AMCIL

A FOCUSED PORTFOLIO OF AUSTRALIAN EQUITIES

HALF-YEAR REVIEW TO 31 DECEMBER 2013

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.

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AMCIL Limited ABN 57 073 990 735

HALF-YEAR IN SUMMARY

PROFIT FOR THE HALF-YEAR

$3.7m

▼ Down 17.1% from 2012*

TOTAL 6 MONTH SHAREHOLDER RETURN

+16.4%

Share price plus dividend

NET OPERATING RESULT

$3.7m

▲ Up 9.0% from 2012

MANAGEMENT EXPENSE RATIO

0.67% Annualised

0.83% in 2012

TOTAL 6 MONTH PORTFOLIO RETURN

+10.2%

S&P/ASX 200 Index +14.0%

TOTAL PORTFOLIO

$214.7m

Including cash at 31.12.13

▲ $176.1 million in 2012

* 2012 figure included $1.1 million of after tax gains in market value of Hastings Diversified Utilities Fund.

REVIEW OF OPERATIONS AND ACTIVITIES

Profit and Dividend

Profit for the six months to 31 December 2013 was $3.7 million, down on the corresponding last half-year result of $4.5 million. Last year's profit figure included $1.1 million of after tax gains in market value of Hastings Diversified Utilities Fund which was taken over.

The net operating result, which represents the income generated from the investment and trading portfolios, was $3.7 million, up from $3.4 million last year. This increase was primarily as a result of $0.6 million of demerger dividends received from Amcor and Brambles this year as part of the demerger of Orora and Recall respectively. In line with the Company's practice the Board has not declared an interim dividend.

Portfolio

Following a setback in the market in the period just prior to the start of the new financial year the market rebounded to deliver a very strong performance over the six months to 31 December 2013. One driver of the performance was income yields from alternative investments in Australia remained relatively unattractive. As a result many stocks with good dividend yields were in demand. Another driver of the rebound was tentative signs of a pick up in the US economy. Initial moves toward a reduction in quantitative easing by the US Federal Reserve tend to support this view.

AMCIL's portfolio delivered a return of 10.2 per cent over the half-year whereas the S&P/ASX 200 Accumulation Index return

Figure 1: S&P/ASX 200 Price Index

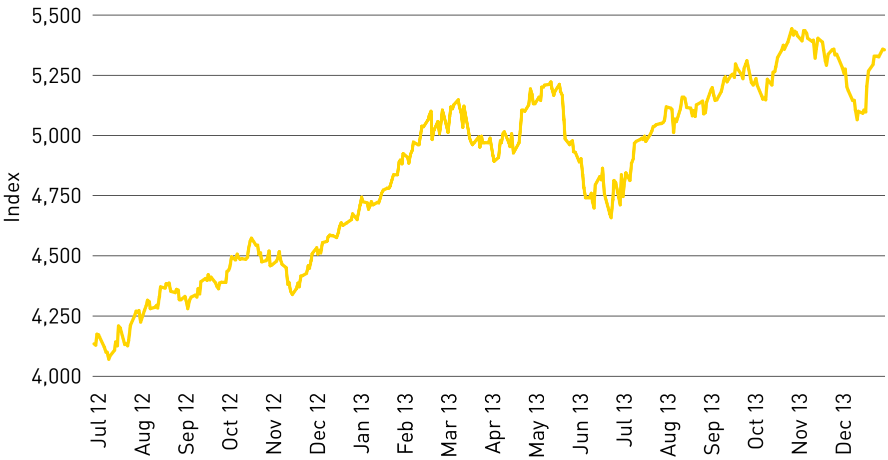
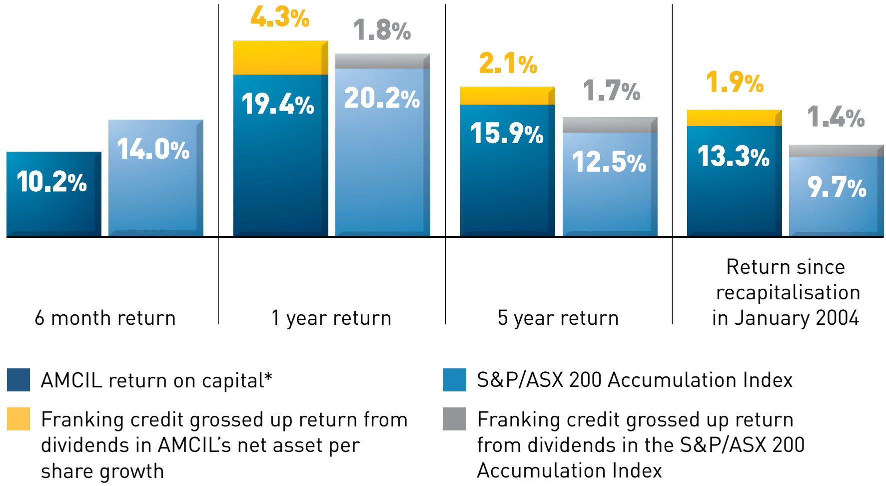


Figure 2: Portfolio return to 31 December 2013*



Note: Portfolio return for AMCIL is measured by the return on capital which is 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.

AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses and tax.

* Annualised returns other than six month figure.

was 14.0 per cent. The one year return of the portfolio to 31 December 2013 was 19.4 per cent whereas the Index return was 20.2 per cent. AMCIL's return is after expenses and tax paid on the significant realised gains over these periods. In addition, given recent capital raisings (Share Purchase Plan $10.1 million, DRP $6.2 million) AMCIL is also currently holding a relatively high level of cash in the portfolio at a time when the market has been buoyant. Importantly AMCIL's five year portfolio return is 15.9 per cent per annum versus the Index at 12.5 per cent per annum.

The return figures above do not include the benefit from the generation of the franking credits from realised gains. This is highlighted in Figure 2 above which illustrates the impact of franking to AMCIL's annual return figures (it is not applicable for the six month return) as well as for the S&P/ASX 200 Accumulation Index. Note these calculations assume an investor can take full advantage of these franking credits.

REVIEW OF OPERATIONS AND ACTIVITIES
continued

Given the strength in the market and the very high valuation levels which some companies reached, AMCIL rebalanced the portfolio by disposing of holdings in Woodside Petroleum and REA Group and partially selling down positions in Brambles, Tassal Group, Tox Free Solutions and Bega Cheese. The Company also disposed of its holding in iSelect which it acquired before it was listed. As a result, the Company realised gains after tax of $3.7 million.

New companies were added to the portfolio as part of reinvesting some of these proceeds. Details of the larger purchases in new companies added to the portfolio are as below:

- ResMed designs, manufactures and markets medical equipment for diagnosing, treating and managing sleep-disordered breathing and other respiratory disorders.
- TPG Telecom is a provider of a diverse range of communication services to residential users, small and medium enterprises, government and large corporate enterprises. The company owns and operates its own domestic network infrastructure and an international submarine cable connecting Australia and Guam.
- Lifestyle Communities is a developer, owner and manager of independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities on-site.
- iProperty owns and operates a network of property websites in Asia under the iProperty.com umbrella brand. It currently operates online property portals for consumer and business needs in the markets of Malaysia, Hong Kong, Macau, Indonesia and Singapore, and has investments in India and Philippines. Most of its sites are ranked first in their respective markets.
- AWE is an Australian based oil and gas exploration and production company. AWE currently has oil and gas interests in Australia, New Zealand, Indonesia and the USA, and is actively reviewing additional growth opportunities.

Purchases in the investment portfolio totalled $17.7 million for the half-year matching total sales of $17.7 million for the period.

REVIEW OF OPERATIONS AND ACTIVITIES
continued

Outlook

As we move into the second half of the financial year, our view is that market valuations are high relative to expected earnings growth and there are a number of significant challenges facing the Australian economy. This means attractive investment opportunities are currently more difficult to find. Nevertheless AMCIL has the benefit of being able to invest in a wide universe of small and large companies as well as having a strong level of cash which provides it with the desired flexibility.

Directorship Matters

Terry Campbell AO and Stan Wallis AC retired from the Board at the conclusion of the Annual General Meeting held on 9 October 2013.

Terry had been a Director of the Company since its inception in May 1996 and was Chairman of the Company between 2000 and 2004. Stan had been a Director of the Company since March 2004.

The Board wishes to express its thanks to Terry and Stan for their significant contributions as Directors before, during and after the Company's recapitalisation in 2004 and its growth since then. The Company and its shareholders have deeply benefited from their experience and commitment over many years.

TOP 20 INVESTMENTS
As at 31 December 2013

Includes investments held in both the investment and trading portfolios.

