

Appendix 4D Statement for the Half-Year ending 31 December 2018

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This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2018 Annual Report.

AMCIL Limited ABN 57 073 990 735

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 December 2018 with the previous corresponding period being the half-year ended 31 December 2017. The results have been reviewed by the Company's auditors.

Results for announcement to the market

- Profit for the half-year, which was \$3.66 million, was up 42.7% from the previous corresponding period. This was primarily due to the options written portfolio, which showed a net gain (realised and unrealised) of \$0.9 million this period compared to a loss of \$1.0 million in the previous corresponding period, plus participation in the BHP and Rio Tinto off-market buy-backs.
- Revenue from investments was \$4.52 million, up 9.7% from \$4.12 million in the previous corresponding period. This excludes capital gains on investments.
- An interim dividend of 2.0 cents per share fully franked (at 30%), plus a special dividend of 1.5 cents, also fully franked (at 30%) will be paid on 22 February 2019 to ordinary shareholders on the register on 31 January 2019. There is no conduit foreign income component of the dividend.
- The interim dividend is partially sourced from capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an "LIC capital gain", attached to this dividend is 1.43 cents (1 cent grossed up by 30% franking rate). This enables some shareholders to claim a tax deduction in their tax return. Further details will be on the dividend statements.
- No interim dividend was declared for the previous corresponding period.
- The Company's Dividend Reinvestment Plan is in operation for the interim dividend, under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares is based on a **nil discount** to the average selling price of shares traded on the ASX and Chi-X automated trading systems in the five days from the day the shares begin trading on an ex-dividend basis. The last day for the receipt of an election notice for participation in the plan is 1 February 2019.
- Net tangible asset backing per share before any provision for tax on unrealised gains at 31 December 2018 was 88 cents per share (2017 : 97 cents) before any provision for the interim and special dividends.
- A final dividend of 4.25 cents per share (fully franked) in respect of the financial year ended 30 June 2018 was paid on 24 August 2018.
- Management expense ratio of 0.66%.

