A FOCUSED PORTFOLIO OF AUSTRALIAN EQUITIES

Half-Year Review to 31 December 2012

AMCIL

Contents

About the Company

AMCIL manages a concentrated portfolio comprising 30 to 40 stocks covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

The number of holdings in the portfolio will depend on market conditions and 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.
- The generation of fully franked dividend income.

Half-Year in Summary

Profit for the half-year was $4.5 million, down on last year's result of $4.9 million. This decline was primarily due to movements in the valuation of Hastings Diversified Utilities Fund.

The net operating result, which represents the income generated from the investment and trading portfolios, was $3.4 million versus $3.0 million last year. The key reason for this increase was the positive contribution of $0.2 million from the trading portfolio versus the negative contribution last half-year of $0.5 million.

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

AMCIL's portfolio delivered a positive return of 11.7 per cent over the half-year whereas the S&P/ASX 200 Accumulation Index return over this period was positive 16.4 per cent. The five year return of the portfolio to 31 December 2012, which corresponds with AMCIL's investment time frame, was positive 4.8 per cent per annum whereas the Index return was negative 1.6 per cent per annum.

PROFIT FOR THE HALF-YEAR

$4.5m

▼ Down 9.2% from 2011

NET OPERATING RESULT

$3.4m

▲ Up 13.0% from 2011

TOTAL 6 MONTH PORTFOLIO RETURN

+11.7%

Combined Index +16.4%

MANAGEMENT EXPENSE RATIO

0.83% Annualised

0.85% in 2011

TOTAL 6 MONTH SHAREHOLDER RETURN

+14.3%

Share price plus dividend

TOTAL PORTFOLIO

$176.1m

Including cash of $9.2m

$155.1m in 2011

Review of Operations and Activities

The Portfolio

The Australian equity market over the six months to 31 December 2012 delivered strong returns, dominated by the defensive and large cap sectors of the market, particularly high yielding equities.

AMCIL is a medium to long term investor with a small concentrated portfolio of Australian equities. AMCIL's portfolio delivered a return of 11.7 per cent over the six months whereas the S&P/ASX 200 Accumulation Index return over this period was positive 16.4 per cent.

The five year return of the portfolio to 31 December 2012, which corresponds with AMCIL's investment time frame, was positive 4.8 per cent per annum whereas the Index return was negative 1.6 per cent per annum.

Major contributors to the performance of the portfolio for the half-year were gains in Commonwealth Bank, Australian Infrastructure Fund, Westpac, Hastings Diversified Utilities Fund and Telstra. QBE Insurance and Engenco both had sizeable negative impacts on the portfolio during the half-year.

Figure 1 highlights the relative performance of the major sectors of the market over the half-year.

