

24 August 2016

The Manager
ASX Market Announcements
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Electronic Lodgement

**AMCIL Limited
Statutory Annual Report, Annual Shareholder Review,
Notice of Meeting and Proxy Form**

Dear Sir / Madam

Please find attached the 2016 Statutory Annual Report, Annual Shareholder Review, Notice of Meeting and Proxy Form being sent to shareholders.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'M. Rowe'.

Matthew Rowe
Company Secretary



Annual Report
2016

A Focused
Portfolio
of Australian
Equities



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The Company aims to provide shareholders with:

- ▶ Attractive returns through strong capital growth in the portfolio over the medium to long term.
- ▶ The generation of fully franked dividend income.

YEAR IN SUMMARY

PROFIT FOR THE YEAR

\$7.7m

▲ Up 10.1% from 2015

TOTAL SHAREHOLDER RETURN

+11.8%

Share price plus dividend

FULLY FRANKED FINAL DIVIDEND

3.5¢

▼ 4.0 cents in 2015

MANAGEMENT EXPENSE RATIO

0.65%

0.67% in 2015

TOTAL PORTFOLIO RETURN

+9.7% Including franking*

S&P/ASX 200 Accumulation Index +2.2%*

TOTAL PORTFOLIO

\$240.8m
Including cash at 30 June

▲ \$221.0 million in 2015

* Assumes shareholder can take full advantage of the franking credits.



DIRECTORS' REPORT

We are pleased to report to the shareholders of AMCIL Limited (AMCIL or 'the Company') in relation to the financial year to 30 June 2016 as follows.

5 YEAR SUMMARY

	2016	2015	2014	2013	2012
Profit after tax (\$ million)	7.69	6.98	6.28	7.58	8.92
Net profit per share (cents)	3.10	2.93	2.81	3.63	4.27
Dividends per share (cents) ^(a)	3.5	4.0	6.5	8.0	2.5
Investments at market value (\$ million) ^(b)	233.46	208.00	200.16	172.10	152.92
Net asset backing (cents) ^(c)	93	91	95	90	77
Number of shareholders (30 June)	2,464	2,392	2,329	2,257	2,190

Notes

(a) 2016 carries no attributable LIC gain per share, 2015: 2.1 cents, 2014: 5.7 cents, 2013: 7.1 cents, 2012: nil.

(b) Excludes cash.

(c) Net asset backing per share based on year-end data before the provision for the final (and where applicable, special) dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date, as Directors do not intend to dispose of the portfolio.

ABOUT THE COMPANY

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

The number of holdings in the portfolio will depend on market conditions and investment opportunities. The selection of stocks in the portfolio is based on attractive valuations as well as the outlook for growth and the competitive structure of the industry.

Dividend Policy

Depending on the profit and/or realised gains, from year to year the dividends paid by the Company will maximise the distribution of franking credits. It would not be our normal practice to distribute realised capital gains unless franking credits have been generated. As a result, AMCIL's dividends may vary over time.

Investing in the Company

As a listed investment company, the Company's shares can be bought or sold through the Australian Securities Exchange (ASX)(code: AMH). The Company does not charge entry or exit fees when shareholders acquire or dispose of their holdings although transaction costs will be borne when buying or selling through a stockbroker. There are no trailing commissions.

Transparency

We take an active approach to keeping shareholders informed about the Company's activities and performance including yearly and half-yearly results announcements, regular shareholder briefings and access to all Company announcements, including monthly net tangible asset announcements, through the ASX and the Company's website amcil.com.au

REVIEW OF OPERATIONS AND ACTIVITIES

Profit and Dividend

Profit for the year was \$7.7 million, up on last year's result of \$7.0 million. Last year's profit figure included a non-cash dividend of \$0.9 million received as a result of the demerger of South32 from BHP Billiton. Excluding this figure the profit was up 26.7 per cent.

Income generated from dividends and distributions was \$6.9 million, which was marginally down from last year's figure of \$7.0 million (when the demerger dividend is excluded). The contribution from the trading portfolio and option income was \$3.3 million, up from \$0.6 million last year. This large increase was generated from participation in some smaller IPOs, which produced strong returns over the year, the sale of share entitlements from company capital raisings and the share price strength of the holding in NetComm Wireless in the first half of the year (this holding has been subsequently sold to the investment portfolio). Higher volatility over the year also assisted with increased generation of income from option activity.

The Company's dividend policy is to maximise the distribution of available franking credits each year. Accordingly, AMCIL will pay a final dividend of 3.5 cents per share fully franked, which is down on the 4.0 cents per share paid last year.

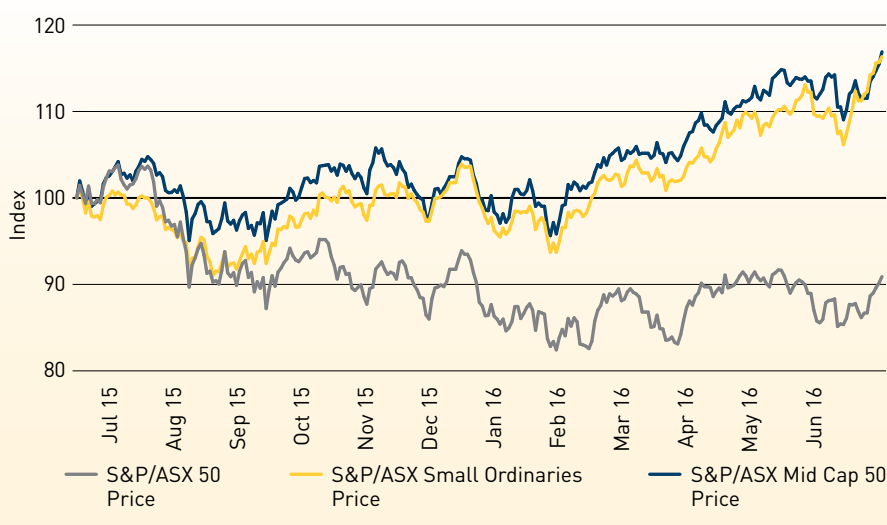
There are no LIC capital gains attached to the final dividend this year.

Management Expense Ratio

One of the features of AMCIL is its relatively low cost for shareholders. The MER was 0.65 per cent, down from 0.67 per cent last year as expenses were down marginally and the portfolio increased in size. Importantly AMCIL's portfolio is managed internally, meaning the benefit of size flows back to shareholders, unlike an externally managed fund that normally charges a set percentage fee on the portfolio size. In addition, AMCIL does charge any performance fees.