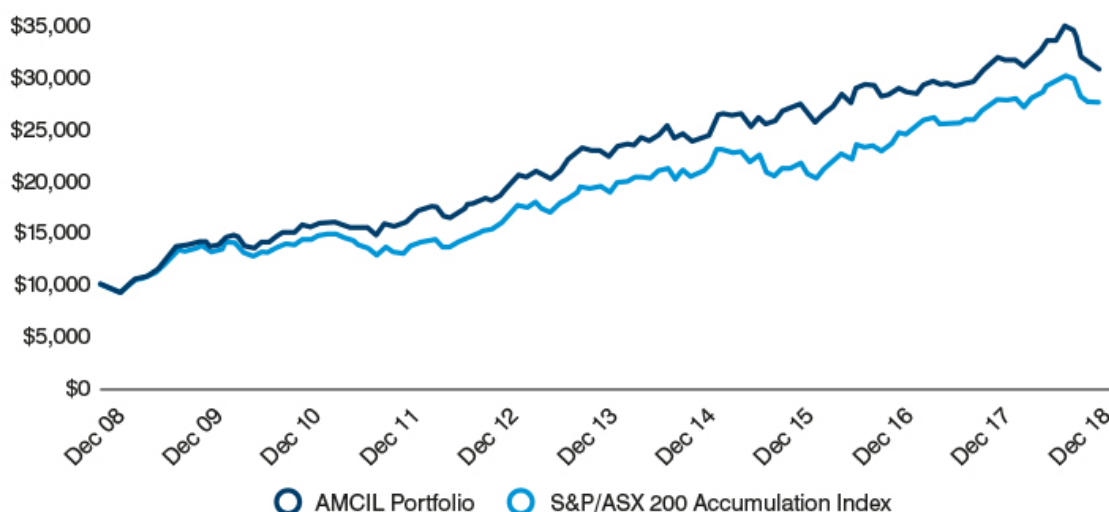


Half Year Report to 31 December 2018

Result includes interim and special dividend

- 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.
- Half Year Profit of \$3.7 million, was up 42.7% from \$2.6 million in the previous corresponding period:
 - Participation in the Rio Tinto and BHP off-market share buy-backs contributed to the increase in investment income, up 9.7% to \$4.5 million.
 - Income from options and trading portfolios was \$0.1 million. This included the unrealised gains from the marking to market of open call option positions as the market fell towards the end of the period. Last half year this figure was a loss of \$0.9 million.
- A 1.5 cent per share special dividend, fully franked, is being paid following the Company's participation in the recent Rio Tinto and BHP off-market share buy-backs. This dividend distributes the proceeds of these buy-backs.
- A 2 cent per share fully franked interim dividend has also been declared, meaning a total dividend of 3.5 cents per share will be paid in February 2019.
- Six-month portfolio return was negative 8.7%, including franking, and for 12 months the return was negative 4.0%, including franking. The S&P/ASX 200 Accumulation Index over these periods, including franking, was negative 6.2% and negative 1.4% respectively. AMCIL's performance numbers are after expenses.

Investment of \$10,000 (including benefit of franking) – 10 Years to 31 December 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.

Payment of an Interim Dividend

AMCIL's normal practice has been to pay a dividend once a year with the full year result to distribute all franking credits that are available at financial year end. However, given the strong increase in fully franked income in the first half from participation in the Rio Tinto and BHP off-market share buy-backs, the Board felt it was prudent to pay this special dividend with the interim result given the policy uncertainty surrounding the future refundability of franking credits. In this context, a dividend to distribute the current residual of the available franking credits from dividends and taxable realised gains has also been paid as a 2 cent per share interim dividend. In doing so, these payments will lessen the amount of franking credits available for distribution.

Portfolio Performance

After a strong start to the financial year, the market experienced a very difficult period. Over the six-months all major sectors of the market, other than Communication Services, recorded negative returns with the S&P/ASX 200 Accumulation Index (including the benefit of franking credits), down 6.2% for the six-month period.

Given that AMCIL's dividend policy seeks to maximise the distribution of franking credits, including those arising from taxable realised gains, it is appropriate to add franking credits to total returns. AMCIL's total portfolio return, including franking, over the half year was negative 8.7%. Some of this underperformance relative to the market was a result of AMCIL's participation in the off-market share buy-backs where holdings in BHP and Rio Tinto were sold at a 14% discount to the market price. Once the dividend attributed to the buy-backs is paid, this will be included in subsequent performance figures.

With regard to specific stocks in the portfolio, the best performing companies over the six months for AMCIL were Mainfreight, EQT Holdings (Equity Trustees), Wellcom Group, Brambles, Qube Holdings and TPG Telecom.

The long term performance of the portfolio, which is more in line with the Company's investment timeframes, was 11.8% per annum for the 10 years to 31 December 2018, versus the Index return of 10.6% 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 half year as the market moved from positive to negative territory within the six-month period. There was some trimming of positions across a number of holdings in the early part of the half year, where expectations about growth had pushed share prices for many companies to elevated levels. At the same time, AMCIL also took the opportunity to exit positions where there was less conviction relative to other opportunities in the market. As market volatility increased with the large negative moves in the US, there was an opportunity to deploy some of these funds, as well as the proceeds from the Share Purchase Plan in November, into companies where valuations looked more sensible.

Major purchases included new additions to the portfolio: Sydney Airport, Ramsay Health Care and Starpharma Holdings. There were also additions to several existing holdings, the largest of these purchases were in James Hardie Industries and ARB Corporation.

Outlook

The recent fall in the market means that better value is now on offer. While this has presented some opportunities, we are also conscious that uncertainty prevails on a number of fronts. These include the impact of Chinese economic growth, the direction of US interest rates, the course of trade talks between the US and China, and the outlook for the Australian economy in an environment of falling house prices and a Federal Election. As a result, AMCIL will look to navigate carefully the expected heightened volatility arising from these risks, with an emphasis on looking for quality companies that are trading at reasonable long term value.

Please direct any enquiries to:

Mark Freeman
Managing Director
(03) 9225 2122

Geoff Driver
General Manager
(03) 9225 2102

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions	Cost \$'000
Sydney Airport	4,371
Ramsay Health Care	3,296
James Hardie Industries	2,916
Starpharma Holdings	2,849
ARB Corporation	2,280

Disposals	Proceeds \$'000
Nufarm	3,650
Fisher & Paykel Healthcare	3,580
DuluxGroup	3,120
ALS	2,943
Amcor	2,583
BHP (participation in off-market share buy-back)	2,542
InvoCare	2,502

All were complete disposals from the portfolio, other than Amcor & BHP.

