



2011

HALF-YEARLY REVIEW TO 31 DECEMBER 2011
A FOCUSED PORTFOLIO OF AUSTRALIAN EQUITIES



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SUMMARY OF RESULTS FOR THE SIX MONTHS TO 31 DECEMBER 2011

Reported Profit After Tax

Profit after tax for the half year was \$4.9 million versus \$5.0 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 Result

Net operating result which measures the income generated from the investment and trading portfolios was \$3.0 million versus \$3.3 million last year.

Earnings Per Share

Earnings per share based on net operating result were 1.44 cents compared with 1.69 cents last year.

Total Portfolio Return

Total portfolio return during the six months to 31 December 2011 (change in net asset backing per share plus dividend) was positive 0.5 per cent whereas the S&P/ASX 200 Accumulation Index was negative 9.7 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 1.5 per cent.

Total Portfolio

Total portfolio at market value at 31 December 2011 was \$155.1 million. This includes cash of \$4.5 million.

Management Expense Ratio

Management expense ratio on an annualised basis was 0.85 per cent. The figure for the corresponding period last year was 0.83 per cent.

Net Asset Backing

Net asset backing per share at 31 December 2011 was 74 cents. At 30 June 2011 the net asset backing was 78 cents.

REVIEW OF OPERATIONS

For the six month period to 31 December 2011 in which the Australian equity market was down and risk averse, AMCIL delivered a positive portfolio return of 0.5 per cent. This was approximately 10 per cent ahead of the S&P/ASX 200 Index return of negative 9.7 per cent. For the calendar year, AMCIL's portfolio return was negative 0.9 per cent against the Index which was negative 10.5 per cent. With a small concentrated investment portfolio, AMCIL's approach is to focus on where it sees the best medium to long term value in either small or large companies.

Major contributors to the positive performance of the portfolio for the half year were gains in Hastings Diversified Utilities Fund, which is now the largest holding in the portfolio and subject to a takeover offer from the APA Group, Senex Energy, Telstra, Transurban, and Eastern Star Gas. Furthermore, AMCIL has limited exposure to the discretionary retail and the smaller resources sectors, both of which have been hard hit through the recent market downturn.

AMCIL was an active participant in the market through this volatile period as a number of opportunities arose to purchase companies that in our opinion represent good investments at attractive prices. Major purchases during the period were in Ansell, Origin Energy, Wesfarmers, Woodside Petroleum,

Orica, Incitec Pivot and Engenco. Of these the following are new to the portfolio:

- **Ansell** which is a global company providing healthcare barrier protection products. Ansell operates under three divisions: Medical Solutions – surgical and examination gloves; Industrial Solutions – body protection for industry; and Consumer Healthcare. Operations span across the Americas, Europe, and Asia Pacific.
- **Orica** which is a manufacturer of industrial and specialty chemicals, commercial explosives and mining chemicals in Australasia. Following the 2010 demerger of the consumer products business, DuluxGroup, Orica has three business groups; Mining Services, Orica Chemicals and Minova.
- **Wesfarmers** which is a diversified company covering Coles supermarkets, department stores, home improvement and office supplies; coal mining; insurance; chemicals, energy and fertilisers; and industrial and safety products.
- **Woodside Petroleum** which is an operator of oil and gas production in Australia. Woodside has operations encompassing the production of liquefied natural gas, domestic gas, condensate, crude oil and liquefied petroleum gas. WPL has six business units including international, Australia,

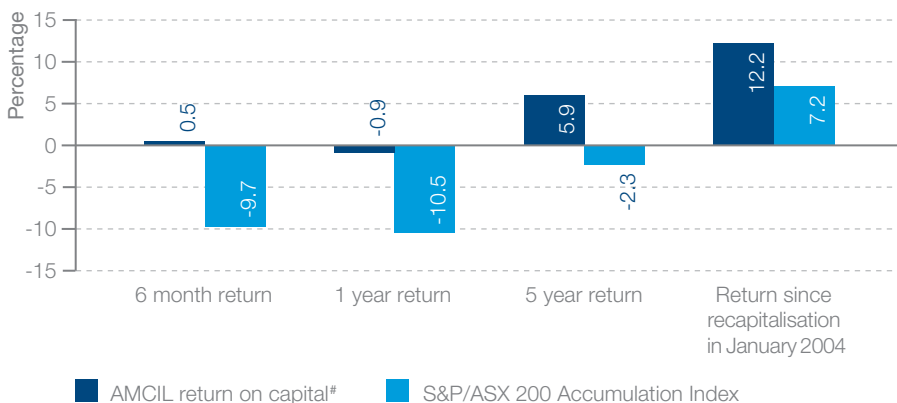
North West Shelf, Pluto, Browse and Sunrise. Currently, the production is obtained from North West Shelf and Australia Oil (Enfield, Vincent and Stybarrow).