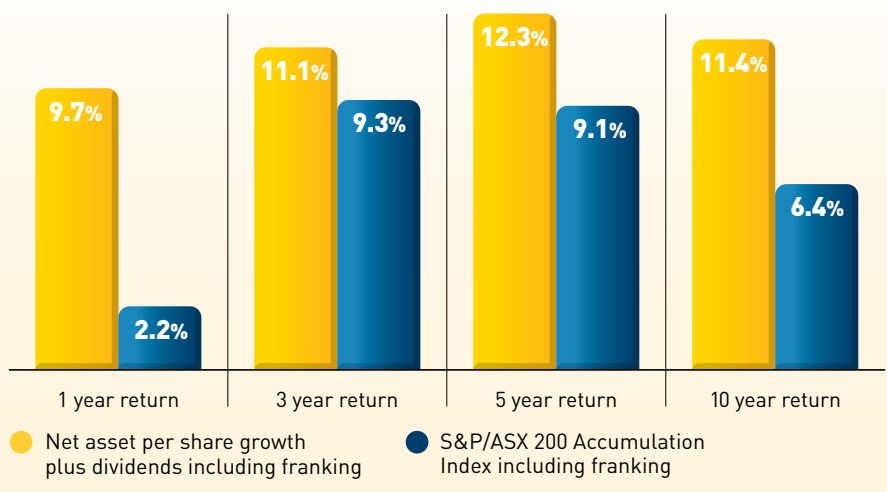
The MER compares very favourably with the average fees charged by managed funds with a similar investment focus as AMCIL. For retail investors these fees can typically be from 1 per cent to 2 per cent (source: Morningstar).

Figure 1: Contrast in sector performance in the Australian market



Source: FactSet

Figure 2: Portfolio performance – per annum return to 30 June 2016 including the benefit of franking credits



Note: The franking benefit assumes a shareholder can take full advantage of the franking credits.

Portfolio Returns Remain Strong

The Company's portfolio returns have benefited from its increased exposure to mid and smaller sized companies, which have substantially outperformed larger companies over the year.

AMCIL's total portfolio return, which includes dividends paid, was 7.6 per cent. This compares with the S&P/ASX 200 Accumulation Index return, which was 0.6 per cent. Given 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.

On this basis, assuming the full benefit of franking credits, AMCIL's portfolio delivered a return of 9.7 per cent, whereas the S&P/ASX 200 Accumulation Index return was 2.2 per cent. (Figure 2).

Some of the best performing stocks over the 12 month period were Mayne Pharma, Treasury Wine, TPG Telecom, iProperty (which was taken over by REA Group), Citadel Group, Vocus Communications and Lifestyle Communities. Of the larger companies in the portfolio, CSL and Brambles also delivered strong returns to the portfolio given their exposure to attractive markets globally and to Transurban, which has benefited from strong investor interest in the current low interest rate environment.

Ongoing Adjustments Lead to More Small and Mid Cap Holdings in the Portfolio

The Australian economy is providing a number of headwinds for larger companies, which are facing slower growth and increased competition in mature markets. On the other hand, many smaller companies are finding opportunities to expand in more innovative and growing segments, either in Australia or internationally.

In this context, a number of new companies were added through the 12 month period. These included Mainfreight, Ardent Leisure, OzForex Group, Amcor, SEEK, ASG Group and Wellcom Group. AMCIL also added to existing holdings in Mayne Pharma (through its recent rights issue and placement), Healthscope and AMA Group.

Details of some of the new companies added to the portfolio in the second half of the year are:

- **Amcor** which is a global leader in packaging solutions supplying a broad range of rigid and flexible packaging products into the food, beverage, healthcare, home and personal care and tobacco packaging industries.
- **Australian Agricultural Company** which owns and operates properties, feedlots and farms for the production of beef products. It operates through different segments including the sale of cattle to domestic and overseas markets, and increasingly in producing grain finished and Wagyu beef for overseas customers.
- **ASG Group Ltd** which provides information technology business solutions and services for businesses in major sectors such as government, finance, healthcare, energy and mining. They specialise in applications management outsourcing and enterprise systems delivery under long term contracts.
- **Nufarm** which engages in the manufacture and marketing of agricultural crop protection products. It operates through the crop protection and seed technologies segments. The crop protection segment produces and sells herbicides, fungicides and insecticides. The seed technologies segment offers seeds and seed treatment products.

Figure 3: Exposure by company size 30 June 2016

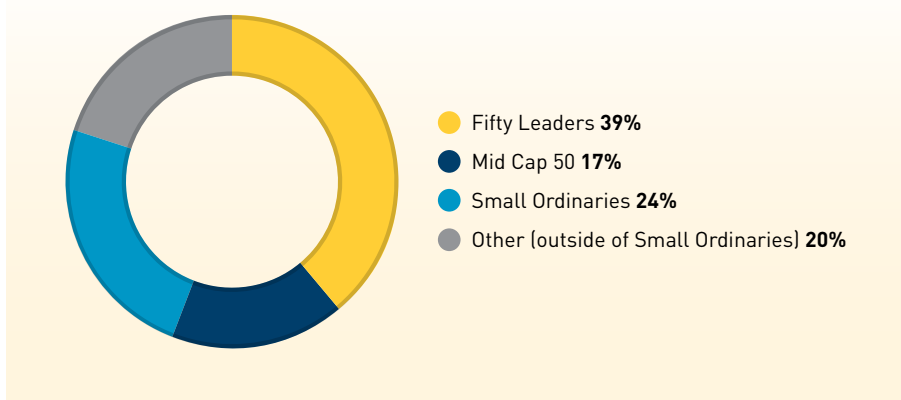
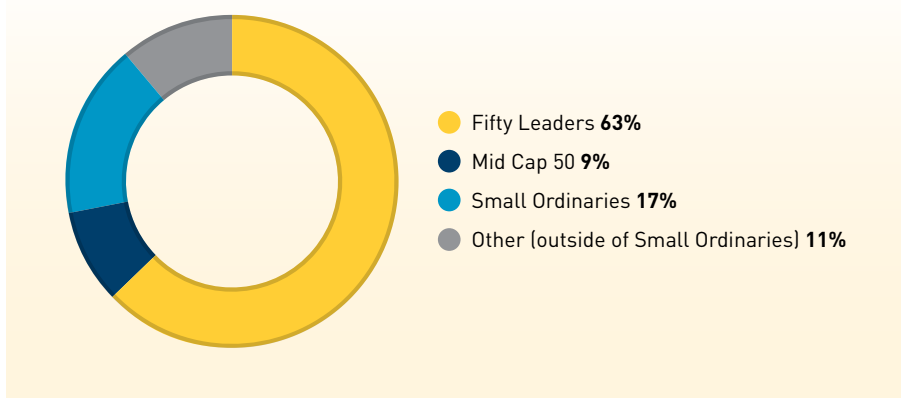


Figure 4: Exposure by company size 30 June 2015



These purchases were funded from cash raised through the Share Purchase Plan (SPP) in March and the sale of holdings predominantly in larger companies. These included a reduction in the Westpac and Commonwealth Bank positions, the complete sale of the holding in Santos and reduced exposures to Oil Search, BHP Billiton and Telstra. Takeovers also provided some additional funds.

Purchases in the investment portfolio totalled \$93.1 million for the year, with total sales of \$78.3 million for the period.

These changes have seen a significant transformation in AMCIL's portfolio over the year with small and mid cap company holdings increasing from 37 per cent of the total portfolio to 61 per cent over the 12 month period. (Figures 3 and 4).