FIGURE 1: ASX 200 ACCUMULATION INDEX RETURNS – 6 MONTHS TO 31 DEC 2012

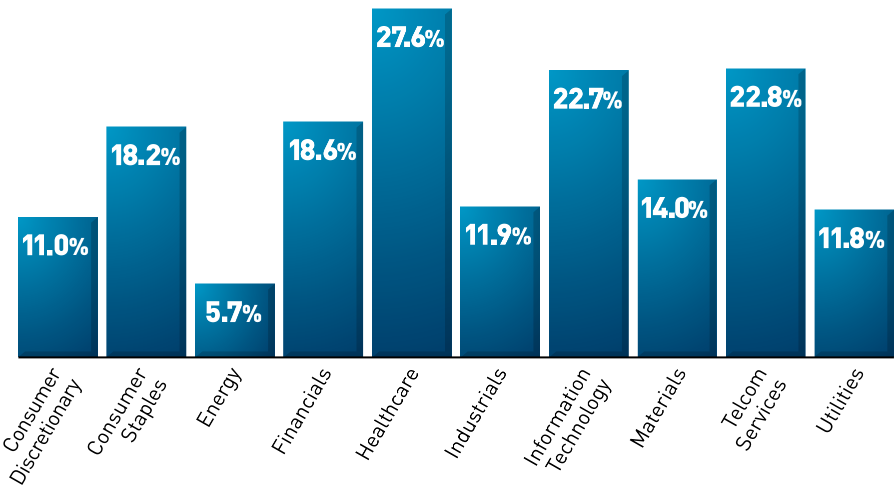
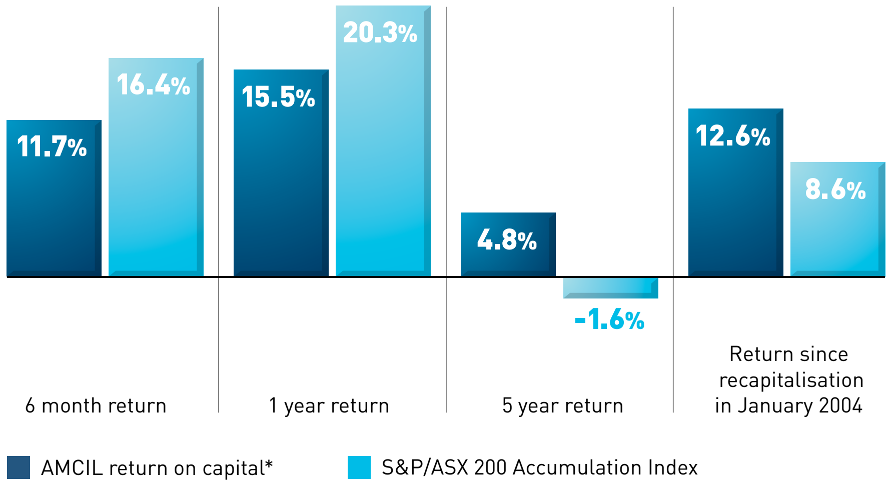


FIGURE 2: PORTFOLIO RETURN – PERCENTAGE PER YEAR TO 31 DEC 2012*



Note: 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.

* All figures are annualised other than six month returns.

The largest transaction in the portfolio was the sale of Hastings Diversified Utilities Fund whilst it was under takeover from the APA Group. As a result of this and other sales since the recapitalisation of the Company in January 2004, AMCIL has now recouped all of the capital gains tax losses that were carried forward at the time. From now on, unless new realised capital losses are incurred, any realised capital gains will be subject to tax. This would create franking credits which will be available for distribution to shareholders.

AMCIL is in the process of a significant readjustment of the portfolio after the sale of Hastings Diversified Utilities Fund and the likely sale of Australian Infrastructure Fund given securityholder approval of the Future Fund's offer to acquire all of its assets.

Major acquisitions for the six months were in Santos and Computershare, both new holdings in the portfolio, Oil Search, QBE Insurance, and National Australia Bank. Major sales included Senex Energy and Westpac as well as exiting positions in Origin Energy, Fleetwood Corporation, Pan Aust and Lycopodium.

Review of Operations and Activities continued

Purchases in the investment portfolio totalled $23.3 million for the financial year whereas total sales were $26.2 million for the period.

AMCIL has cash available to invest, although at this point a patient approach is appropriate given the solid rise in the market that has occurred over the half-year and against the background of expected weakness of the earnings outlook in the upcoming reporting season.

Top 20 Investments
As at 31 December 2012

Includes investments held in both the investment and trading portfolios.

