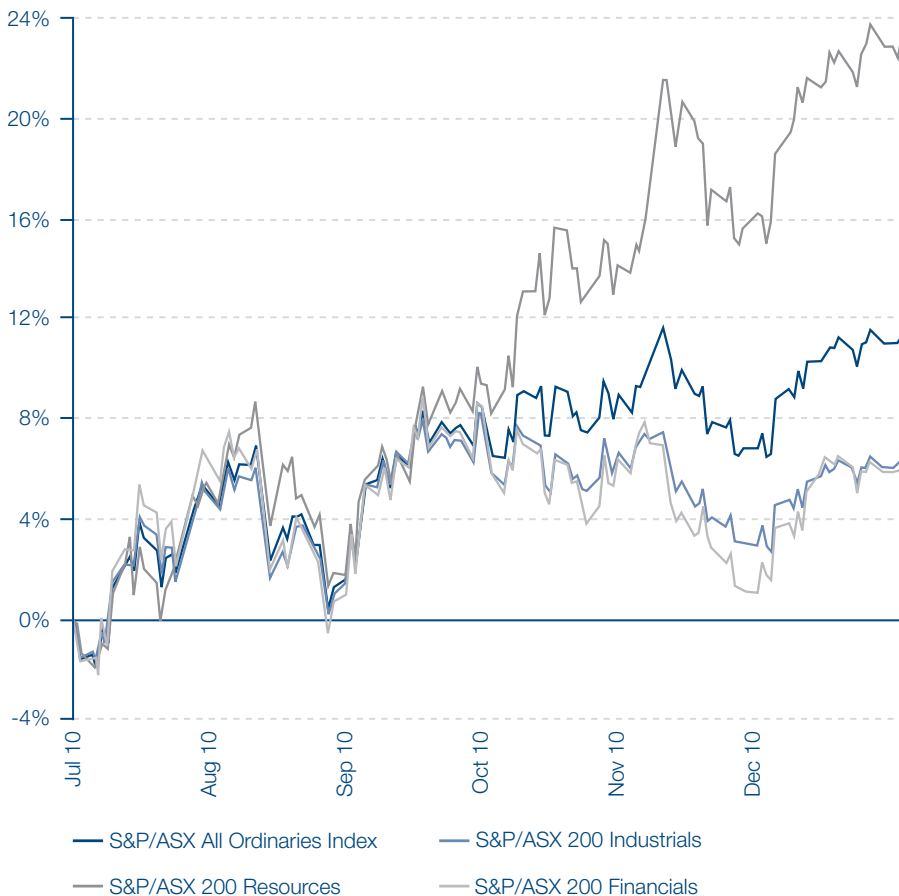
AMCIL's portfolio return over the six months to 31 December 2010 was an increase of 15.2 per cent compared to the broader Australian equity market which increased by 12.8 per cent. This reflects the benefit of AMCIL's investment approach which allows it to include companies from across the entire market in a concentrated portfolio in ways that can materially impact performance.

In particular, share prices of companies in the resources and resource related services sectors have been very strong. In this context, AMCIL's portfolio benefited from the gains in holdings such as Iluka Resources, BHP Billiton, Pan Australian Resources, Bradken, Alumina and Campbell Brothers. Other companies to generate sound returns in this period were Hastings Diversified Utility Fund, Mitchell Communications, which was taken over by Aegis Group plc, Transurban, Brambles, Victoria Petroleum and Oil Search.

AMCIL made a number of purchases over the six months to 31 December 2010, many of which were through placements. Major purchases during the period were in iSelect, which is currently unlisted, Victorian Petroleum, ANZ Banking Group, Trust Company, Amalgamated Holdings, Eastern Star Gas and Australian Infrastructure Fund. Amalgamated Holdings and iSelect are new to the portfolio:

- **Amalgamated Holdings.** This company is a provider of entertainment, hospitality and tourism and leisure services. Its three main operating divisions are Entertainment, Entertainment Technology and Hospitality and Leisure.
- **iSelect.** The principal activity of the company is the comparison and provision of health insurance policies to Australian consumers on behalf of participating health insurers. iSelect is currently unlisted.