Figure 5 highlights the profile of the total portfolio by the various sectors of the market at the end of the financial year. In comparison to last year there has been an increase in portfolio weightings in the Healthcare (up from 11.2 per cent last year) and Industrials (up from 14.0 per cent last year) sectors. The biggest reduction was in Energy (down from 8.4 per cent last year) and the Banks (down from 13.8 per cent last year).

Share Price Performance

Figure 6 outlines the benefit of compound returns and the value of AMCIL's investment approach. It shows the total share price return (including dividends and the full benefit of franking credits) from an investment of \$1,000 in AMCIL shares over a 10 year period relative to the return from the ASX 200 Accumulation Index, including franking credits.

Figure 5: Investment by sector as at 30 June 2016

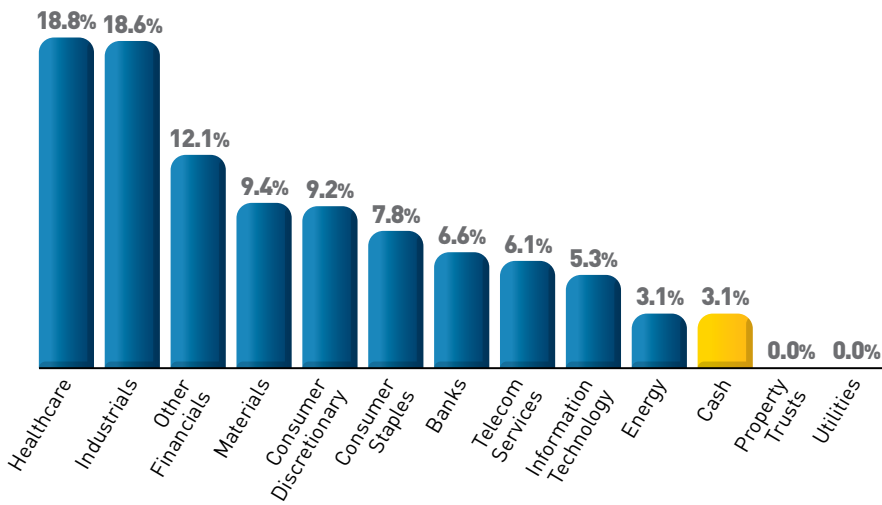
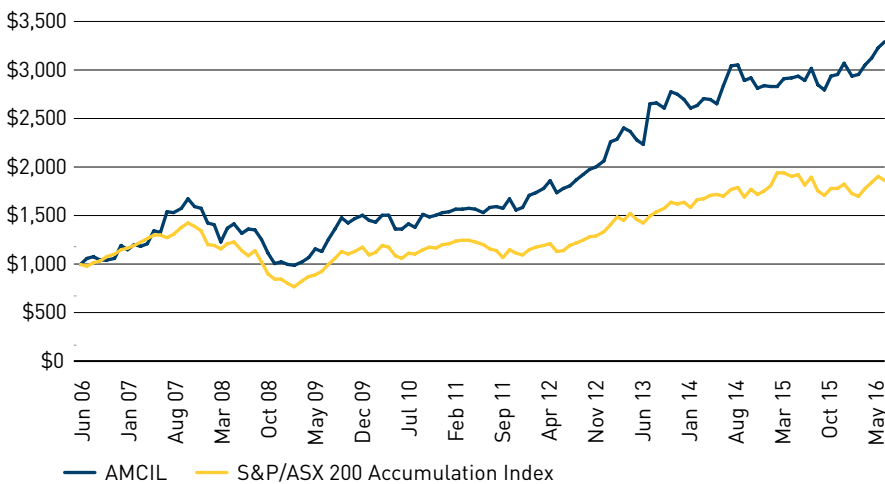


Figure 6: Ten year share price of AMCIL including dividends and the full benefit of franking credits



Note: Assumes the reinvestment of dividends. 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.

REVIEW OF OPERATIONS AND ACTIVITIES continued

Going Forward

The Australian market has been trading in a range for quite some time with periods of high volatility. This reflects a number of factors.

Business conditions in Australia are patchy and at the same time increasing competition is making it harder for larger companies to generate meaningful profit growth. There is uncertainty about economic change in China and disappointing growth in most developed countries despite extraordinarily low interest rates. Recent political events in the United Kingdom and Australia have also had an unsettling effect on the local market.

In contrast, low interest rates are still driving demand for equities, in some circumstances, leading to very high valuation levels in some sectors of the market as investors seek returns. However, in this environment any profit setbacks often trigger marked falls in share prices.

AMCIL with its investment approach in focusing on what it believes to be the better growth prospects across quality companies in the market, is well placed to make further adjustments to the portfolio as opportunities arise. However, we are also conscious of the wide difference in valuation levels across sectors and companies, which means a prudent approach is also warranted.

Directorship Matters

As advised to shareholders in the Half-Year Review, Mr Peter Barnett, a Director of the Company, retired from the Board on 19 January 2016. Mr Barnett had been a Director of the Company since it commenced operations in 1996. The Board deeply appreciates Peter's 20 years of dedicated service to shareholders and outstanding contribution to Board matters, including as Chair of the Audit Committee throughout the life of the Company.

Ms Siobhan McKenna was appointed to the Board on 17 March 2016.

Ms McKenna has extensive investment, advisory, media and technology experience.

Ms McKenna is the Managing Partner of Illyria Pty Limited, a private investment company, and was previously a Partner of leading global management consulting firm McKinsey & Company. Ms McKenna is also a Non-Executive Director of Ten Network Holdings; Nova Entertainment; Woolworths and The Australian Ballet. She was previously Chair of NBN Co and a Commissioner at the Productivity Commission. We are delighted to welcome Ms McKenna to the Board and look forward to the contribution she will make.

Financial Condition

The Company's financing consists predominantly of shareholders' funds.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since recapitalisation. The results of these investment activities depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors. These include economic growth rates, inflation, interest rates, exchange rates and taxation levels.

There are also industry and company-specific issues such as management competence, capital strength, industry economics and competitive behaviour.

The Directors do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of the Company's investments. Accordingly, Directors do not provide a forecast of the

likely results of our activities. However, the Company's focus is on results over the medium to long term.

Dividends

Directors have declared a fully franked final dividend of 3.5 cents per share (4.0 cents final dividend, also fully franked, last year).

The dividend paid during the year ended 30 June 2016 was as follows:

	\$'000
Final dividend for the year ended 30 June 2015 of 4 cents fully franked paid on 25 August 2015	9,675

Listed Investment Company Capital Gains

Listed investment companies (LIC) that make capital gains upon which tax is payable on the sale of investments held for more than one year are able to attach to their dividends a LIC capital gains amount, which some shareholders are able to use to claim a tax deduction. This is called a 'LIC capital gain attributable part'. The purpose of this is to put shareholders in listed investment companies on a similar footing with holders of managed investment trusts with respect to capital gains tax on the sale of underlying investments.

