AMCIL

Contents

These documents comprise the preliminary final report given to ASX under listing rule 4.3A

AMCIL Limited ABN 57 073 990 735

Appendix 4E Statement for the Full-Year ending 30 June 2018

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the year ended 30 June 2018 with the previous corresponding period being the year ended 30 June 2017.

This report is based on audited financial statements. A copy of the audit report can be found on page 34.

Results for announcement to the market

- Net Profit attributable to members was $6.25 million, up 16.1% from the previous corresponding period.

- Revenue from ordinary activities (excluding capital gains) was $8.45 million, up 27.4% from the previous corresponding period.

- Net tangible assets at 30 June 2018 were 102 cents per share, up from 95 cents at the end of the previous corresponding period, in both cases before allowing for any final dividend.

- No interim dividend was paid to shareholders in respect of the half year ended 31 December 2017.

- AMCIL's policy is to maximise the distribution of available franking credits. In accordance with this policy, a final dividend of 4.25 cents per share, fully-franked, will be paid on 24 August 2018 to ordinary shareholders on the register on 7 August 2018. Last year's final dividend was 3.5 cents. Shares are expected to trade ex-dividend from 6 August 2018. There is no conduit foreign income component of the dividend.

- Under changes to corporate tax legislation, the final dividend has to be franked using the expected corporate tax rate for 2018-19 of 27.5%.

- Part of the dividend has been sourced from capital gains on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain on this portion of the dividend, known as an "LIC capital gain", is 2.76 cents. This enables some shareholders to claim a tax deduction in their tax return. Further details will be on the dividend statements.

- The Company's Dividend Reinvestment Plan (DRP) is in operation for the final dividend, the price for which will be set at a **nil discount** to the Volume Weighted Average Price of the Company's shares traded on the ASX and Chi-X automated trading systems over the five trading days after the shares trade ex-dividend. The last date for receipt of an election notice for participation in the plan is 8 August 2018. All shares issued under the DRP will rank equally with existing shares.

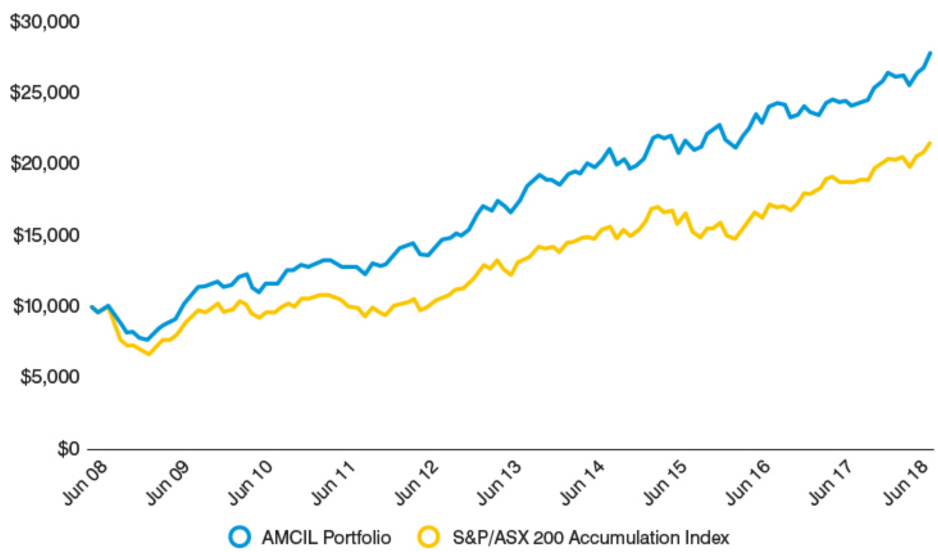
- The 2018 AGM will be held at Zinc, Federation Square, Melbourne, at 1.30 PM on Thursday 11 October.

AMCIL Increases Profit 16.1% and Lifts Dividend

Full Year Report to 30 June 2018

- **AMCIL's investment approach is to have a focused portfolio in which large, mid and small companies can have an equally important impact on portfolio returns.**
- **Full Year Profit of $6.2 million, up 16.1% from $5.4 million in the previous corresponding period:**
  - **Following adjustments to the portfolio, investment income increased 31.3% to $8.2 million.**
  - **Given the strong rise in the market, income from options was negative $0.6 million. This included the unrealised losses from the marking to market of open call option positions. On the other hand, the investment portfolio over which options are written increased by $12.1 million.**
- **Increase in dividend to 4.25 cents per share fully franked. Last year the dividend was 3.5 cents per share fully franked.**
- **Management expense ratio of 0.69%, with no performance fees.**
- **12-month portfolio return was 12.3%, including franking it was 13.9%. For the S&P/ASX 200 Accumulation Index, the respective figures were 13.0% and 14.6%. AMCIL's performance numbers are after expenses.**

Growth in Investment of $10,000 (Including Benefit of Franking) – 10 Years to 30 June 2018



Note assumes an investor can take full advantage of the franking credits. This chart calculates the benefit of franking credits at the time dividends are paid for both AMCIL and the Index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

Portfolio Performance

AMCIL's total portfolio return over the year was 12.3%. Assuming the full benefit of franking credits, AMCIL's portfolio delivered a return of 13.9%, whereas the S&P/ASX 200 Accumulation Index return was 14.6% on the same basis over the year. It is appropriate to add franking credits to total returns, given AMCIL's dividend policy seeks to maximise the distribution of franking credits, including those arising from taxable realised gains.