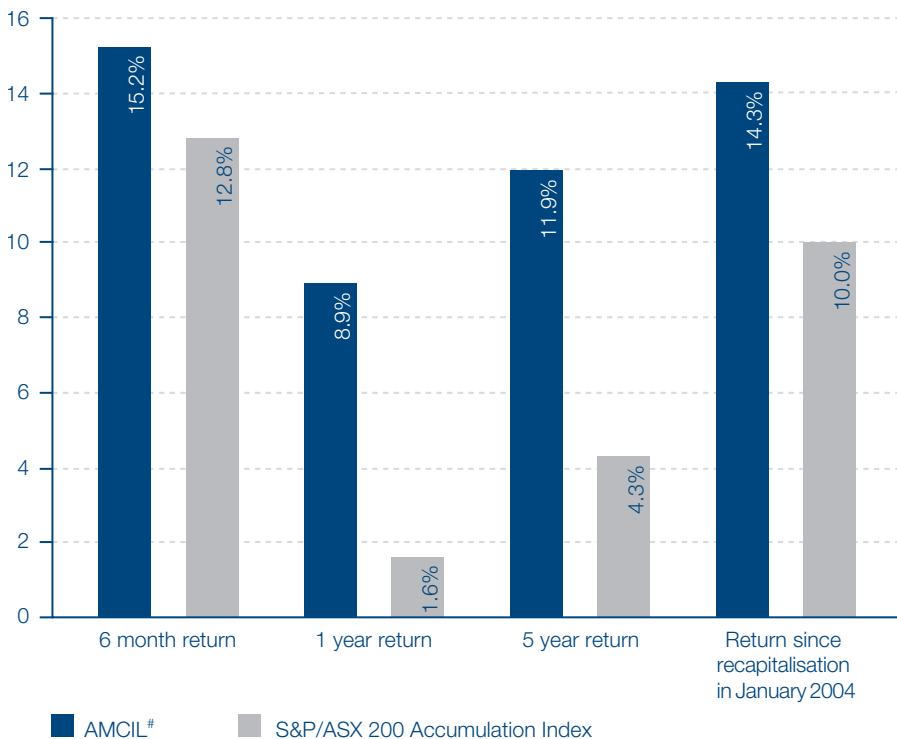
Comparative Changes in Sector Returns* – Per Cent Change



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

Review of Operations continued

Portfolio Performance – Per Annum Return to 31 December 2010*



Portfolio performance 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.

* All figures annualised other than the six month returns.

Profit and Dividend

The net operating profit for the half increased to \$3.3 million from \$2.8 million last year, an increase of 18.9 per cent. This increase was a result of two factors. The first was the lift in dividends received as many companies, particularly the banks, restored dividends toward pre financial crises levels. Secondly the portfolio was larger following investment of funds raised in the share purchase plan in December 2009.

Reported profit for the half was \$5.0 million versus \$4.2 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, which is required under current accounting standards.

In line with the Company's previous practice the Board has not declared an interim dividend.

Outlook

The market moves into the second half of the financial year with some renewed confidence in global growth emerging. AMCIL completed another successful Share Purchase Plan in January 2011 which raised just over \$7 million. As a result the Company has \$8 million of cash to invest, which is approximately 5 per cent of the total portfolio. Whilst the recent momentum in the market has been in the resources and related sectors the share price performance of many companies with attractive long term business models have not been as strong. In our view, for a thematic investor like AMCIL, this is likely to provide opportunities to invest these funds at attractive valuations as we move into the remainder of the financial year.

Share Purchase Plan

The Share Purchase Plan shares were issued on 5 January 2011, subsequent to the end of the half-year. The Plan raised \$7.1 million of new capital at 64 cents per share. 658 shareholders participated which represented 27.5 per cent of eligible shareholders.

Top Investments

As at 31 December 2010

Includes investments held in both the Investment and trading portfolios.

Valued at Closing Prices at 31 December 2010

Investments		Total Value \$'000
1	Hastings Diversified Utilities Fund	9,831
2	BHP Billiton	9,050
3	Commonwealth Bank of Australia	8,954
4	Westpac Banking Corporation	8,152
5	National Australia Bank	6,333
6	Transurban Group	6,318
7	Bradken	6,307
8	Australia and New Zealand Banking Group*	5,552
9	QBE Insurance Group	5,369
10	Telstra Corporation	4,749
11	Iluka Resources	4,570
12	Peet	4,533
13	Tox Free Solutions	4,478
14	ASG Group	4,333
15	Oil Search	4,287
16	Australian Infrastructure Fund	4,155
17	REA Group	4,126
18	Brambles	3,916
19	Amcor	3,822
20	Coca-Cola Amatil	3,801
Total		112,637

As a percentage of total portfolio (excludes cash)