Tax legislation sets out the definition of a LIC which AMCIL satisfies. Furthermore, from time to time the Company sells securities out of the investment portfolio held for more than one year, which may result in capital gains being made and tax being paid. The Company is therefore on occasion in a position to be able to make available to shareholders a LIC capital gain attributable part with our dividends. However, this year there were not sufficient capital gains for the Directors to deem it appropriate to pay out any of them as part of the final dividend.

Significant Changes in the State of Affairs

Directors are not aware of any other significant changes in the operations of the Company, or the environment in which it operates, that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matters or circumstance not otherwise disclosed in the Financial Report or the Directors' Report that has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not directly affected by any material environmental regulations.

Rounding of Amounts

The Company is 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.

Capital Changes

As a result of the Company's Dividend Reinvestment Plan, 4,133,137 new shares were issued at \$0.85 per share in August 2015.

As a result of the 2016 Share Purchase Plan, 8,693,222 new shares were issued at \$0.83 per share in March 2016.

The Company's buy-back facility remains open although no shares were bought back during the year.

The Company's contributed equity rose by \$10.7 million to \$168.6 million from \$157.9 million. At the close of the year the Company had 254.7 million shares on issue.

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement for the financial year ended 30 June 2016 can be found on the Company's website at:

amcil.com.au/Corporate-Governance.aspx

TOP 20 INVESTMENTS

As at 30 June 2016

Includes investments held in both the investment and trading portfolios.

Valued at closing prices at 30 June 2016

	Total Value \$'000	% of Portfolio
1 Brambles*	10,514	4.5
2 CSL	9,199	3.9
3 Mayne Pharma Group	9,090	3.9
4 Commonwealth Bank of Australia	8,924	3.8
5 TPG Telecom	7,795	3.3
6 Lifestyle Communities	7,627	3.3
7 Mainfreight	7,080	3.0
8 Treasury Wine Estates	7,016	3.0
9 Qube Holdings	6,630	2.8
10 Transurban Group	6,295	2.7
11 Oil Search*	6,277	2.7
12 James Hardie Industries	6,237	2.7
13 QBE Insurance Group	5,632	2.4
14 Incitec Pivot	5,131	2.2
15 Healthscope	5,040	2.2
16 Japara Healthcare	4,884	2.1
17 National Australia Bank	4,832	2.1
18 The Citadel Group	4,808	2.1
19 Sonic Healthcare*	3,990	1.7
20 Fisher & Paykel Healthcare Corporation	3,961	1.7
Total	130,960	

As a percentage of total portfolio (excludes cash)

56.1%

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

Cash position at 30 June 2016 – \$7.4 million.

BOARD AND MANAGEMENT

Directors

Bruce B Teele BSc, BCom (Melb). Chairman and Non-Executive Director. Chairman of the Investment Committee.

Mr Teele was elected to the Board in 2003 and appointed Chairman in 2004. He is a former Director of Djerrivarrh Investments Limited and was formerly the Chairman of Australian Foundation Investment Company Limited (AFIC) and the Executive Chairman of the JBWere Group.

Ross E Barker BSc (Hons), MBA (Melb), F Fin. Managing Director. Member of the Investment Committee.

Mr Barker has been a Director of the Company since May 1996 and was appointed Managing Director in February 2001. He is also Managing Director of AFIC, Djerrivarrh Investments Limited and Mirrabooka Investments Limited. He is also Chairman of Melbourne Business School Ltd.

Roger G Brown B.Eng, MBA. Independent Non-Executive Director. Member of the Investment Committee.

Mr Brown was appointed to the Board on February 2014. He has been the Executive Chairman of ARB Corporation Limited since February 1987. Mr Brown also held the position of Managing Director of the Company from 1987 to 2012. Mr Brown has wide experience as a CEO and Director and brings to the Company a wealth of knowledge from ARB Corporation's involvement in the automotive industry in Australia and overseas.

Siobhan L McKenna B.Ec. (Hons), MPHIL. Independent Non-Executive Director. Member of the Audit Committee.

Ms McKenna joined the Board in March 2016. She is currently Managing Partner of Illyria Pty Ltd, a private investment company. She is also a Non-Executive Director of Woolworths, Ten Network Holdings, Nova Entertainment and The Australian Ballet and is a Trustee of the MCG Trust.

Ms McKenna is a former partner of McKinsey & Company, a former Commissioner of the Australian Productivity Commission and a former Chairman and Board Member of NBN Co Limited.

Rupert Myer AO BCom (Hons) (Melb), MA (Cantab). Independent Non-Executive Director. Chairman of the Audit Committee and Member of the Investment Committee.

Mr Myer is a company Director and was appointed a Director in January 2000. He is Chairman of the Australia Council for the Arts, Director of The Myer Foundation, Healthscope Limited and eCargo Holdings Limited. Mr Myer was formerly a Deputy Chairman of Myer Holdings Ltd and a Director of Diversified United Investments Limited.

Richard B Santamaria BCom, LLB (Hons) (Melb). Independent Non-Executive Director. Member of the Audit Committee and the Investment Committee.

Mr Santamaria was appointed a Director in August 1996. He is Group General Counsel of Australia and New Zealand Banking Group Limited and was formerly a Partner and Executive Partner Corporate at the law firm Allens Arthur Robinson (now Allens). He is a former Director of ANZ Trustees Limited.

BOARD AND MANAGEMENT

Senior Executives

Geoffrey N Driver B Ec, Grad Dip Finance, MAICD. General Manager, Business Development and Investor Relations.

Mr Driver joined the Company in January 2003. Previously he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver is Deputy Chairman of Trust for Nature (Victoria).

R Mark Freeman BE, MBA, Grad Dip App Fin (Sec Inst), AMP (INSEAD). Chief Investment Officer.

Mr Freeman has been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere, where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes.

Andrew JB Porter MA (Hons) (St And), FCA, MAICD. Chief Financial Officer.

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 21 years' experience in accounting and financial management both in the United Kingdom, with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is also a Non-Executive Director of the Royal Victorian Eye & Ear Hospital and a member of the National Executive of the G100, the peak body for CFOs.

Matthew Rowe BA (Hons), MSc Corp Gov, FGIA, FCIS. Company Secretary.

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 10 years of experience in corporate governance with a particular focus in listed investment companies. He was previously a corporate governance adviser at a professional services firm, which included acting as Company Secretary for three ASX-listed companies. Prior to that Mr Rowe was the Company Secretarial Manager for a funds management company based in the United Kingdom.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2016 and the numbers of meetings attended by each Director were:

	Board		Investment Committee		Audit Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
BB Teele	12	10	17	14	-	-
RE Barker	12	11	17	16	-	3*
PC Barnett##	7	6	8	5	2	1
RH Myer	12	11	17	15	3	3
R Brown^	12	12	3	15^	-	1*
RB Santamaria	12	11	17	14	3	3
S McKenna#	4	3	-	3*	1	1

* Attended meetings by invitation.

S McKenna became a Director on 17 March 2016.