Over the 12-month period, the resources market was very strong. Whilst AMCIL has some exposure to this sector, it does not have a large exposure to small and mid cap resource companies, which were up 49% and 42% respectively over the year. These companies tend to be at the more speculative end of the market and therefore do not fit with AMCIL's investment approach. In this context, the Company believes the portfolio performance for the year is very satisfactory.

The unique features of AMCIL's portfolio are highlighted by the nature of the best performing stocks over the year, which are a mix of large and small companies, all of which contributed strongly to performance. In large companies, the more significant contributors to the portfolio were BHP, CSL and Macquarie Group. In smaller companies, strong contributions came from Lifestyle Communities, Freedom Foods and Objective Corporation.

The long term performance of the portfolio, which is more in line with the Company's investment timeframes, was 10.8% per annum for the 10 years to 30 June 2018, versus the Index return of 8.0% per annum (these returns include the full benefit of franking).

Adjustments to the Portfolio

There were a number of adjustments to the portfolio over the year. Major purchases included new additions to the portfolio: Macquarie Group, Boral and Woolworths. There were additions to holdings in BHP and Westpac Bank, where it was also advantageous to generate additional returns by selling call options against these stocks. In smaller companies, a number of new holdings were added, including Carsales.com, as well as Reliance Worldwide and Reece, including participation in their respective capital raisings to fund offshore acquisitions.

Major sales included the complete disposal of the positions in Treasury Wine Estates, which, given the strong run-up in its share price, meant it had become a very large position in the portfolio, Wesfarmers, Healthscope, Westfield Corporation (takeover by Unibail-Rodamco), QBE Insurance and Incitec Pivot.

Outlook

Given its portfolio size and investment approach, AMCIL has the flexibility to search for good quality investments across a broad range of companies in the Australian market. In the current environment, where investors are increasingly chasing earnings growth, which has led to very high prices for some stocks, AMCIL can afford to be patient.

The upcoming company reporting season will provide a useful point of reference to consider further changes to the portfolio. There are some companies that remain attractive for further investment should prices fall, with any increase in market volatility arising from geopolitical events or unexpected changes in interest rates, potentially providing attractive investment opportunities.

Please direct any enquiries to:

Mark Freeman
Managing Director
(03) 9225 2122

Geoff Driver
General Manager
(03) 9225 2102

24 July 2018

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions	Cost $'000
Macquarie Group	7,716
BHP	5,994
Boral	5,861
Woolworths Group	5,457
Westpac	5,237
Carsales.com	5,084

Disposals	Proceeds $'000
Treasury Wine Estates	6,533
Wesfarmers	6,256
Healthscope	6,202
Westfield Corporation (takeover by Unibail-Rodamco)	5,803
QBE Insurance	5,711
Incitec Pivot	5,292

All were complete disposals from the portfolio.

New Companies Added to the Portfolio

Macquarie Group	Boral
Woolworths Group	Dulux Group
Carsales.com	EQT Holdings
Rio Tinto	Xero
Reliance Worldwide	Breville Group
Reece	InvoCare
NEXTDC	Vista Group International

TOP INVESTMENTS AS AT 30 JUNE 2018

Includes investments held in both the Investment and Trading Portfolios.

Valued at closing prices at 29 June 2018

			Total Value $ '000	% of Portfolio
1		BHP	15,141	5.8%
2		CSL	14,254	5.5%
3		Lifestyle Communities	10,530	4.0%
4	*	Westpac Banking Corporation	10,333	4.0%
5		Macquarie Group	8,965	3.4%
6		Mainfreight	8,380	3.2%
7	*	National Australia Bank	8,107	3.1%
8	*	Oil Search	8,003	3.1%
9	*	Commonwealth Bank of Australia	7,724	3.0%
10		Freedom Foods Group	7,559	2.9%
11		Qube Holdings	7,296	2.8%
12		Seek	6,543	2.5%
13		Transurban Group	6,470	2.5%
14	*	Amcor	6,314	2.4%
15		CYBG	6,249	2.4%
16		James Hardie Industries	6,121	2.3%
17		Woolworths Group	6,104	2.3%
18		Reece	5,889	2.3%
19	*	Computershare	5,827	2.2%
20		Challenger	5,738	2.2%
			161,547	
		As % of Total Portfolio (excludes cash)		61.9%