VALUED AT CLOSING PRICES AT 31 DECEMBER 2012

		Total Value $'000
1	Commonwealth Bank of Australia	12,769
2	Oil Search	9,631
3	BHP Billiton	9,032
4	National Australia Bank*	8,748
5	Australia and New Zealand Banking Group	8,217
6	Tox Free Solutions	7,820
7	Transurban Group	7,763
8	Telstra Corporation	7,439
9	Australian Infrastructure Fund	7,402
10	Westpac Banking Corporation	7,110
11	Brambles	6,232
12	Coca-Cola Amatil	6,221
13	AMP	5,718
14	Ansell	5,074
15	Amcor	4,570
16	ALS	4,083
17	QBE Insurance Group	3,815
18	Bradken	3,651
19	Incitec Pivot	3,608
20	Wesfarmers	3,473
Total		132,375
As a percentage of total portfolio (excludes cash)		79.4%

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

Income Statement
For the Half-Year Ended 31 December 2012

	Half-Year 2012 $'000	Half-Year 2011 $'000
Dividends and distributions	3,613	3,801
Revenue from deposits and bank bills	161	220
Net gains/(losses) on trading portfolio	226	(536)
Other revenue	-	7
Total income	4,000	3,492
Finance costs	(37)	(38)
Administration expenses	(697)	(656)
Operating result before income tax	3,266	2,798
Income tax credit	141	217
Net operating result	3,407	3,015
Net losses on open options positions	(9)	-
Net gains on 'puttable instruments'*	1,537	2,734
Tax expense on above	(458)	(820)
	1,070	1,914
Profit for the half-year	4,477	4,929

	Cents	Cents
Net operating result per share	1.63	1.44
Profit for the half-year per share	2.14	2.36

* Consists of investments in Hastings Diversified Utilities Fund.

Balance Sheet
As at 31 December 2012

	31 Dec 2012 $'000	30 June 2012 $'000
Current assets		
Cash	9,238	6,827
Receivables	624	1,414
Trading portfolio	1,976	2,655
Total current assets	11,838	10,896
Non-current assets		
Investment portfolio	164,883	150,262
Deferred tax assets	88	208
Total non-current assets	164,971	150,470
Total assets	176,809	161,366
Current liabilities		
Payables	525	527
Tax payable	2,105	100
Options written portfolio	42	-
Total current liabilities	2,672	627
Non-current liabilities		
Deferred tax liabilities – investment portfolio	9,505	6,311
Total non-current liabilities	9,505	6,311
Total liabilities	12,177	6,938
Net assets	164,632	154,428
Shareholders' equity		
Share capital	129,377	129,377
Revaluation reserve	20,142	16,209
Realised capital gains reserve	5,384	-
Retained profits	9,729	8,842
Total shareholders' equity	164,632	154,428

Statement of Changes in Equity

For the Half-Year Ended 31 December 2012

	Half-Year 2012 $'000	Half-Year 2011 $'000
Total equity at the beginning of the half-year	154,428	156,075
Dividends paid	(5,227)	(7,318)
Total transactions with shareholders	(5,227)	(7,318)
Revaluation of investment portfolio	5,590	(3,292)
Provision for tax on revaluation	(2,733)	1,299
Net revaluation of investment portfolio	2,857	(1,993)
Taxable realised gains not taken through the Income Statement	7,692	-
Tax expense on realised gains not taken through the Income Statement	(2,308)	-
Taxable realised gains	5,384	-
Non-taxable realised gains/(losses) for the half-year transferred to retained profits*	2,713	(1,776)
Total other comprehensive income	10,954	(3,769)
Profit for the half-year	4,477	4,929
Total equity at the end of the half-year	164,632	149,917

* This figure, representing realised gains on investments sold that are non-taxable due to the Company's brought-forward losses, is transferred to accumulated profits and is available for distribution, subject to the Company's dividend policy.