72.8%

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

Income Statement

For the Half-Year Ended 31 December 2010

	Half-Year 2010 \$'000	Half-Year 2009 \$'000
Dividends and distributions	3,723	2,565
Revenue from deposits and bank bills	65	263
Net gains on trading portfolio	253	562
Realised gains from options written portfolio	20	-
Other revenue	-	48
Total income	4,061	3,438
Finance costs	(48)	-
Administration expenses	(601)	(591)
Operating profit before income tax	3,412	2,847
Income tax expense	(84)	(48)
Net operating profit	3,328	2,799
Net capital gains/(losses) on investments		
Net gains on 'puttable instruments'	2,459	1,194
Net gains on ordinary securities sold from the investment portfolio	-	526
Net gains/(losses) on open options positions	(11)	-
Tax on net gains on investments	(735)	(358)
	1,713	1,362
Net profit for the half-year (including capital gains) after tax	5,041	4,161
	Cents	Cents
Net operating profit per share	1.69	1.55
Net profit for the half-year (including capital gains) per share	2.56	2.31

Balance Sheet

As at 31 December 2010

	31 Dec 2010 \$'000	30 June 2010 \$'000
Current assets		
Cash	1,035	4,955
Receivables	470	1,046
Trading portfolio	5,578	5,095
Total current assets	7,083	11,096
Non-current assets		
Investment portfolio	149,059	126,484
Deferred tax assets	142	264
Total non-current assets	149,201	126,748
Total assets	156,284	137,844
Current liabilities		
Payables	561	851
Tax payable	118	159
Options written	-	69
Total current liabilities	679	1,079
Non-current liabilities		
Deferred tax liabilities – investment portfolio	7,402	1,983
Total non-current liabilities	7,402	1,983
Total liabilities	8,081	3,062
Net assets	148,203	134,782
Shareholders' equity		
Share capital	122,273	120,447
Revaluation reserve	22,222	11,500
Retained profits	3,708	2,835
Total shareholders' equity	148,203	134,782

Statement of Changes in Equity

For the Half-Year Ended 31 December 2010

	Half-Year 2010 \$'000	Half-Year 2009 \$'000
Total equity at the beginning of the half-year	134,782	106,653
Dividends paid	(3,897)	(3,538)
New shares issued under Dividend Reinvestment Plan	1,826	1,475
New shares issued under Share Purchase Plan	-	9,894
Share issue costs	-	(36)
Total transactions with shareholders	(2,071)	7,795
Revaluation of investment portfolio	13,682	25,268
Provision for tax on revaluation	(4,681)	(4,719)
Net revaluation of investment portfolio	9,001	20,549
Realised gains not taken through the Income Statement*	1,450	396
Total Other Comprehensive Income	10,451	20,945
Profit for the half-year	5,041	4,161
Total equity at the end of the half-year	148,203	139,554

* This figure, representing realised gains on investments sold after 7 December 2009, is transferred to accumulated profits and is available for distribution, subject to the Company's dividend policy.

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

Holdings of Securities

As at 31 December 2010

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).

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units or stapled securities.

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
AHD	Amalgamated Holdings	One of Australia's premier entertainment, hospitality, and tourism and leisure companies, with interests in cinemas, hotels, resorts and a wildlife park	115	746
AIO	Asciano	Transport infrastructure business, with a focus on ports and rail	285	455
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	2,210	4,155
AMC	Amcor	Global packaging company	566	3,822
AMP	AMP	Major Australasian financial services organisation	673	3,561
ANZ*	Australia and New Zealand Banking Group	Banking and wealth management services	238	5,552
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	30	221
ASZ	ASG Group	Provision of computer infrastructure, application development, systems integration and specialist technical services	3,641	4,333
AWC	Alumina	Has a 40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	850	2,108

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
AXA	AXA Asia Pacific Holdings	Life insurance and wealth management services	164	1,032
BHP	BHP Billiton	Diversified international resources company	200	9,050
BKL	Blackmores	A natural healthcare company that distributes premium branded vitamins and supplements in Australia and South East Asia	7	196
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	700	6,307
BXB	Brambles	Global support services group	550	3,916
CBA	Commonwealth Bank of Australia	Banking and wealth management services	176	8,954
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	3,801
CPB	Campbell Brothers	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	64	2,530
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	202	3,199
ESG	Eastern Star Gas	Focused on the exploration and development of coal seam gas acreage in northern NSW	2,820	2,270
FWD	Fleetwood Corporation	Provider of manufactured accommodation for the resources and retirement sectors	166	2,151