PORTFOLIO PERFORMANCE TO 30 JUNE 2018

PERFORMANCE MEASURES AT 30 JUNE 2018	1 YEAR	5 YEARS %PA	10 YEARS %PA
PORTFOLIO RETURN – NET ASSET BACKING RETURN INCLUDING DIVIDENDS REINVESTED	***12.3%***	***8.4%***	***8.8%***
S&P/ASX 200 ACCUMULATION INDEX	*13.0%*	*10.0%*	*6.4%*
PORTFOLIO RETURN – NET ASSET BACKING GROSS RETURN INCLUDING DIVIDENDS REINVESTED*	***13.9%***	***10.8%***	***10.8%***
S&P/ASX 200 ACCUMULATION INDEX*	14.6%	11.6%	8.0%

Note: AMCIL's net asset per share growth plus dividend series is calculated after management expenses, income tax and capital gains tax on realised sales of investments. It should also be noted that Index returns for the market do not include the impact of management expenses and tax on their performance.

* Incorporates the benefit of franking credits for those who can fully utilise them.

AMCIL Ltd

Annual Financial Statements

30 June 2018

Financial statements

Income Statement for the Year Ended 30 June 2018

	Note	**2018** **$'000**	2017 $'000
Dividends and distributions	A3	8,243	6,278
Revenue from deposits and bank bills		205	345
Other revenue		-	6
Total revenue		**8,448**	**6,629**
Net gains/(losses) on trading portfolio	A3	129	(11)
Income/(losses) from options written portfolio	A3	(552)	876
Income from operating activities		**8,025**	**7,494**
Finance Costs		(59)	(50)
Administration expenses	B1	(1,724)	(1,647)
Profit before income tax expense		**6,242**	**5,797**
Income tax (expense)/credit	B2, E2	5	(414)
Profit for the year		**6,247**	**5,383**

		Cents	**Cents**
Basic earnings per share	A5	2.39	2.09

This Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income for the Year Ended 30 June 2018

	Year to 30 June 2018			Year to 30 June 2017		
	Revenue[1]	**Capital[1]**	**Total**	Revenue	Capital	Total
	$'000	**$'000**	**$'000**	$'000	$'000	$'000
Profit for the year	**6,247**	**-**	**6,247**	**5,383**	**-**	**5,383**
Other Comprehensive Income						
Gains for the period	-	25,323	**25,323**	-	9,395	**9,395**
Tax on above	-	(9,059)	**(9,059)**	-	(1,473)	**(1,473)**
Total Other Comprehensive Income	-	**16,264**	**16,264**	-	**7,922**	**7,922**
Total Comprehensive Income	**6,247**	**16,264**	**22,511**	**5,383**	**7,922**	**13,305**

[1] 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio. Income in the form of distributions and dividends is recorded as 'Revenue'. All other items, including expenses, are included in Profit for the Year, which is categorised under 'Revenue'.

None of the items included in other comprehensive income will be recycled through the Income Statement.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Balance Sheet as at 30 June 2018

	Note	2018 $'000	2017 $'000
Current assets			
Cash	D1	2,150	14,991
Receivables		7,070	832
Trading portfolio		-	516
Total current assets		**9,220**	**16,339**
Non-current assets			
Deferred tax assets	E2	88	-
Investment portfolio	A2	262,118	231,024
Total non-current assets		**262,206**	**231,024**
Total assets		**271,426**	**247,363**
Current liabilities			
Payables		253	249
Tax payable		1,465	2,074
Borrowings – bank debt	D2	1,000	-
Options Sold	A2	1,060	641
Total current liabilities		**3,778**	**2,964**
Non-current liabilities			
Deferred tax liabilities	E2	-	140
Deferred tax liabilities – investment portfolio	B2	22,290	15,473
Total non-current liabilities		**22,290**	**15,613**
Total liabilities		**26,068**	**18,577**
Net Assets		**245,358**	**228,786**
Shareholders' equity			
Share capital	A1, D6	174,748	171,658
Revaluation reserve	A1, D3	39,285	27,120
Realised capital gains reserve	A1, D4	20,721	20,492
Retained profits	A1, D5	10,604	9,516
Total shareholders' equity		**245,358**	**228,786**