P Barnett retired as a Director on 19 January 2016.

^ R Brown was appointed to the Investor Committee on 19 May 2016.

Retirement, Election and Continuation in Office of Directors

Ms SL McKenna, having been appointed since the last Annual General Meeting (AGM), will retire and being eligible, will offer herself for election at the forthcoming 2016 AGM.

Mr RH Myer, having last been re-elected by shareholders at the 2013 AGM, will retire and being eligible, will offer himself for re-election at the forthcoming 2016 AGM.

Insurance of Directors and Officers

During the financial year the Company paid insurance premiums to insure the Directors and officers named in this report to the extent allowable by law. The terms of the insurance contract preclude disclosure of further details.

REMUNERATION REPORT

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of AMCIL requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. The amount of remuneration excludes amounts that were owing to them when the Directors' retirement allowances were frozen at 31 December 2003. Shareholders approved an aggregate maximum amount of \$600,000 for the remuneration of Directors at the AGM in October 2012.

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

AMCIL does not pay any performance-based remuneration.

Mr Barker serves as Managing Director of AMCIL pursuant to an agreement with Australian Investment Company Services (AICS). As part of these remuneration arrangements with AICS, Mr Barker receives an 'at risk' component, which is based on performance, as do other Executives. The performance criteria include quantitative and qualitative assessments, which include, amongst other things, the services that they have provided to AMCIL and for which AICS is paid.

The Directors and the Company have agreed to freeze Directors' retirement benefits at the 31 December 2003 level. This frozen amount will be paid to the respective Directors when they ultimately retire, without further adjustment. The Company continues to pay SGC contributions on Directors' fees.

(b) Remuneration of Directors

Directors of the Company determine the fees of Directors within the aggregate limit established by shareholders in general meeting.

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2016 were as follows:

	Short Term Fee/Base Salary \$	Post Employment Superannuation \$	Total Remuneration \$
BB Teele – Chairman (Non-Executive)			
2016	106,849	10,151	117,000
2015	106,849	10,151	117,000
RE Barker – Managing Director (Executive)			
2016	-	-	-
2015	-	-	-
PC Barnett – Director (Non-Executive) (retired 19 January 2016)			
2016	19,605	12,699	32,304
2015	29,010	29,490	58,500
RG Brown – Director (Non-Executive)			
2016	53,425	5,075	58,500
2015	53,425	5,075	58,500
SL McKenna – Director (Non-Executive) (appointed 17 March 2016)			
2016	15,616	1,484	17,100
2015	-	-	-
RH Myer – Director (Non-Executive)			
2016	53,425	5,075	58,500
2015	53,425	5,075	58,500
RB Santamaria – Director (Non-Executive)			
2016	53,425	5,075	58,500
2015	53,425	5,075	58,500
Total Remuneration: Directors			
2016	302,345	39,559	341,904
2015	296,134	54,866	351,000

REMUNERATION REPORT continued

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved at the 2004 AGM discontinuing the practice of paying Directors' retirement allowances.

The Director's retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years' service.

For relevant Directors in office at 31 December 2003, the amounts accrued as at that date will be paid to them upon their ultimate retirement. No further accruals of Directors' retiring allowances will be made after 31 December 2003. New Directors appointed to the Company, including Mr Teele who was re-appointed on 19 December 2003, will not be entitled to any Directors' retirement allowance.

The sum of \$87,000 was paid to Mr Barnett upon his retirement during the year ended 30 June 2016, such amounts having been accrued as at 31 December 2003, in accordance with the above.

The amounts payable to the respective current Directors who were in office at 31 December 2003, which will be paid when they retire, are set out below. These amounts were expensed in prior years as the retirement allowances accrued. It is not expected that any of these Directors will retire within the next 12 months.

	Amount Payable on Retirement \$
RE Barker	87,000
RH Myer	68,150
RB Santamaria	87,000
	242,150

Holdings of Securities Issued by the Company

As at 30 June 2016, Directors and Executives who held shares issued by the Company for their own benefit or who have an interest in holdings in the name of another party, and the total number of such securities, are as follows:

	Balance at 1 July 2015	Net Changes	Balance at 30 June 2016
BB Teele	39,522,518	1,827,151	41,349,669
RE Barker	4,716,850	45,266	4,762,116
PC Barnett	608,879	n/a	n/a
RG Brown	217,442	453,367	670,809
SL McKenna	n/a	n/a	0
RH Myer	778,996	54,732	833,728
RB Santamaria	322,348	33,242	355,590
RM Freeman	661,139	43,425	704,564
GN Driver	286,188	31,541	317,729
SM Pordage*	4,111	n/a	n/a
AJB Porter	8,202	2,387	10,589

* Resigned effective 29 April 2016.

It is the Company's policy that no AMCIL shares owned by Directors or Executives are held subject to margin loans.

(d) Executives

The Company has five Executives, RE Barker, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; RM Freeman, Chief Investment Officer; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (and was appointed on 11 July 2016) (2015: five Executives, including SM Pordage who resigned as Company Secretary with effect from 29 April 2016). No remuneration is paid to the Executives directly by AMCIL as their services are provided pursuant to the arrangements with AICS outlined in the Notes to the Financial Statements.

NON-AUDIT SERVICES

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditors' Independence Declaration is set out on page 14.

This report in relation to the financial year to 30 June 2016 is presented by the Directors of the Company in accordance with a resolution of Directors.



BB Teele
Chairman

Melbourne
26 July 2016

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of AMCIL Limited for the year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Charles Christie'.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
26 July 2016

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
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FINANCIAL STATEMENTS

INCOME STATEMENT

For the year ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
Dividends and distributions	A3	6,906	7,883
Revenue from deposits and bank bills		146	425
Other revenue		14	23
Total revenue		7,066	8,331
Net gains on trading portfolio		2,476	134
Income from options written portfolio		847	440
Income from operating activities		10,389	8,905
Finance costs		(73)	(65)
Administration expenses	B1	(1,474)	(1,485)
Profit before income tax expense		8,842	7,355
Income tax expense	B2, E2	(1,155)	(375)
Profit for the year		7,687	6,980
		Cents	Cents
Basic earnings per share	A5	3.10	2.93

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

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Year to 30 June 2016			Year to 30 June 2015		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Profit for the year	7,687	-	7,687	6,980	-	6,980
Other comprehensive income						
Gains/(losses) for the period	-	9,976	9,976	-	(289)	(289)
Deferred tax expense on above	-	(3,041)	(3,041)	-	(210)	(210)
Total other comprehensive income	-	6,935	6,935	-	(499)	(499)
Total comprehensive income	7,687	6,935	14,622	6,980	(499)	6,481