New Companies Added to the Portfolio

Sydney Airport	Starpharma Holdings
Ramsay Health Care	

TOP INVESTMENTS AS AT 31 DECEMBER 2018

Includes investments held in both the Investment and Trading Portfolios.

Valued at closing prices at 31 December 2018

	Total Value \$ million	% of portfolio
1 CSL	13.2	5.7%
2 BHP	12.1	5.2%
3 Mainfreight	9.7	4.1%
4 * Westpac	9.4	4.0%
5 Macquarie Group	8.1	3.5%
6 Lifestyle Communities	7.9	3.4%
7 * Commonwealth Bank of Australia	7.7	3.3%
8 Qube Holdings	7.7	3.3%
9 Transurban	7.4	3.2%
10 National Australia Bank	7.0	3.0%
11 * Oil Search	6.6	2.8%
12 James Hardie Industries	6.3	2.7%
13 EQT Holdings	5.9	2.5%
14 * Woolworths Group	5.6	2.4%
15 Carsales.Com	5.6	2.4%
16 Reliance Worldwide Corporation	5.5	2.3%
17 AUB Group	5.3	2.3%
18 Wellcom	5.1	2.2%
19 Freedom Foods	5.0	2.2%
20 Brickworks	5.0	2.2%
	146.2	
As % of Total Portfolio Value (excludes Cash)	62.5%	

* Indicates that options were outstanding against part of the holding



PORTFOLIO PERFORMANCE TO 31 DECEMBER 2018

PERFORMANCE MEASURES AT 31 DECEMBER 2018	6 MONTHS	1 YEAR	5 YEARS %PA	10 YEARS %PA
<i>PORTFOLIO RETURN – NET ASSET BACKING RETURN INCLUDING DIVIDENDS REINVESTED</i>	-10.2%	-5.7%	4.0%	9.8%
S&P/ASX 200 ACCUMULATION INDEX	-6.8%	-2.8%	5.6%	9.0%
<i>PORTFOLIO RETURN – NET ASSET BACKING GROSS RETURN INCLUDING DIVIDENDS REINVESTED*</i>	-8.7%	-4.0%	6.0%	11.8%
S&P/ASX 200 ACCUMULATION INDEX *	-6.2%	-1.4%	7.2%	10.6%

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 LIMITED

ABN 57 073 990 735

HALF-YEAR REPORT 31 DECEMBER 2018

COMPANY PARTICULARS

AMCIL Limited (“AMH”)

ABN 57 073 990 735

AMCIL is a Listed Investment Company. It is an investor in equities and similar securities on the stock market primarily in Australia.

Directors: Bruce Teele, Chairman
Ross Barker
Roger Brown
Siobhan McKenna
Rupert Myer AO
Jonathan Webster
Mark Freeman, Managing Director

Company Secretaries: Matthew Rowe
Andrew Porter

Auditor: PricewaterhouseCoopers, Chartered Accountants

Country of incorporation: Australia

Registered office: Level 21
101 Collins Street
Melbourne, Victoria 3000

Contact Details: Mail Address: Level 21, 101 Collins St., Melbourne, Victoria 3000
Telephone: (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@amcil.com.au
Internet address: 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
Mail Address: GPO Box 2975, Melbourne, Victoria 3001
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067

AMH Shareholder
enquiry line: 1300 653 916
+613 9415 4224 (from overseas)

Facsimile: (03) 9473 2500
Internet: www.investorcentre.com/contact

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange

Code: AMH Ordinary shares

DIRECTORS' REPORT

This report in relation to the half-year to 31 December 2018 is presented by the Directors of AMCIL Limited ('the Company') in accordance with a resolution of Directors.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

B.B. Teele (appointed December 2003)
R.E. Barker (appointed May 1996)
R.G. Brown (appointed February 2014)
S.L. McKenna (appointed March 2016)
R.H. Myer AO (appointed January 2000)
R.B. Santamaria (appointed August 1996, retired October 2018)
J.J. Webster (appointed November 2016)
R.M. Freeman (appointed January 2018)

Company operations and results

Overview

AMCIL is a Listed Investment Company which invests primarily in securities listed on the Australian Securities Exchange.