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the Year Ended 30 June 2018

Year Ended 30 June 2018

	Note	Share Capital $'000	Revaluation Reserve $'000	Realised Capital Gains Reserve $'000	Retained Profits $'000	Total $'000
Total equity at the beginning of the year		**171,658**	**27,120**	**20,492**	**9,516**	**228,786**
Dividends paid	A4	-	-	(3,870)	(5,159)	**(9,029)**
Shares issued under Dividend Reinvestment Plan	D6	3,101	-	-	-	**3,101**
Other share capital adjustments		(11)	-	-	-	**(11)**
Total transactions with shareholders		**3,090**	**-**	**(3,870)**	**(5,159)**	**(5,939)**
Profit for the year		-	-	-	6,247	**6,247**
Other Comprehensive Income (net of tax)						
Net gain for the period on investments		-	16,264	-	-	**16,264**
Other Comprehensive Income for the year		-	16,264	-	-	**16,264**
Transfer to Realised Capital Gains Reserve of realised gains on investments sold		-	(4,099)	4,099	-	**-**
Total equity at the end of the year		**174,748**	**39,285**	**20,721**	**10,604**	**245,358**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the Year Ended 30 June 2018 (continued)

Year Ended 30 June 2017

	Note	Share Capital $'000	Revaluation Reserve $'000	Realised Capital Gains $'000	Retained Profits $'000	Total $'000
Total equity at the beginning of the year		**168,556**	**25,620**	**14,070**	**13,047**	**221,293**
Dividends paid	A4	-	-	-	(8,914)	**(8,914)**
Shares issued under Dividend Reinvestment Plan	D6	3,113	-	-	-	**3,113**
Other share capital adjustments		(11)	-	-	-	**(11)**
Total transactions with shareholders		**3,102**	**-**		**(8,914)**	**(5,812)**
Profit for the year		-	-	-	5,383	**5,383**
Other Comprehensive Income (net of tax)						
Net gain for the period on investments		-	7,922	-	-	**7,922**
Other Comprehensive Income for the year		-	7,922	-	-	**7,922**
Transfer to Realised Capital Gains Reserve of realised gains on investments sold		-	(6,422)	6,422	-	**-**
Total equity at the end of the year		**171,658**	**27,120**	**20,492**	**9,516**	**228,786**

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement for the Year Ended 30 June 2018

	Note	2018 $'000 Inflows/ (Outflows)	2017 $'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		2,315	909
Purchases for trading portfolio		(715)	(1,048)
Interest received		205	345
Proceeds from entering into options in options written portfolio		4,633	2,921
Payment to close out options in options written portfolio		(4,765)	(1,634)
Dividends and distributions received		6,536	5,987
		8,209	7,480
Other receipts		-	6
Administration expenses		(1,722)	(1,655)
Finance costs paid		(58)	(50)
Income taxes paid		(956)	(1,132)
Net cash inflow/(outflow) from operating activities	E1	**5,473**	**4,649**
Cash flows from investing activities			
Sales from investment portfolio		107,810	88,083
Purchases for investment portfolio		(119,066)	(78,848)
Tax paid on capital gains		(2,119)	(455)
Net cash inflow/(outflow) from investing activities		**(13,375)**	**8,780**
Cash flows from financing activities			
Shares issued		3,101	3,112
Share issue transaction costs		(11)	(11)
Net borrowings		1,000	-
Dividends paid		(9,029)	(8,914)
Net cash inflow/(outflow) from financing activities		**(4,939)**	**(5,813)**
Net increase/(decrease) in cash held		(12,841)	7,616
Cash at the beginning of the year		14,991	7,375
Cash at the end of the year	D1	**2,150**	**14,991**

For the purpose of the cash flow statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

A. Understanding AMCIL's financial performance

A1. How AMCIL manages its capital

AMCIL's objective is to provide shareholders with attractive total returns including strong capital growth over the medium to long term and to pay fully franked dividends.

AMCIL recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or sell assets to settle any debt.

AMCIL's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity is provided below:

	2018	2017
	$'000	$'000
Share capital	174,748	171,658
Revaluation reserve	39,285	27,120
Realised capital gains reserve	20,721	20,492
Retained profits	10,604	9,516
	245,358	**228,786**

Refer to notes D3-D6 for a reconciliation of movement for each equity account from period to period.

A2. Investments held and how they are measured

AMCIL has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the company intends to retain on a long-term basis. The options written portfolio and trading portfolio are held for short-term trading only. The latter is relatively small in size when utilised. The options written portfolio can contain both call and put options and call options are only written over securities held in the investment portfolio.

The balance and composition of the investment portfolio was:

	2018	2017
	$'000	$'000
Equity instruments (at market value)	262,118	231,024
	262,118	231,024

The fair value (the price at which the option may be bought) at 30 June of the securities in the options written portfolio was:

Call options	1,044	587
Put options	16	54
	1,060	641

If all call options were exercised, this would lead to the sale of $39.6 million worth of securities at an agreed price – the 'exposure' (2017: $36.0 million). If all the put options were exercised, this would require the Company to purchase $1.7 million of stock (2017 :$3.2 million).