* '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 2016

	Note	2016 \$'000	2015 \$'000
Current assets			
Cash	D1	7,375	12,973
Receivables		981	955
Trading portfolio		157	547
Total current assets		8,513	14,475
Non-current assets			
Investment portfolio	A2	233,537	207,642
Total non-current assets		233,537	207,642
Total assets		242,050	222,117
Current liabilities			
Payables		3,139	1,037
Tax payable		1,226	1,684
Options sold	A2	229	186
Total current liabilities		4,594	2,907
Non-current liabilities			
Deferred tax liabilities	E2	44	7
Deferred tax liabilities – investment portfolio	B2	16,119	13,533
Total non-current liabilities		16,163	13,540
Total liabilities		20,757	16,447
Net assets		221,293	205,670
Shareholders' equity			
Share capital	A1, D6	168,556	157,880
Revaluation reserve	A1, D3	25,620	22,661
Realised capital gains reserve	A1, D4	4,485	7,064
Retained profits	A1, D5	22,632	18,065
Total shareholders' equity		221,293	205,670

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

2016	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		157,880	22,661	7,064	18,065	205,670
Dividends paid	A4	-	-	(3,628)	(6,047)	(9,675)
Shares issued under Dividend Reinvestment Plan	D6	3,513	-	-	-	3,513
Shares issued under Share Purchase Plan	D6	7,215	-	-	-	7,215
Other share capital adjustments		(52)	-	-	-	(52)
Total transactions with shareholders		10,676	-	(3,628)	(6,047)	1,001
Profit for the year		-	-	-	7,687	7,687
Other comprehensive income (net of tax)						
Net gain for the period on investments		-	6,935	-	-	6,935
Other comprehensive income for the year		-	6,935	-	-	6,935
Transfer to retained profits of cumulative non-taxable gains on investments sold		-	(2,927)	-	2,927	-
Transfer to realised capital gains reserve of cumulative taxable gains on investments sold		-	(1,049)	1,049	-	-
Total equity at the end of the year		168,556	25,620	4,485	22,632	221,293

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

STATEMENT OF CHANGES IN EQUITY

2015 comparative

2015	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		145,598	28,296	12,810	15,028	201,732
Dividends paid	A4	-	-	(9,123)	(5,702)	(14,825)
Shares issued under Dividend Reinvestment Plan	D6	5,531	-	-	-	5,531
Shares issued under Share Purchase Plan	D6	6,805	-	-	-	6,805
Other share capital adjustments		(54)	-	-	-	(54)
Total transactions with shareholders		12,282	-	(9,123)	(5,702)	(2,543)
Profit for the year		-	-	-	6,980	6,980
Other comprehensive income (net of tax)						
Net loss for the period on investments		-	(499)	-	-	(499)
Other comprehensive income for the year		-	(499)	-	-	(499)
Transfer to retained profits of cumulative non-taxable gains on investments sold		-	(1,759)	-	1,759	-
Transfer to realised capital gains reserve of cumulative taxable gains on investments sold		-	(3,377)	3,377	-	-
Total equity at the end of the year		157,880	22,661	7,064	18,065	205,670

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

CASH FLOW STATEMENT

For the year ended 30 June 2016

	Note	2016 \$'000 Inflows/ (Outflows)	2015 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		10,482	1,124
Purchases for trading portfolio		(7,030)	(1,258)
Interest received		146	481
Proceeds from entering into options in options written portfolio		1,148	628
Payment to close out options in options written portfolio		(257)	(1)
Dividends and distributions received		5,717	7,270
		10,206	8,244
Other receipts		14	23
Administration expenses		(1,552)	(1,508)
Finance costs paid		(73)	(65)
Income taxes paid		(581)	(340)
Net cash inflow/(outflow) from operating activities	E1	8,014	6,354
Cash flows from investing activities			
Sales from investment portfolio		78,530	45,049
Purchases for investment portfolio		(91,693)	(51,745)
Tax paid on capital gains		(1,450)	(4,156)
Net cash inflow/(outflow) from investing activities		(14,613)	(10,852)
Cash flows from financing activities			
Shares issued		10,728	12,336
Share issue transaction costs		(52)	(54)
Dividends paid		(9,675)	(14,825)
Net cash inflow/(outflow) from financing activities		1,001	(2,543)
Net increase/(decrease) in cash held		(5,598)	(7,041)
Cash at the beginning of the year		12,973	20,014
Cash at the end of the year	D1	7,375	12,973

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:

	2016 \$'000	2015 \$'000
Share capital	168,556	157,880
Revaluation reserve	25,620	22,661
Realised capital gains reserve	4,485	7,064
Retained profits	22,632	18,065
	221,293	205,670

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 that 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:

	2016 \$'000	2015 \$'000
Equity instruments (at market value)	233,537	207,642
	233,537	207,642

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

	2016 \$'000	2015 \$'000
Call options	229	186
	229	186

If all call options were exercised, this would lead to the sale of \$13.0 million worth of securities at an agreed price – the 'exposure' (2015: \$13.3 million).

\$2.8 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2015: \$3.1 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 and the Company's investment in the unlisted security Hexima, which is Level 2). 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 Investment Committee 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 2016 and 30 June 2015 were as follows:

Net Tangible Asset Backing Per Share	30 June 2016 \$	30 June 2015 \$
Before tax	0.93	0.91
After tax	0.87	0.85

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 realisation reserve or to retained profits.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 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

During the period, \$78.3 million (2015: \$45.0 million) of equity securities were sold. The cumulative gain on the sale of securities was \$4.0 million for the period after tax (2015: \$5.1 million). This has been transferred from the revaluation reserve to retained profits and the realisation reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

Where securities are sold, any difference between the sale price and the cost is transferred from the revaluation reserve to the realisation reserve or, for any difference between the accounting gain and the taxable gain, to retained profits 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 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 that represent movements in the market value of the options are recognised through the Income Statement.

A3. Operating Income

The total income received from AMCIL's investments in 2016 is set out below:

	2016 \$'000	2015 \$'000
Dividends and distributions		
Dividends from securities held in investment portfolio at 30 June	6,006	7,196
Investment securities sold during the year	895	687
Dividends from securities held in trading portfolio at 30 June	-	-
Trading securities sold during the year	5	-
	6,906	7,883

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.

NOTES TO THE FINANCIAL STATEMENTS continued

Trading Income and Non-equity Investments

Net gains on the trading and options portfolio are set out below:

	2016 \$'000	2015 \$'000
Net gains		
Net realised gains from trading portfolio	2,436	93
Realised gains on options written portfolio	750	364
Unrealised gains from trading portfolio	40	41
Unrealised gains on options written portfolio	97	76
	3,323	574

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2016 are shown below:

	2016 \$'000	2015 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2015 of 4 cents fully franked at 30 per cent, paid 25 August 2015 (2015: 2.5 cents plus a special dividend of 4 cents, both fully franked at 30 per cent, paid on 26 August 2014)	9,675	14,825
	9,675	14,825

(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

3,842 4,390

Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:

(3,820) (4,146)

Net available

22 244

These franking account balances would allow AMCIL to frank additional dividend payments up to an amount of:

51 569

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 3.5 cents per share fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2016 to be paid on 25 August 2016, but not recognised as a liability at the end of the financial year is:

8,914

(d) Listed Investment Company Capital Gain Account

Balance of the LIC capital gain account

2,290 4,857

This equates to an attributable amount of:

3,270 6,938

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.