There were also a number of sales from the portfolio during the half year as some companies no longer fitted the investment criteria for a high conviction portfolio like AMCIL and other investment opportunities emerged. Major sales were in Iluka Resources as the share price rose strongly through

the period, Eastern Star Gas which was under a takeover offer from Santos, Trust Company, Peet Limited, Perpetual Trustees and Alumina. Other than Iluka all of these sales represented a complete disposal from the investment portfolio.

AMCIL continues to be well positioned with cash of \$4.5 million as well as access to \$10 million of debt facilities to take advantage of attractive opportunities that can arise in volatile markets.

Portfolio Return – Per Annum Return to 31 December 2011*

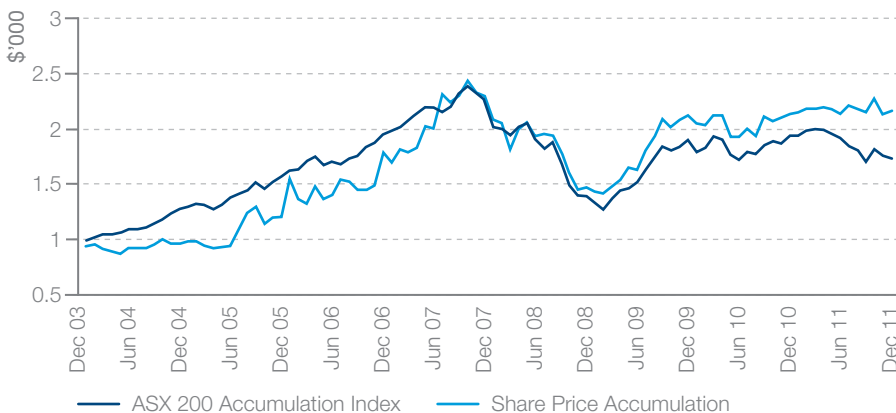


* All figures annualised other than the six month returns.

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

The Value of \$1,000 Invested in AMCIL at Recapitalisation*



* Assumes a shareholder reinvested dividends paid. It also assumes a shareholder received the option of 50 cents per share, exercisable on 28 February 2007, as part of the recapitalisation in January 2004.

Profit and Dividend

Profit for the half year was \$4.9 million, which is marginally down on last year's result of \$5.0 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.

The Net Operating Result, which represents the income generated from the investment and trading portfolios, was \$3.0 million versus \$3.3 million last year. Dividends and distributions were

generally in line with the corresponding period last year. The primary reason for the fall was the negative contribution of \$0.5 million from the trading portfolio versus the positive contribution last year of \$0.3 million.

In line with the Company's current practice the Board has not declared an interim dividend. The Company's policy of paying dividends is to maximise the distribution of franking credits having regard to the profit for the year.

TOP INVESTMENTS

AS AT 31 DECEMBER 2011

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 December 2011

Investments	Total Value \$'000	% of Portfolio
1 Hastings Diversified Utilities Fund	11,926	7.9
2 Commonwealth Bank of Australia*	8,675	5.8
3 Westpac Banking Corporation	7,341	4.9
4 Transurban Group	7,216	4.8
5 BHP Billiton	6,762	4.5
6 National Australia Bank	6,577	4.4
7 Senex Energy	6,415	4.3
8 Australia and New Zealand Banking Group*	5,864	3.9
9 Telstra Corporation	5,669	3.8
10 Tox Free Solutions	5,647	3.7
11 Bradken	5,185	3.4
12 Australian Infrastructure Fund	4,497	3.0
13 Origin Energy	4,381	2.9
14 QBE Insurance Group	4,166	2.8
15 Brambles	4,138	2.7
16 Amcor	4,083	2.7
17 Oil Search	4,067	2.7
18 Coca-Cola Amatil	4,029	2.7
19 AMP	3,867	2.6
20 Campbell Brothers	3,620	2.4
Total	114,124	