$9.9 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2017: $5.5 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the Exchange Traded Option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

How investments are shown in the financial statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices)

Level 3: inputs for the asset or liabilities that are not based on observable market data

All financial instruments held by AMCIL are classified as Level 1 (other than an immaterial amount of call options). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period.

Net tangible asset backing per share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains in AMCIL's long-term investment portfolio. Deferred tax is calculated as set out in note B2. The relevant amounts as at 30 June 2018 and 30 June 2017 were as follows:

	30 June 2018	30 June 2017
Net tangible asset backing per share	**$**	$
Before tax	**1.02**	**0.95**
After tax	0.94	0.89

Equity investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' ("OCI"), because they are equity instruments held for long-term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the statement of comprehensive income. The cumulative change in value of the shares over time is then recorded in the Revaluation Reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within twelve months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities sold and how they are measured

Where securities are sold, any difference between the sale price and the cost is transferred from the Revaluation Reserve to the Realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of AMCIL's shareholders.

The realised gain or loss on options written is not recognised until the option expires, is exercised or is closed out. All unrealised gains or losses which represent movements in the Market Value of the options are recognised through the Income Statement

During the period $113.7 million (2017 : $88.1 million) of equity securities were sold. The cumulative gain on the sale of securities was $4.1 million for the period after tax (2017: $6.4 million). This has been transferred from the revaluation reserve to retained profits and the realised capital gains reserve (See Statement of Changes in Equity). These sales were accounted for at the date of trade.

A3. Operating income

The total income received from AMCIL's investments in 2018 is set out below.

Dividends and distributions	2018 $'000	2017 $'000
Dividends from securities held in investment portfolio at 30 June	6,376	5,116
Investment securities sold during the year	1,867	1,159
Dividends from securities held in trading portfolio at 30 June	-	-
Trading securities sold during the year	-	3
	8,243	6,278

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading income & non-equity investments

Net gains (before tax) on the trading and options portfolio are set out below.

Net gains		
Net realised gains/(losses) from trading portfolio	129	(19)
Realised gains on options written portfolio	257	576
Unrealised gains from trading portfolio	-	8
Unrealised gains/(losses) on options written portfolio	(809)	300
	(423)	865

A4. Dividends paid

The dividends paid and payable for the year ended 30 June 2018 are shown below:

	2018 $'000	2017 $'000
(a) Dividends paid during the year		
Final dividend for the year ended 30 June 2017 of 3.5 cents fully franked at 27.5%, paid 24 August 2017 (2017: 3.5 cents fully franked at 30%, paid on 25 August 2016).	9,029	8,914
	9,029	8,914

(b) Franking credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	6,007	4,180
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:	(4,216)	(3,425)
Net available	1,791	755
These franking account balances would allow AMCIL to frank additional dividend payments at a rate of 27.5% (30 June 2017 : 27.5%) up to an amount of:	4,722	1,990

AMCIL's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on AMCIL paying tax.

(c) Dividends declared after balance date

Since the end of the year Directors have declared a final dividend of 4.25 cents per share fully franked at 27.5%. The aggregate amount of the final dividend for the year to 30 June 2018 to be paid on 24 August 2018, but not recognised as a liability at the end of the financial year is:

	11,114	

(d) Listed Investment Company capital gain account	**2018 $'000**	2017 $'000
Balance of the Listed Investment Company (LIC) capital gain account	8,892	7,234
This equates to an attributable amount of	12,703	10,334

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains, or the receipt of LIC distributions from LIC securities held in the portfolios. $7.2 million of the attributable amount will be paid out as part of the final dividend.

A5. Earnings per share

The table below shows the earnings per share based on the profit for the year:

Basic Earnings per share	**2018 Number**	2017 Number
Weighted average number of ordinary shares used as the denominator	260,968,824	257,473,533
	$'000	**$'000**
Profit for the year	6,247	5,383
	Cents	**Cents**
Basic earnings per share	2.39	2.09

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2018 $'000	2017 $'000
Administration fees paid to AICS	(899)	(918)
Other administration expenses	(825)	(729)
	(1,724)	(1,647)

Administration fees paid to AICS

Australian Investment Company Services Limited ("AICS") undertakes the day-to-day administration of AMCIL's investments and its operations, including financial reporting.

Other administration expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits $	**Post-Employment Benefits $**	Total $
2018			
Directors	400,686	38,064	438,750
2017			
Directors	353,172	33,550	386,722

AMCIL recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

Detailed remuneration disclosures are provided in the Remuneration Report.

The Company does not make loans to Directors.

B2. Tax

AMCIL's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis. Deferred tax balances are calculated at the rate of 30% (2017 : 27.5%). This rate has been chosen as the Government currently has legislation before Parliament to deny the lower company tax rate to investment companies such as AMCIL.

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio and the options written portfolio.