Valued at closing prices at 31 December 2013

		Total Value $'000	%
1	Oil Search	14,940	7.9
2	BHP Billiton	13,012	6.9
3	National Australia Bank	11,026	5.8
4	Santos	9,948	5.3
5	Commonwealth Bank of Australia	9,558	5.1
6	Australia & New Zealand Banking Group	8,058	4.3
7	Westpac Banking Corporation	7,836	4.1
8	Brambles	7,778	4.1
9	Telstra Corporation	7,702	4.1
10	Tox Free Solutions	6,980	3.7
11	Transurban Group	6,737	3.6
12	QBE Insurance Group	6,096	3.2
13	AMP	6,053	3.2
14	Coca-Cola Amatil	5,233	2.8
15	Rio Tinto	4,856	2.6
16	Equity Trustees	4,626	2.4
17	Amcor	4,550	2.4
18	Tassal Group	4,290	2.3
19	Computershare	3,414	1.8
20	Ansell	3,349	1.8
Total		146,041	

As a percentage of total portfolio (excludes cash)	77.3%

Cash position at 31 December 2013: $25.7 million.

INCOME STATEMENT
For the half-year ended 31 December 2013

	Half-Year 2013 $'000	Half-Year 2012 $'000
Dividends and distributions	3,906	3,613
Revenue from deposits and bank bills	390	161
Net gains on trading portfolio	90	226
Other revenue	10	-
Total income	4,396	4,000
Finance costs	(36)	(37)
Administration expenses	(685)	(697)
Operating result before income tax	3,675	3,266
Income tax credit	37	141
Net operating result	3,712	3,407
Net losses on open options positions	-	(9)
Net gains on 'puttable instruments'	-	1,537
Tax expense on above	-	(458)
	-	1,070
Profit for the half-year	3,712	4,477

	Cents	Cents
Net operating result per share	1.69	1.63
Profit for the half-year per share	1.69	2.14

BALANCE SHEET
As at 31 December 2013

	31 Dec 2013 $'000	30 June 2013 $'000
Current assets		
Cash	25,747	19,419
Receivables	270	2,887
Trading portfolio	-	-
Total current assets	26,017	22,306
Non-current assets		
Investment portfolio	188,944	172,104
Deferred tax assets	97	121
Total non-current assets	189,041	172,225
Total assets	215,058	194,531
Current liabilities		
Payables	342	520
Tax payable	6,758	5,278
Total current liabilities	7,100	5,798
Non-current liabilities		
Deferred tax liabilities – investment portfolio	14,806	11,068
Total non-current liabilities	14,806	11,068
Total liabilities	21,906	16,866
Net assets	193,152	177,665
Shareholders' equity		
Share capital	145,597	129,377
Revaluation reserve	29,495	21,446
Realised capital gains reserve	6,713	13,430
Retained profits	11,347	13,412
Total shareholders' equity	193,152	177,665

SUMMARISED STATEMENT OF CHANGES IN EQUITY For the half-year ended 31 December 2013

	Half-Year 2013 $'000	Half-Year 2012 $'000
Total equity at the beginning of the half-year	177,665	154,428
Dividends paid	(16,727)	(5,227)
Shares issued – Dividend Reinvestment Plan	6,162	-
– Share Purchase Plan	10,119	-
Costs of share issues	(61)	-
Total transactions with shareholders	(507)	(5,227)
Profit for the half-year	3,712	4,477
Revaluation of investment portfolio	17,563	15,995
Provision for tax on revaluation	(5,281)	(5,041)
Revaluation of investment portfolio (after tax)	12,282	10,954
Total comprehensive income for the half-year	15,994	15,431
Realised gains on securities sold	5,776	10,405
Tax expense on realised gains on securities sold	(1,543)	(2,308)
Net realised gains on securities sold	4,233	8,097
Transfer from revaluation reserve to realised gains reserve	(3,737)	(5,384)
Transfer from revaluation reserve to retained profits*	(496)	(2,713)
Total equity at the end of the half-year	193,152	164,632

* This figure, representing either realised gains on investments sold that are non-taxable due to the Company's brought-forward losses or the difference between accounting gains and taxable gains, 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 are available on the Company's website.

HOLDINGS OF SECURITIES
As at 31 December 2013

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).