Performance Indicators and Outcomes

Profit for the half-year, which was \$3.7 million, was up 42.7% from the previous corresponding period. This was primarily due to the options written portfolio, which showed a net gain (realised and unrealised) of \$0.9 million this period compared to a loss of \$1.0 million in the previous corresponding period, plus participation in the BHP and Rio Tinto off-market buy-backs.

The net profit for the six months was equivalent to 1.38 cents per share (2017 : 0.99 cents per share).

Dividends and distributions from investments amounted to \$4.5 million for the half-year, of which \$3.4 million was from fully franked dividends.

The portfolio return for the six months to December 2018 delivered a return of -10.2% compared to the broader S&P/ASX200 return of -6.8%. AMCIL's portfolio return is after costs and tax paid (including tax on realised capital gains which can be returned to shareholders via franking credits). The participation in the two buy-backs also affected the portfolio return in the period.

The Board has decided to declare an interim dividend of 2 cents and a special dividend of 1.5 cents, both fully franked. There was no interim dividend paid last year.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

Rounding of amounts

The Company is of a kind referred to in the ASIC Corporations' (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Instrument.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'BB Teele', with a long horizontal flourish extending to the right.

BB Teele
Chairman
Melbourne
22 January 2019



Auditor's Independence Declaration

As lead auditor for the review of AMCIL Limited for the half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read "Nadia Carlin", with a long horizontal flourish extending to the right.

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
22 January 2019

PricewaterhouseCoopers, ABN 52 780 433 757
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INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	Half-year 2018 \$'000	Half-year 2017 \$'000
Dividends and distributions		4,484	3,996
Revenue from deposits and bank bills		41	128
Total revenue		4,525	4,124
Net gains/(losses) on trading and options portfolios		108	(920)
Other income		10	-
Income from operating activities	3	4,643	3,204
Finance costs		(38)	(25)
Administration expenses		(852)	(808)
Profit before income tax expense		3,753	2,371
Income tax (expense)/credit		(91)	195
Profit for the half-year		3,662	2,566
		Cents	Cents
Basic earnings per share	9	1.38	0.99

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Half-Year to 31 December 2018			Half-Year to 31 December 2017		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Profit for the half-year	3,662	-	3,662	2,566	-	2,566
Other Comprehensive Income						
Gains/(losses) for the period on equity securities in the investment portfolio	-	(27,663)	(27,663)	-	14,033	14,033
Deferred tax on above	-	8,696	8,696	-	(5,673)	(5,673)
Total Other Comprehensive Income¹	-	(18,967)	(18,967)	-	8,360	8,360
Total comprehensive income ²	3,662	(18,967)	(15,305)	2,566	8,360	10,926

¹ These are the net capital gains/(losses) not accounted for through the Income Statement.

² This is the company's Net Return for the half-year, which includes the Net Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio.

Note that 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 31 DECEMBER 2018

		31 Dec 2018 \$'000	30 June 2018 \$'000
	Note		
Current assets			
Cash		6,421	2,150
Receivables		407	7,070
Trading portfolio		6,528	-
Total current assets		13,356	9,220
Non-current assets			
Investment portfolio		227,676	262,118
Deferred tax assets		251	88
Total non-current assets		227,927	262,206
Total assets		241,283	271,426
Current liabilities			
Payables		182	253
Options written portfolio	4	323	1,060
Borrowings – bank debt		-	1,000
Tax payable		2,000	1,465
Total current liabilities		2,505	3,778
Non-current liabilities			
Deferred tax liabilities - investment portfolio	5	11,658	22,290
Total non-current liabilities		11,658	22,290
Total liabilities		14,163	26,068
Net Assets		227,120	245,358
Shareholders' equity			
Share Capital	6	182,929	174,748
Revaluation Reserve		15,500	39,285
Realised Capital Gains Reserve		20,309	20,721
Retained Profits		8,382	10,604
Total shareholders' equity		227,120	245,358