A provision also has to be made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where AMCIL disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Tax expense

The income tax expense for the period is shown below:

(a) Reconciliation of income tax expense to prima facie tax payable

	2018 $'000	2017 $'000
Profit before income tax expense	**6,242**	**5,797**
Tax at the Australian company tax rate of 30% (2017 – 30%)	1,873	1,739
Tax offset for franked dividends received	(1,768)	(1,266)
Tax effect of sundry items either taxable in current year but not included in income or non-taxable	(76)	5
	29	**478**
Over provision in prior years	(34)	(64)
Total tax expense/(credit)	**(5)**	**414**

Deferred tax liabilities – investment portfolio

The accounting standards require us to recognise a deferred tax liability for the potential capital gains tax on the unrealised gain in the investment portfolio. This amount is shown in the Balance Sheet. However, the Board does not intend to sell the investment portfolio, so this tax liability is unlikely to arise at this amount. Any sale of securities would also be affected by any changes in capital gains tax legislation or tax rate applicable to such gains when they are sold.

	2018 $'000	2017 $'000
Deferred tax liabilities on unrealised gains in the investment portfolio	22,290	15,473
Opening balance at 1 July	15,473	16,119
Tax on realised gains (at 30%)	(2,242)	(2,119)
Charged to OCI for ordinary securities on gains or losses for the period	9,059	1,473
	22,290	15,473

B3. Risk

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

As a Listed Investment Company that invests in tradeable securities, AMCIL can never be free of market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5% and 10%, if spread equally over all assets in the investment portfolio, would have led to a reduction in AMCIL's comprehensive income of $9.2 million and $18.3 million respectively, at a tax rate of 30% (2017 : $8.1 million & $16.2 million at a tax rate of 30%). A market fall of 5% and 10% across the Trading Portfolio & Options Written Portfolio would have led to an increase in profit after-tax of $37,000 and $74,000 respectively (2017 :$4,000 and $9,000).

AMCIL seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee and risk can be managed by reducing exposure where necessary. AMCIL does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

AMCIL's investment exposure by sector is as below:

	2018	2017
	%	%
Energy	4.67%	3.58%
Materials	18.79%	14.85%
Industrials	17.74%	16.32%
Consumer Discretionary	5.81%	6.22%
Consumer Staples	5.19%	7.32%
Banks	12.31%	11.39%
Other Financials (incl. property trusts)	13.11%	11.82%
Telecommunications	1.03%	2.51%
Healthcare	8.89%	12.78%
Info Technology	11.64%	7.12%
Cash	0.82%	6.09%

There were two securities representing over 5% of the combined investment and trading portfolio (including options) at 30 June 2018 – BHP (5.8%) and CSL (5.5%) (2017 : nil).

AMCIL is not currently materially exposed to interest rate risk as all its cash investments are short-term for a fixed interest rate. AMCIL is also not directly materially exposed to currency risk as most of its investments are quoted in Australian dollars.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolios although stock may be purchased on-market to meet call obligations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. AMCIL is exposed to credit risk from cash, receivables, securities in the trading portfolio and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short-term deposits with Australia's "Big 4" commercial banks or in cash management trusts which invest predominantly in securities with an A1+ rating. In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale.

Trading and investment portfolios

Converting and convertible notes or other interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk will be realised in the event of a shortfall on winding-up of the issuing companies.

Liquidity risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

AMCIL monitors its cash-flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require AMCIL to purchase securities, and facilities that need to be repaid. AMCIL ensures that it has either cash or access to short-term borrowing facilities sufficient to meet these contingent payments.

AMCIL's inward cash flows depend upon the dividends received. Should these drop by a material amount, AMCIL would amend its outward cash-flows accordingly. AMCIL's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of AMCIL are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses AMCIL's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

30 June 2018	Less than 6 months $'000	6-12 months $'000	Greater than 1 year $'000	Total contractual cash flows $'000	Carrying amount $'000
Payables	253	-	-	253	253
Borrowings	1,000	-	-	1,000	1,000
Options written*	1,739	-	-	1,739	1,060
	2,992	-	-	2,992	2,313
30 June 2017					
Payables	249	-	-	249	249
Options written*	3,205	-	-	3,205	641
	3,454	-	-	3,454	890

* In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written. The contractual cash flows for put options written are the cash sums the Company will pay to acquire securities over which the options have been written, and it is assumed for purpose of the above disclosure that all options will be exercised (i.e. maximum cash outflow).

C. Unrecognised items

Unrecognised items, such as contingencies, do not appear in the financial statements, usually because they do not meet the requirements for recognition. However, they have the potential to have a significant impact on the company's financial position and performance.

C1. Contingencies

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

Additional information

Additional information that shareholders may find useful is included here. It is grouped into three sections:

D Balance sheet reconciliations

E Income statement reconciliations

F Other information

D. Balance sheet reconciliations

This section provides further information about the basis of calculation of line items in the financial statements.