A5. Earnings Per Share

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

	2016	2015
Basic earnings per share	Number	Number
Weighted average number of ordinary shares used as the denominator	248,177,004	237,898,108
	\$'000	\$'000
Profit for the year	7,687	6,980
	Cents	Cents
Basic earnings per share	3.10	2.93

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:

	2016	2015
	\$'000	\$'000
Administration fees paid to AICS	(780)	(768)
Other administration expenses	(694)	(717)

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
	\$	\$	\$
2016			
Directors	302,345	39,559	341,904
2015			
Directors	296,134	54,866	351,000

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.

NOTES TO THE FINANCIAL STATEMENTS continued

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.

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, puttable instruments, convertible notes that are classified as debt 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:

	2016 \$'000	2015 \$'000
<i>(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable</i>		
Profit before income tax expense	8,842	7,355
Tax at the Australian tax rate of 30 per cent (2015 – 30 per cent)	2,653	2,207
Tax offset for franked dividends	(1,423)	(1,539)
Tax effect of sundry items not taxable in calculating taxable income	(18)	(260)
	1,212	408
Over provision in prior years	(57)	(33)
Total tax expense	1,155	375

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.

	2016 \$'000	2015 \$'000
Deferred tax liabilities on unrealised gains in the investment portfolio	16,119	13,533
Opening balance at 1 July	13,533	14,770
Tax on realised gains	(455)	(1,447)
Charged to OCI for ordinary securities on gains or losses for the period	3,041	210
	16,119	13,533

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 that are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio, would lead to a reduction in AMCIL's comprehensive income of \$8.2 million and \$16.3 million respectively, at a tax rate of 30 per cent (2015: \$7.3 million and \$14.5 million). A market fall of 5 per cent and 10 per cent across the trading portfolio and options written portfolio would lead to an increase in profit after tax of \$2,500 and \$5,000 respectively (2015: \$13,000 and \$26,000 decrease). The revaluation reserve at 30 June 2016 was \$25.6 million (2015: \$22.7 million). It would require a fall in the value of the investment portfolio of 15.7 per cent after tax to fully deplete this (2015: 15.6 per cent).

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:

	2016 %	2015 %
Energy	3.10	8.39
Materials	9.39	12.66
Industrials	18.63	13.97
Consumer discretionary	9.19	5.90
Consumer staples	7.80	4.40
Banks	6.57	13.83
Other financials (including property trusts)	12.13	10.55
Telecommunications	6.12	7.75
Healthcare	18.76	11.23
Other – Information technology and utilities	5.25	5.45
Cash	3.06	5.87

There were no securities representing over 5 per cent of the combined investment and trading portfolio (including options) at 30 June 2016. 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 four' commercial banks or their wholly-owned subsidiaries or in cash management trusts managed by those subsidiaries. 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.

NOTES TO THE FINANCIAL STATEMENTS continued

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.

	Less Than 6 Months \$'000	6–12 Months \$'000	Greater Than 1 year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2016					
Non-derivatives					
Payables	3,139	-	-	3,139	3,139
Options written*	-	-	-	-	229
	3,139	-	-	3,139	3,368
30 June 2015					
Non-derivatives					
Payables	1,037	-	-	1,037	1,037
Options written*	-	-	-	-	186
	1,037	-	-	1,037	1,223

* In the case of call options, there are no contractual cash flows because 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 don't 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

	2016 \$'000	2015 \$'000
Cash at bank and in hand (including on-call)	7,375	12,973
	7,375	12,973

Cash holdings yielded an average floating interest rate of 2.09 per cent (2015: 2.66 per cent). All cash investments not held in a transactional account or an overnight 'at call' account are invested in short term deposits with Australia's 'big four' commercial banks or their wholly-owned subsidiaries, all rated 'AA-' by S&P, which have a maturity of three months or less or in cash management trusts managed by those subsidiaries that 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.

	2016 \$'000	2015 \$'000
Commonwealth Bank of Australia – cash advance facility	10,000	10,000
Amount drawn down at 30 June	-	-
Undrawn facilities at 30 June	10,000	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

	2016 \$'000	2015 \$'000
Opening balance at 1 July 2015	22,661	28,296
Gains/(losses) on investment portfolio	9,976	(289)
Deferred tax on above	(3,041)	(210)
Transfer to retained profits for non-taxable realised gains	(2,927)	(1,759)
Transfer to realised capital gains reserve for taxable realised gains	(1,049)	(3,377)
	25,620	22,661

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

ADDITIONAL INFORMATION continued

D4. Realised Capital Gains Reserve

	2016 \$'000	2015 \$'000
Opening balance at 1 July	7,064	12,810
Dividends paid	(3,628)	(9,123)
Cumulative taxable realised gains for period through OCI (net of tax)	1,049	3,377
	4,485	7,064

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in Note A2.

D5. Retained Profits

	2016 \$'000	2015 \$'000
Opening balance at 1 July	18,065	15,028
Dividends paid	(6,047)	(5,702)
Profit for the year	7,687	6,980
Transfer from revaluation reserve for realised non-taxable gains	2,927	1,759
	22,632	18,065

This reserve relates to past profits.

D6. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2014	Balance		228,077		145,598
26/8/2014	Dividend Reinvestment Plan	(i)	5,885	0.94	5,531
26/11/2014	Share Purchase Plan	(ii)	7,912	0.86	6,805
Various	Costs of issue		-		(54)
30/6/2015	Balance		241,874		157,880
25/8/2015	Dividend Reinvestment Plan	(i)	4,133	0.85	3,513
4/3/2016	Share Purchase Plan	(iii)	8,693	0.83	7,215
Various	Costs of issue		-		(52)
30/6/2016	Balance		254,700		168,556

(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) and Chi-X in the five days after the shares begin trading ex-dividend.

(ii) During the year ended 30 June 2015, the Company announced a Share Purchase Plan (SPP). The SPP issue price was set at a 2.5 per cent discount to the volume-weighted average price of AMCIL shares traded on the Australian Securities Exchange (ASX) and Chi-X over the five trading days up to, and including, the day on which the SPP offer was scheduled to close.

(iii) During the year ended 30 June 2016, the Company announced a Share Purchase Plan (SPP). The SPP issue price was set at a 2.5 per cent discount to the volume-weighted average price of AMCIL shares traded on the Australian Securities Exchange (ASX) and Chi-X over the five trading days up to, and including, the day on which the SPP offer was scheduled to close.