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

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

Half-Year to 31 December 2018

	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		174,748	39,285	20,721	10,604	245,358
Dividends paid	8	-	-	(5,230)	(5,884)	(11,114)
Shares issued – Dividend Reinvestment Plan	6	3,899	-	-	-	3,899
- Share Purchase Plan	6	4,319	-	-	-	4,319
Share Issue Transaction Costs	6	(37)	-	-	-	(37)
Total transactions with shareholders		8,181	-	(5,230)	(5,884)	(2,933)
 Profit for the half-year		 -	 -	 -	 3,662	 3,662
 Other Comprehensive Income for the half-year						
Net losses for the period on equity securities in the investment portfolio		-	(18,967)	-	-	(18,967)
Other Comprehensive Income for the half-year		-	(18,967)	-	-	(18,967)
Transfer to Realised Capital Gains Reserve of realised gains on investments sold		-	(4,818)	4,818	-	-
 Total equity at the end of the half-year		 182,929	 15,500	 20,309	 8,382	 227,120

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

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2018 (CONT.)

Half-Year to 31 December 2017	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		171,658	27,120	20,492	9,516	228,786
Dividends paid	8	-	-	(3,870)	(5,159)	(9,029)
Shares issued – Dividend Reinvestment Plan		3,101	-	-	-	3,101
Share Issue Transaction Costs		(11)	-	-	-	(11)
Total transactions with shareholders		3,090	-	(3,870)	(5,159)	(5,939)
Profit for the half-year		-	-	-	2,566	2,566
<i>Other Comprehensive Income for the half-year</i>						
Net gains for the period on equity securities in the investment portfolio		-	8,360	-	-	8,360
Other Comprehensive Income for the half-year		-	8,360	-	-	8,360
Transfer to Realised Capital Gains Reserve of net realised losses on investments sold		-	102	(102)	-	-
Total equity at the end of the half-year		174,748	35,582	16,520	6,923	233,773

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

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Half-year 2018 \$'000 INFLOWS/ (OUTFLOWS)	Half-year 2017 \$'000 INFLOWS/ (OUTFLOWS)
Cash flows from operating activities		
Sales from trading portfolio	2,275	2,129
Purchases for trading portfolio	(9,606)	(715)
Interest received	41	128
Proceeds from entering into options in options written portfolio	710	2,752
Payment to close out options in options written portfolio	(536)	(1,876)
Dividends and distributions received	4,781	3,730
	(2,335)	6,148
Administration expenses (incl. retirement allowances)	(921)	(801)
Finance costs paid	(40)	(25)
Taxes paid	-	(236)
Other receipts	10	-
Net cash inflow/(outflow) from operating activities	(3,286)	5,086
Cash flows from investing activities		
Sales from investment portfolio	43,221	57,864
Purchases for investment portfolio	(30,076)	(63,132)
Taxes paid on capital gains	(1,655)	(2,138)
Net cash inflow/(outflow) from investing activities	11,490	(7,406)
Cash flows from financing activities		
Share issues	4,319	3,101
Share issues transaction costs	(37)	(11)
Repayment of borrowings	(1,000)	-
Dividends paid	(7,215)	(9,029)
Net cash inflow/(outflow) from financing activities	(3,933)	(5,939)
Net increase/(decrease) in cash held	4,271	(8,259)
Cash at the beginning of the half-year	2,150	14,991
Cash at the end of the half-year	6,421	6,732

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2018 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

In the interests of transparency in its reporting, the Company uses the phrase “market value” in place of the AASB terminology “fair value for actively traded securities.”

2. Financial reporting by segments

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

(a) Segment information provided to the Board

The internal reporting provided to the Board for the Company’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 unrealised capital gains tax on investments (as reported in the Company’s Net Tangible Asset announcements to the ASX).

The relevant amounts as at 31 December 2018 and 31 December 2017 were as follows:

Net tangible asset backing per share	2018	2017
	cents	cents
Before Tax	88	97
After Tax	84	89

(b) Other segment information

(i) Segment Revenue

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, whilst income arises from gains or losses on the trading portfolio and the options portfolio.

The Company is domiciled in Australia and the Company’s income is derived predominantly from Australian entities or entities that have a listing on the Australian Securities Exchange. The Company has a diversified portfolio of investments, with two investments comprising more than 10% of the Company’s income, including contribution from the trading portfolio and income from the options written portfolio : Westpac 12.3% and BHP 11.1%, (2017 : Westpac 15.0%, National Australia Bank 14.5% and Commonwealth Bank 10.1%).