D1. Current assets – cash

	2018	2017
	$'000	$'000
Cash at bank and in hand (including on-call)	2,150	14,991

Cash holdings yielded an average floating interest rate of 1.80% (2017: 1.93%). All cash investments are held in a transactional account or an over-night 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

D2. Credit Facilities

The Company was party to agreements under which Commonwealth Bank of Australia would extend cash advance facilities.

	2018	2017
	$'000	$'000
Commonwealth Bank of Australia –cash advance facility	10,000	10,000
Amount drawn down at 30 June	(1,000)	-
Undrawn facilities at 30 June	9,000	10,000

Repayment of facilities is done either through the use of cash received from distributions or the sale of securities, or by rolling existing facilities into new ones. Facilities when utilised are usually drawn down for no more than three months.

D3. Revaluation reserve

	2018 **$'000**	2017 $'000
Opening Balance at 1 July 2017	27,120	25,620
Gains on investment portfolio	25,323	9,395
Deferred tax on above	(9,059)	(1,473)
Transfer to realised capital gains reserve for realised gains	(4,099)	(6,422)
	39,285	27,120

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy note A2.

D4. Realised capital gains reserve

	2018 $'000			2017 $'000		
	Taxable realised gains (net of tax)	**Difference between tax and accounting costs**	**Total**	Taxable realised gains (net of tax)	Difference between tax and accounting costs	Total
Opening balance at 1 July	7,234	13,258	**20,492**	2,290	11,780	14,070
Dividends paid	(3,870)	-	**(3,870)**	-	-	-
Cumulative taxable realised (losses)/gains for period	7,478	(1,137)	**6,341**	7,063	1,478	8,541
Tax on realised gains/(losses)	(2,242)	-	**(2,242)**	(2,119)	-	(2,119)
	8,600	12,121	**20,721**	7,234	13,258	20,492

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in A2. The difference between tax and accounting costs is a result of realised gains or losses being accounted for on an average cost basis, whilst taxable gains or losses are made based on the specific cost of the actual stock sold – i.e. on a parcel selection basis. These differences also include non-taxable realised gains or losses, e.g. losses under off-market buy-backs.

D5. Retained profits

	2018 **$'000**	2017 $'000
Opening balance at 1 July	9,516	13,047
Dividends paid	(5,159)	(8,914)
Profit for the year	6,247	5,383
	10,604	9,516

This reserve relates to past profits.

D6. Share capital

Date	**Details**	**Notes**	**Number of shares '000**	**Issue price $**	**Paid-up Capital $'000**
1/7/2016	Balance		254,700		168,556
25/8/2016	Dividend Reinvestment Plan	**i**	3,276	0.95	3,113
Various	Costs of issue		-		(11)
30/6/2017	Balance		257,976		171,658
24/8/2017	Dividend Reinvestment Plan	**i**	3,524	0.88	3,101
Various	Costs of issue		-		(11)
30/6/2018	Balance		261,500		174,748

i. *Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange (ASX) & Chi-X in the five days after the shares begin trading ex-dividend.*

All shares have been fully paid, rank pari passu and have no par value.

E . Income statement reconciliations

E1. Reconciliation of net cash flows from operating activities to profit

	2018 $'000	2017 $'000
Profit for the year	**6,247**	**5,383**
Net decrease/(increase) in trading portfolio	516	(359)
Increase/(decrease) in options written portfolio	419	412
Dividends received as securities under DRP investments	(436)	(207)
Decrease/(increase) in current receivables	(6,238)	149
- Less increase/(decrease) in receivables for investment portfolio	5,921	-
Increase/(decrease) in deferred tax liabilities	6,589	(550)
- Less (increase)/decrease in deferred tax liability on investment portfolio	(6,817)	646
Increase/(decrease) in current payables	4	(2,890)
- Less decrease/(increase) in payables for investment portfolio	-	2,881
Increase/(decrease) in provision for tax payable	(609)	848
- Less CGT provision	(2,242)	(2,119)
- Add taxes paid on capital gains	2,119	455
Net cash flows from operating activities	**5,473**	**4,649**

E2. Tax reconciliations

Tax expense composition

Charge for tax payable relating to the current year	257	382
Over provision in prior years	(34)	(64)
Increase/(decrease) in deferred tax liabilities	(228)	96
	(5)	**414**

Amounts recognised directly through Other Comprehensive Income

Net movement in tax liabilities relating to capital gains tax on the movement in gains in the investment portfolio	9,059	1,473
	9,059	**1,473**

Deferred tax assets & liabilities

The deferred tax balances are attributable to:

		2018 $'000	2017 $'000
(a)	The difference in the value of the trading portfolio for tax and accounting purposes	-	(2)
(b)	Tax on unrealised gains or losses in the options written portfolio	101	(130)
(c)	Provisions and expenses charged to the accounting profit which are not yet tax deductible	71	65
(d)	Interest and dividend income receivable which is not assessable for tax until receipt	(84)	(73)
		88	(140)

Movements:

	2018 $'000	2017 $'000
Opening asset/(liability) balance at 1 July	(140)	(44)
Credited/(charged) to Income statement	228	(96)
	88	(140)

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect AMCIL's ability to claim the deduction. As noted in B2, deferred tax assets and liabilities have been calculated at a rate of 30% (2017 : 27.5%).