As a percentage of total portfolio (excludes cash)

75.8%

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

INCOME STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Half-year 2011 \$'000	Half-year 2010 \$'000
Dividends and distributions	3,801	3,723
Revenue from deposits and bank bills	220	65
Net gains/(losses) on trading portfolio	(536)	253
Realised gains from options written portfolio	-	20
Other revenue	7	-
Total income	3,492	4,061
Finance costs	(38)	(48)
Administration expenses	(656)	(601)
Operating result before income tax	2,798	3,412
Income tax (expense)/credit	217	(84)
Net operating result	3,015	3,328
Net capital gains/(losses) on investments		
Net gains on 'puttable instruments'	2,734	2,459
Net gains/(losses) on open options positions	-	(11)
Tax on net gains on investments	(820)	(735)
	1,914	1,713
Net profit for the half-year (including capital gains) after tax	4,929	5,041
	Cents	Cents
Net operating result per share	1.44	1.69
Net profit for the half-year (including capital gains) per share	2.36	2.56

BALANCE SHEET

AS AT 31 DECEMBER 2011

	31 Dec 2011 \$'000	30 June 2011 \$'000
Current assets		
Cash	4,478	14,029
Receivables	616	1,201
Trading portfolio	2,923	3,760
Income tax credit	5	-
Total current assets	8,022	18,990
Non-current assets		
Investment portfolio	147,681	144,086
Deferred tax assets	287	191
Total non-current assets	147,968	144,277
Total assets	155,990	163,267
Current liabilities		
Payables	563	829
Tax payable	-	373
Options written	-	-
Total current liabilities	563	1,202
Non-current liabilities		
Deferred tax liabilities – investment portfolio	5,510	5,990
Total non-current liabilities	5,510	5,990
Total liabilities	6,073	7,192
Net assets	149,917	156,075
Shareholders' equity		
Share capital	129,377	129,377
Revaluation reserve	15,369	17,224
Retained profits	5,171	9,474
Total shareholders' equity	149,917	156,075

STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Half-year 2011 \$'000	Half-year 2010 \$'000
Total equity at the beginning of the half-year	156,075	134,782
Dividends paid	(7,318)	(3,897)
New shares issued under Dividend Reinvestment Plan	-	1,826
Total transactions with shareholders	(7,318)	(2,071)
Revaluation of investment portfolio	(3,292)	13,682
Provision for tax on revaluation	1,299	(4,681)
Net revaluation of investment portfolio	(1,993)	9,001
Realised gains/(losses) not taken through the Income Statement	(1,776)	1,450
Total other comprehensive income	(3,769)	10,451
Profit for the half-year	4,929	5,041
Total equity at the end of the half-year	149,917	148,203

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 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).

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
AGO	Atlas Iron	Iron ore miner with operating mines and mine developments in the Pilbara region of Western Australia	150	405
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	2,330	4,497
AMC	Amcor	Global packaging company	566	4,083
AMP	AMP	Major Australasian financial services organisation	950	3,867
ANN	Ansell	Designs, manufactures and markets a wide range of industrial, surgical and examination gloves and other protective products	214	3,112
ANZ*	Australia and New Zealand Banking Group	Banking and wealth management services	286	5,864
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	154	1,192
ASZ	ASG Group	Provision of computer infrastructure, application development, systems integration and specialist technical services	2,119	1,833

HOLDINGS OF SECURITIES CONTINUED

AS AT 31 DECEMBER 2011

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
BHP	BHP Billiton	Diversified international resources company	196	6,762
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	726	5,185
BXB	Brambles	Global provider of supply chain management and storage solutions	578	4,138
CBA*	Commonwealth Bank of Australia	Banking and wealth management services	176	8,675
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	4,029
CPB	Campbell Brothers	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	74	3,620
EGN	Engenco	Group of industrial engineering businesses servicing customers in the resources, rail, transport, defence, maritime and power generation industries	1,835	1,963
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	209	2,790
FWD	Fleetwood Corporation	Provider of manufactured accommodation for the resources and retirement sectors	166	1,986