3. Income from operating activities

Half-year 2018 \$'000	Half-year 2017 \$'000
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Income from operating activities is comprised of the following:

Dividends & distributions		
• securities held in investment portfolio	4,369	3,996
• securities held in trading portfolio	115	-
	<u>4,484</u>	<u>3,996</u>
Interest income		
• deposits and income from bank bills	41	128
	<u>41</u>	<u>128</u>
Net gains/(losses)		
• net gains from trading portfolio sales	80	127
• unrealised losses in trading portfolio	(883)	-
• realised gains/(losses) on options written portfolio	758	(485)
• unrealised gains/(losses) on options written portfolio	153	(562)
	<u>108</u>	<u>(920)</u>
Other income	10	-
	<u>10</u>	<u>-</u>
Income from operating activities	<u>4,643</u>	<u>3,204</u>

4. Current liabilities – options written portfolio

As at balance date there were call options outstanding which potentially required the Company, if they were all exercised, to deliver securities to the value of \$17.4 million (30 June 2018: \$39.6 million). If all the put options were exercised, this would require the Company to purchase \$0.5 million of stock (30 June 2018 : \$1.7 million).

5. Deferred tax liabilities – investment portfolio

In accordance with AASB 112 *Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax on the unrealised gains in the investment portfolio at current tax rates totalling \$11.7 million (30 June 2018 : \$22.3 million). As the Directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at this amount.

6. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Issue price \$	Paid-up Capital \$'000
01/07/2018	Opening Balance		261,500		174,748
24/08/2018	Dividend Reinvestment Plan	(i)	4,284	0.91	3,899
07/11/2018	Share Purchase Plan	(ii)	5,023	0.86	4,319
Various	Share Issue Costs		-		(37)
31/12/2018	Balance		<u>270,807</u>		<u>182,929</u>

- (i) The Company's Dividend Reinvestment Plan was in place for the 2018 final dividend. Shares were issued at a price equivalent to the 5-day VWAP calculated from when the shares traded ex-dividend.
- (ii) The Company had a Share Purchase Plan ("SPP") during the period. Shareholders could apply for up to \$15,000 worth of new securities. Shares were issued at the 5-day VWAP calculated up to and including the date the SPP closed.

7. Realised Capital Gains Reserve

	Half-year 2018 \$'000			Half-year 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	8,600	12,121	20,721	7,234	13,258	20,492
Dividends paid	(5,230)	-	(5,230)	(3,870)	-	(3,870)
Cumulative taxable realised (losses)/gains for period	6,453	301	6,754	564	(477)	87
Tax on realised (losses)/gains	(1,936)	-	(1,936)	(189)	-	(189)
	<u>7,887</u>	<u>12,422</u>	20,309	<u>3,739</u>	<u>12,781</u>	16,520

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio. 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.

8. Dividends	Half-year 2018 \$'000	Half-year 2017 \$'000
Dividends (fully franked) paid during the period	11,114 (4.25 cents per share)	9,029 (3.5 cents per share)

Since the end of the half-year the Directors have declared an interim dividend of 2.0 cents per share, plus a special dividend of 1.5 cents per share, both fully franked. The aggregate amount of the proposed interim and special dividends expected to be paid on 22 February 2019, but not recognised as a liability at the end of the half-year is

9,478

9. Earnings per Share

	Half-year 2018	Half-year 2017
	Number	Number
Weighted average number of ordinary shares used as the denominator	265,977,585	260,446,532

Basic earnings per share

	\$'000	\$'000
Profit for the half-year	3,662	2,566
	Cents	Cents
Basic earnings per share	1.38	0.99

Dilution

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

10. Events subsequent to balance date

Since 31 December 2018 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

11. Contingencies

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

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



BB Teele
Chairman
Melbourne
22 January 2019



Independent auditor's review report to the members of AMCIL Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of AMCIL Limited (the Company), which comprises the balance sheet as at 31 December 2018, the statement of changes in equity, cash flow statement, and income statement and statement of comprehensive income for the half-year ended on that date, selected other explanatory notes and the directors' declaration.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the entity's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of AMCIL Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of AMCIL Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date;
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A blue ink signature, likely of a representative from PricewaterhouseCoopers.

PricewaterhouseCoopers

A blue ink signature, likely of Nadia Carlin.

Nadia Carlin
Partner

Melbourne
22 January 2019