F. Other information

This section covers other information that is not directly related to specific line items in the financial statements, including information about related party transactions, assets pledged as security and other statutory information.

F1. Related parties

All transactions with deemed related parties were made on normal commercial terms and conditions and approved by independent Directors.

F2. Remuneration of auditors

During the year the auditor earned the following remuneration:

	2018	2017
	$	$
PricewaterhouseCoopers		
Audit or review of financial reports	104,895	113,599
Non-Audit Services		
Taxation compliance services	11,440	13,365
Total remuneration	116,335	126,964

F3. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of segments

The Board makes the strategic resource allocations for AMCIL. AMCIL has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for AMCIL's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and AMCIL's performance is evaluated on an overall basis.

Segment information provided to the Board

The internal reporting provided to the Board for AMCIL's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in AMCIL's Net Tangible Asset announcements to the ASX).

Other segment information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

AMCIL is domiciled in Australia and most of AMCIL's income is derived from Australian entities or entities that maintain a listing in Australia. AMCIL has a diversified portfolio of investments, with only two investments comprising more than 10% of AMCIL's income, including realised income from the trading and options written portfolios – National Australia Bank (11.2%) and Westpac (10.2%) (2017 :Nil).

F4. Summary of other accounting policies

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. This financial report has been authorised for issue and is presented in the Australian currency. AMCIL has the power to amend and reissue the financial report.

AMCIL has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market Value	Fair Value for Actively Traded Securities
Cash	Cash & Cash Equivalents
Share Capital	Contributed Equity
Options	Derivatives written over equity instruments that are valued at fair value through Profit or Loss

AMCIL complies with International Financial Reporting Standards (IFRS). AMCIL is a 'for profit' entity.

AMCIL has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2018 ("the inoperative standards") except for AASB 9 which was adopted on 7 December 2009. The impact of the inoperative standards has been assessed and the impact has been identified as not being material. AMCIL only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair value of financial assets and liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of AMCIL approximates their carrying value.

Rounding of amounts

AMCIL is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Independent auditor's report

To the members of AMCIL Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of AMCIL Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2018
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

- For the purpose of our audit we used overall group materiality of 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose net assets as the benchmark because, in our view, net assets is;
  - the metric against which the performance of the group is most commonly measured; and
  - the key driver of the business and determinant of the Company's value.
- We selected 1% based on our professional judgement, noting that it is within the range of commonly acceptable net asset related thresholds.

Audit scope

- Our audit focused on where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Company operates entirely out of its Melbourne office and we perform our audit procedures predominantly at that office.
- The administration and investment operations for the Company are conducted by Australian Investment Company Services Limited. In addition to our audit procedures, we obtained a report from other auditors that the controls over administration and investment operations operating at Australia Investment Company Services Limited were suitably designed and operated effectively for the year. We assessed the report by considering the other auditor's independence, competency and results of procedures.

Key Audit Matters

- Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee:
  - Existence and valuation of Investment Portfolio
- These are further described in the key audit matters section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Existence and valuation of Investment Portfolio *(Refer to note A2)* *$262.1m* The Investment Portfolio mostly consists of listed Australian equities which are valued by multiplying the quantity held by market price. Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.	1) Performed an investment reconciliation of the investments balance from the opening investment balance, addition/subtraction of purchases, sales and other relevant transactions and agreeing back to the 30 June 2018 balance. 2) Obtained the 2018 purchases and sales listing and • agreed a sample of purchases and sales to original contracts; and • agreed a sample of original contracts to the purchases and sales listing. 3) Agreed all the investment quantity holdings at 30 June 2018 to independent third party sources. 4) Agreed all the listed equities investment prices to independent market pricing sources. 5) Obtained a report on whether the controls over investment purchase and sales transactions were suitably designed and operated effectively for the year and assessed the report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2018, including the Director's Report, Additional Information section and Other Information section included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2018.

In our opinion, the remuneration report of AMCIL Limited for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the financial report of AMCIL Limited for the year ended 30 June 2018 included on AMCIL Limited's web site. The directors of the Company are responsible for the integrity of AMCIL Limited's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

PricewaterhouseCoopers

Nadia Carlin
Partner

Melbourne
24 July 2018