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
HDF	Hastings Diversified Utilities Fund	Investor in Australian gas pipelines	5,817	11,926
#	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	267
ILU	Iluka Resources	Miner of zircon and titanium based mineral sands products with an additional iron ore production royalty	160	2,480
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen based fertiliser and industrial explosives	812	2,525
IRD	Iron Road	Iron ore exploration company with principal project in South Australia	186	102
#	iSelect	Online comparison tool that matches consumers with the most appropriate insurance policy and other financial products	97	1,500
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the USA	75	511
LYL	Lycopodium	Engineering and project management business that predominantly works on mineral processing, industrial process and utilities plant and equipment	90	538
MRM	Mermaid Marine Australia	Provider of supply base and vessel services to the offshore oil and gas industry	565	1,606

HOLDINGS OF SECURITIES CONTINUED

AS AT 31 DECEMBER 2011

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
NAB	National Australia Bank	Banking and wealth management services	282	6,577
ORG	Origin Energy	Integrated energy company involved in gas and oil exploration, production, energy retailing and power generation	328	4,381
ORI	Orica	Supplier of explosives and associated consumable equipment to the global mining, quarrying and construction industries. The company is also a leading manufacturer, distributor and trader of a range of industrial chemicals across several continents	74	1,794
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	651	4,067
PNA	PanAust	Minerals explorer, developer and miner producing copper-gold concentrate in Laos	429	1,372
QBE	QBE Insurance Group	General insurance and reinsurance services provider	322	4,166
REA	REA Group	Operator of residential and commercial real estate advertising websites in Australia and Italy	243	3,038
SXY	Senex Energy	Oil and gas explorer and developer with assets in South Australia and Queensland	10,102	6,415
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	1,284	7,216
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	812	1,136

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
TLS	Telstra Corporation	Telecommunications operator and information services provider	1,702	5,669
TOX	Tox Free Solutions	Integrated waste management and environmental service business	2,602	5,647
WBC	Westpac Banking Corporation	Banking and wealth management services	367	7,341
WES	Wesfarmers	Diversified conglomerate with retailing operations in supermarkets, department stores, home improvement and office supplies. The Group also operates businesses involved in coal mining, energy, insurance, chemicals, fertilisers, and industrial and safety products	77	2,272
WLL	Wellcom Group	Production company providing pre media services to advertisers, retailers and corporate organisations	815	1,915
WPL	Woodside Petroleum	Producer of liquefied natural gas, domestic gas, condensate, crude oil and liquefied petroleum gas, primarily in West Australia	70	2,143
Total				150,604

* 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 \$1 Million)	Cost \$'000
Ansell*	2,946
Origin Energy	2,590
Wesfarmers*	2,343
Woodside Petroleum*	2,307
Orica*	1,750
Incitec Pivot	1,394
Engenco	1,177

Disposals (Above \$1 Million)	Proceeds \$'000
Iluka Resources	2,411
Eastern Star Gas [#]	2,322
Trust Company [#]	2,213
Peet [#]	1,744
Perpetual [#]	1,605
Alumina [#]	1,408
ASG Group	1,225

* New stock in the investment portfolio.

[#] Complete disposal from the investment portfolio.

PORTFOLIO PERFORMANCE

TO 31 DECEMBER 2011

Performance measures	Annualised Returns				Since Recapitalisation %
	6 Month %	1 Year %	3 Years %	5 Years %	
Portfolio return*	0.5	-0.9	14.8	5.9	12.2
S&P/ASX 200 Accumulation Index	-9.7	-10.5	7.6	-2.3	7.2
S&P/ASX 200 Industrials Accumulation Index	-4.4	-3.5	8.0	-3.8	5.5
S&P/ASX 200 Resources Accumulation Index	-20.9	-24.6	6.9	3.1	13.5

* 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.

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

AMH Shareholder

Enquiry Lines 1300 653 916
+613 9415 4224 (from overseas)
Facsimile (03) 9473 2500
Website www.investorcentre.com/contact

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

Melbourne Meeting

Time 1.00pm
Date Monday 19 March 2012
Venue The Hilton on the Park
Location 192 Wellington Parade
East Melbourne

Canberra Meeting

Time 1.00pm
Date Monday 26 March 2012
Venue Hyatt Hotel
Location Commonwealth Avenue
Yarralumla

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.