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

Holdings of Securities
As at 31 December 2012

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
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	2,380	7,402
ALQ	ALS Limited	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	378	4,083
AMC	Amcor	Global packaging company	566	4,570
AMP	AMP	Major Australasian financial services organisation	1,188	5,718
ANN	Ansell	Designs, manufactures and markets a wide range of industrial, surgical and examination gloves and other protective products	331	5,074
ANZ	Australia and New Zealand Banking Group	Banking and wealth management services	328	8,217
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	154	1,682
BHP	BHP Billiton	Diversified international resources company	243	9,032
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	666	3,651

Holdings of Securities continued
As at 31 December 2012

Code	Company	Principal Activities	Number Held ’000	Market Value $’000
BXB	Brambles	Global provider of supply chain management and storage solutions	830	6,232
CBA	Commonwealth Bank of Australia	Banking and wealth management services	205	12,769
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	462	6,221
CPU	Computershare	Global leader in the provision of registry-related investor services to publicly listed companies, and other business process solutions	275	2,472
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	53	2,832
EGN	Engenco	Group of industrial engineering businesses servicing customers in the resources, rail, transport, defence, maritime and power generation industries	2,661	478
EGNR	Engenco Rights		3,991	112
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	216	3,185
#	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	158
ILU	Iluka Resources	Miner of zircon and titanium based mineral sands products with an additional iron ore production royalty	225	2,030

Code	Company	Principal Activities	Number Held '000	Market Value $'000
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen based fertiliser and industrial explosives	1,117	3,608
#	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	118	1,076
MRM	Mermaid Marine Australia	Provider of supply base and vessel services to the offshore oil and gas industry	632	2,155
NAB*	National Australia Bank	Banking and wealth management services	352	8,748
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	79	1,980
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	1,374	9,631
QBE	QBE Insurance Group	General insurance and reinsurance services provider	350	3,815
REA	REA Group	Operator of residential and commercial real estate advertising websites in Australia and Italy	167	3,003
STO	Santos	Leading Australian oil and gas producer, with a major position in the Cooper Basin and stakes in several key development projects, including PNG and Gladstone LNG	255	2,831

Holdings of Securities continued
As at 31 December 2012

Code	Company	Principal Activities	Number Held ’000	Market Value $’000
SXY	Senex Energy	Oil and gas explorer and developer with assets in South Australia and Queensland	4,400	3,058
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	1,275	7,763
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	762	1,089
TLS	Telstra Corporation	Telecommunications operator and information services provider	1,702	7,439
TOX	Tox Free Solutions	Integrated waste management and environmental service business	2,651	7,820
WBC	Westpac Banking Corporation	Banking and wealth management services	273	7,110
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	94	3,473
WLL	Wellcom Group	Production company providing pre-media services to advertisers, retailers and corporate organisations	804	2,276
WPL	Woodside Petroleum	Producer of liquefied natural gas, domestic gas, condensate, crude oil and liquefied petroleum gas, primarily in Western Australia	75	2,524
Total				**166,817**

Unlisted stock.

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

Major Transactions in the Investment Portfolio

Acquisitions (Above $1 Million)	Cost $'000
Santos	2,971
Oil Search	2,626
QBE Insurance Group	2,522
Computershare	2,503
National Australia Bank	2,202
Ansell	1,815
BHP Billiton	1,387
Coca-Cola Amatil	1,315
Brambles	1,241
Commonwealth Bank of Australia	1,153
Australia and New Zealand Banking Group	1,015

Disposals (Above $1 Million)	Proceeds $'000
Hastings Diversified Utilities Fund (a)	12,337
Origin Energy	3,186
Senex Energy	2,162
Westpac Banking Corporation	2,001
Fleetwood Corporation	1,613
REA Group	1,260
PanAust	1,050

(a) Sold while under takeover offer from APT Pipelines Limited.

Company Particulars

AMCIL Limited ('AMCIL')
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
Mail Box 146
101 Collins Street
Melbourne Victoria 3000

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 Limited
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

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	Wednesday 6 March 2013
Venue	Hilton on the Park
Location	192 Wellington Parade East Melbourne

Canberra Meeting

Time	1.00pm
Date	Tuesday 12 March 2013
Venue	Hyatt Hotel
Location	Commonwealth Avenue Yarralumla

Designed and produced by MDM Design. Printed on environmentally friendly paper.