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
ALQ	ALS Limited	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	350	3,084
AMC	Amcor	Global packaging company	431	4,550
AMP	AMP	Major Australasian financial services organisation	1,378	6,053
ANN	Ansell	Designs, manufactures and markets a wide range of industrial, surgical and examination gloves and other protective products	162	3,349
ANZ	Australia & New Zealand Banking Group	Banking and wealth management services	250	8,058
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	125	1,464
AWE	AWE	Oil and gas company with production development and exploration assets in Australia, New Zealand, USA and Indonesia	800	1,068

Code	Company	Principal Activities	Number Held '000	Market Value $'000
BGA	Bega Cheese	Integrated manufacturer and distributor of cheeses and related dairy products for Australia's domestic retail market and several export destinations	213	963
BGL	BigAir Group	Provider of wireless broadband solutions for business and university campus environments	3,101	2,372
BHP	BHP Billiton	Diversified international resources company	343	13,012
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	165	2,360
BUL	Blue Energy	Focused on the development of coal seam gas, natural gas and conventional oil resources within eastern Australia	3,458	256
BXB	Brambles	Global provider of supply chain management and logistics solutions	850	7,778
CBA	Commonwealth Bank of Australia	Banking and wealth management services	123	9,558
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	435	5,233

HOLDINGS OF SECURITIES continued
As at 31 December 2013

Code	Company	Principal Activities	Number Held '000	Market Value $'000
CPU	Computershare	Global leader in the provision of registry-related investor services to publicly listed companies, and other business process solutions	300	3,414
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	40	2,758
EML	Emerchants	Issuer and processor of prepaid financial cards, ranging from reloadable cards through to traditional, single-store gift cards. The group is headquartered in Brisbane, and primarily targets corporate and government clients	850	531
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	231	4,626
#	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	131
ILU	Iluka Resources	Miner of zircon and titanium based mineral sands products with an additional iron ore production royalty	280	2,416

Unlisted security.

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	2,994
IPP	iProperty Group	Operates internet-based real estate portals in Asian markets including Malaysia, Singapore, Hong Kong and Indonesia	1,300	2,522
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the USA	170	2,200
LIC	Lifestyle Communities	Develops, owns and manages independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities on-site	1,510	1,661
NAB	National Australia Bank	Banking and wealth management services	317	11,026
ORA	Orora	Diversified packaging company with operations in Australasia and North America. The company was demerged from Amcor in 2013	431	500
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	1,842	14,940

HOLDINGS OF SECURITIES continued
As at 31 December 2013

Code	Company	Principal Activities	Number Held '000	Market Value $'000
QBE	QBE Insurance Group	General insurance and reinsurance services provider	530	6,096
REC	Recall	Global provider of both physical and electronic information management services for both large and small corporate clients. The company was demerged from Brambles in 2013	170	690
RIO	Rio Tinto	Diversified international resources company	71	4,856
RMD	ResMed	Leading developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	350	1,855
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	680	9,948
SXY	Senex Energy	Oil and gas explorer and developer with assets in South Australia and Queensland	4,400	3,256
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	985	6,737
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	1,300	4,290
TLS	Telstra Corporation	Telecommunications operator and information services provider	1,467	7,702
TOX	Tox Free Solutions	Integrated waste management and environmental service business	2,000	6,980

Code	Company	Principal Activities	Number Held '000	Market Value $'000
TPM	TPG Telecom	Provider of a diverse range of communication services to residential users, small and medium enterprises, government and large corporate enterprises. The company owns and operates its own domestic network infrastructure and an international submarine cable connecting Australia and Guam	440	2,341
TSE	Transfield Services	Operations, maintenance and construction services business, operating globally in the resources, energy, industrial, infrastructure, property and defence sectors	1,100	985
TWE	Treasury Wine Estates	Wine company with over 50 brands produced in Australia, New Zealand, the USA and Italy and sold globally	660	3,181
WBC	Westpac Banking Corporation	Banking and wealth management services	242	7,836
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, chemicals, fertilisers, and industrial and safety products	75	3,316
Total				188,944

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions (Above $1 Million)	Cost $'000
Treasury Wine Estates	3,118
ResMed	2,067
TPG Telecom	1,961
Lifestyle Communities	1,710
iProperty Group	1,615
Transfield Services	1,516
AWE	1,003

Disposals (Above $1 Million)	Proceeds $'000
Woodside Petroleum	3,994
REA Group	3,647
Brambles	1,919
Tassal Group	1,614
Tox Free Solutions	1,425
iSelect	1,087
Bega Cheese	1,051

COMPANY PARTICULARS

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

Directors
Bruce B Teele, Chairman
Ross E Barker, Managing Director
Peter C Barnett
Rupert Myer AM
Richard B Santamaria

Company Secretaries
Simon M Pordage
Andrew JB Porter

Auditor
PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation
Australia

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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 +61 3 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	Tuesday 11 March 2014
Venue	RACV City Club
Location	501 Bourke Street Melbourne

Canberra Meeting

Time	1.00pm
Date	Monday 17 March 2014
Venue	Hyatt Hotel Canberra
Location	120 Commonwealth Avenue Yarralumla

AMCIL

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