Holdings of Securities continued

As at 31 December 2010

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
GDY	Geodynamics	A renewable energy company involved in the development of geothermal energy generation from hot fractured rocks (HFR) in Australia	460	172
HDF	Hastings Diversified Utilities Fund	Investor in utility infrastructure assets, predominantly east coast Australian gas pipelines	5,817	9,831
HXL	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	306
IAG	Insurance Australia Group	General insurer with operations in Australia, New Zealand, the UK and Asia	100	388
ILU	Iluka Resources	Miner of zircon and titanium based mineral sands products with an additional iron ore production royalty	500	4,570
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen based fertiliser and industrial explosives	400	1,584
IRD	Iron Road	Iron ore exploration company with principal project in South Australia	225	166
#	iSelect	Online comparison tool that matches consumers with the most appropriate insurance policy and other financial products	97	1,500
MRM	Mermaid Marine Australia	Provider of supply base and vessel services to the offshore oil and gas industry	335	1,009
MYX	Mayne Pharma Group	A specialist pharmaceutical company with a portfolio built around the optimisation and delivery of oral dosage form drugs	222	156

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
NAB	National Australia Bank	Banking and wealth management services	267	6,333
ORG	Origin Energy	Integrated energy company involved in gas and oil exploration, production, energy retailing and power generation	110	1,833
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	609	4,287
PAG	PrimeAg Australia	Owner and operator of Australian farms with a range of crops and livestock holdings	492	704
PNA	PanAust	Minerals explorer, developer and miner producing copper-gold concentrate in Laos	2,144	1,909
PPC	Peet	Involved in the acquisition, management, development, marketing and sales of broadacre residential land estates	2,267	4,533
PPT	Perpetual	Diversified financial company offering investment management, financial advice and corporate trust services	69	2,152
QBE	QBE Insurance Group	General insurance and reinsurance services provider	296	5,369
REA	REA Group	Operator of residential and commercial real estate advertising websites in Australia and Italy	334	4,126
SHV	Select Harvests	Almond producer, exporter and crop manager	319	1,021
STO	Santos	Australian based oil and gas exploration and production company	30	398
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	1,234	6,318

Holdings of Securities continued

As at 31 December 2010

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	812	1,376
TLS	Telstra Corporation	Telecommunications operator and information services provider	1,702	4,749
TOX	Tox Free Solutions	Integrated waste management and environmental service business	2,102	4,478
TRU	Trust Company	Provider of corporate trustee and custodian services and personal advisory services	400	2,522
VPE	Victoria Petroleum	Oil and gas explorer and developer with assets in South Australia and Queensland	8,250	3,383
WBC	Westpac Banking Corporation	Banking and wealth management services	367	8,152
WDC	Westfield Group	Internally managed, vertically integrated real estate property trust with exposure to shopping centres in Australia, New Zealand, the United States and the UK	70	671
WLL	Wellcom Group	Production company providing pre media services to advertisers, retailers and corporate organisations	815	1,776
WPL	Woodside Petroleum	Producer of liquefied natural gas, domestic gas, condensate, crude oil and liquefied petroleum gas, primarily in West Australia	7	284
WRT	Westfield Retail	Domestic retail company focused on real estate investment trust with shopping centres in Australia and New Zealand	87	222
Total				154,637

* Investments marked with an asterisk were the subject of options, either for the whole holdings in the trading portfolio or part of it.

Unlisted security.

Major Changes to the Investment Portfolio

Acquisitions (Above \$500,000)	Cost \$'000
iSelect*	1,500
Victoria Petroleum	1,485
ANZ Banking Group	1,267
Trust Company	936
Amalgamated Holdings*	750
Eastern Star Gas	689
Australian Infrastructure Fund	625

* New holding.

Disposals (Above \$500,000)	Proceeds \$'000
Mitchell Communications [#]	4,309
PrimeAg Australia	654

[#] 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 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

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.

Securities Exchange Code

AMH Ordinary shares

Shareholder Meetings

Melbourne Meeting

Time 1.00pm
Date Monday 21 March 2011
Venue The Hilton on the Park
Location 192 Wellington Parade
East Melbourne

Canberra Meeting

Time 1.00pm
Date Tuesday 22 March 2011
Venue Hyatt Hotel
Location Commonwealth Avenue
Yarralumla

Brisbane Meeting

Time 1.00pm
Date Tuesday 29 March 2011
Venue Stamford Plaza
Location Cnr Edward and Margaret Streets
Brisbane

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.