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

	2016 \$'000	2015 \$'000
Profit for the year	7,687	6,980
Net decrease/(increase) in trading portfolio	390	(547)
Increase/(decrease) in options written portfolio	43	186
Dividends received as securities under DRP investments	(576)	(376)
Decrease/(increase) in current receivables	(26)	100
– Less increase/(decrease) in receivables for investment portfolio	-	-
Increase/(decrease) in deferred tax liabilities	2,623	(1,173)
– Less (increase)/decrease in deferred tax liability on investment portfolio	(2,586)	1,237
Increase/(decrease) in current payables	2,102	678
– Less decrease/(increase) in payables for investment portfolio	(2,180)	(700)
Increase/(decrease) in provision for tax payable	(458)	(2,740)
– Less CGT provision	(455)	(1,447)
– Add taxes paid on capital gains	1,450	4,156
Net cash flows from operating activities	8,014	6,354

E2. Tax Reconciliations

Tax Expense Composition

	2016 \$'000	2015 \$'000
Charge for tax payable relating to the current year	1,175	344
Over provision in prior years	(57)	(33)
Increase in deferred tax liabilities – investment portfolio	37	64
	1,155	375

Amounts Recognised Directly Through Other Comprehensive Income

	2016 \$'000	2015 \$'000
Net movement in tax liabilities relating to capital gains tax on the movement in gains in the investment portfolio	3,041	210
	3,041	210

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2016 \$'000	2015 \$'000
(a) The difference in the value of the trading portfolio for tax and accounting purposes	(12)	(12)
(b) Tax on unrealised gains in the options written portfolio	(53)	(23)
(c) Provisions and expenses charged to the accounting profit that are not yet tax deductible	76	99
(d) Interest and dividend income receivable that is not assessable for tax until receipt	(55)	(71)
	(44)	(7)

Movements:

Opening asset/(liability) balance at 1 July	(7)	57
Credited/(charged) to Income Statement	(37)	(64)
	(44)	(7)

ADDITIONAL INFORMATION continued

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.

The portion of deferred tax liability likely to be reversed within the next 12 months is \$45,000 (2015: \$106,000). This relates primarily to items described in items (a), (b) and (d) above.

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:

	2016 \$'000	2015 \$'000
PricewaterhouseCoopers		
Audit or review of financial reports	111,186	109,624
Non-audit services		
Taxation compliance services	11,440	11,164
Total remuneration	122,626	120,788

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 one investment comprising more than 10 per cent of AMCIL's income, including realised income from the trading and options written portfolios – NetComm Wireless (15.7 per cent) in the trading portfolio.

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 (AASB) 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 and 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 2016 ('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.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (1) the financial statements and notes set out on pages 16 to 33 are in accordance with the *Corporations Act 2001* including:
- (a) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note F4 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2016.

The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with Accounting Standards and that they give a true and fair view.



BB Teele
Chairman

Melbourne
26 July 2016



Independent auditor's report to the members of AMCIL Limited

Report on the financial report

We have audited the accompanying financial report of AMCIL Limited (the company), which comprises the balance sheet as at 30 June 2016, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility 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 the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note F, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

Liability limited by a scheme approved under Professional Standards Legislation.



Auditor's opinion

In our opinion:

- (a) the financial report of AMCIL Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note F.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. 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.

Auditor's opinion

In our opinion, the remuneration report of AMCIL Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Charles Christie'.

Charles Christie
Partner

Melbourne
26 July 2016

OTHER INFORMATION

INFORMATION ABOUT SHAREHOLDERS

At 20 July 2016 there were 2,483 holdings of shares. These holdings were distributed in the following categories:

Size of Holding	Holdings
1 to 1,000	387
1,001 to 5,000	275
5,001 to 10,000	147
10,001 to 100,000	1,183
100,000 and over	491
Total	2,483

Percentage held by the 20 largest holders	37.87%
Average shareholding	102,577

There were 294 shareholdings of less than a marketable parcel of \$500 (496 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- (i) on a show of hands, one vote for each shareholder; and
- (ii) on a poll, one vote for each fully paid ordinary share.

Major Shareholders

The 20 largest registered shareholders of the Company's ordinary shares as at 20 July 2016 are noted below:

Holder	Shares Held	%
Bruce Teele	41,349,669	16.23
Djerriwarr Investments Ltd	10,599,254	4.16
National Nominees Limited	8,294,985	3.26
Terrence Campbell	4,931,326	1.94
Christine Joy Campbell	4,921,815	1.93
Ross Barker	4,762,116	1.87
Fobsha Pty Limited	3,362,064	1.32
Ancona Valley Holdings Pty Ltd <Roswell Super Fund A/C>	2,506,015	0.98
HSBC Custody Nominees (Australia) Limited	2,357,496	0.93
RAC & JD Brice Superannuation Pty Ltd <Brice Super Fund A/C>	1,504,960	0.59
Riga (Qld) Pty Ltd <Krohn Family S/F A/C>	1,458,897	0.57
S D M Wallis	1,458,750	0.57
Australian Executor Trustees Limited <No 1 Account>	1,309,594	0.51
Baker Custodian Corporation	1,203,163	0.47
Yelgarn Pty Ltd	1,157,733	0.45
Netwealth Investments Limited <Wrap Services A/C>	1,148,517	0.45
Lyndis Ann Flynn <Flynn Family A/C>	1,059,581	0.42
Prof Peter Glow + Mrs Roslyn Ann Glow	1,025,038	0.40
Annieandjohnpaterson Foundation Ltd <Paterson Foundation A/C>	1,018,073	0.40
Parsley Investments Pty Ltd <Paterson Superannuation A/C>	1,018,073	0.40

SUBSTANTIAL SHAREHOLDERS

The Company has been notified of substantial shareholdings as follows:

Holder	Number of Shares	Date Notified
Bruce B Teele	32,848,688*	15/12/09

* Shareholding as per last substantial shareholding notification. Current shareholding reflected on page 37.

TRANSACTIONS IN SECURITIES

During the year ended 30 June 2016, the Company recorded 813 transactions in securities. \$441,036 in brokerage (including GST) was paid or accrued for the year.

HOLDINGS OF SECURITIES

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784).

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
AAC	Australian Agricultural Company	Owns and operates properties, feedlots and farms for the production of beef and is expanding its value added branded beef operations	0	1,750	3,089
AAD	Ardent Leisure	An operator of leisure and entertainment assets across Australia, the United States and New Zealand	0	1,725	3,243
ADH	Adairs	A specialty retailer of home furnishings in Australia with a national footprint of stores across a number of store formats	500	925	2,285
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	275	400	1,956
AMA	AMA Group	An automotive aftercare and accessories business focused on the vehicle panel repair market and the manufacture and sale of bullbars	1,169	4,272	3,439
AMC	Amcor	Global packaging company	0	254	3,785
AMP	AMP	Major Australasian financial services organisation	960	500	2,580
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	184	234	3,923
ASZ	ASG Group	Australian IT business solutions provider offering IT management and consulting services	0	3,400	3,094
BHP	BHP Billiton	Diversified international resources company	380	200	3,730
BLX	Beacon Lighting Group	Australia's largest lighting and accessory retailer with integrated operations from design and sourcing through to merchandising and retailing	1,624	1,624	2,209
BXB*	Brambles	Global provider of supply chain management and logistics solutions	870	850	10,514
CBA	Commonwealth Bank of Australia	Banking and wealth management services	180	120	8,924
CGL	The Citadel Group	Provider of professional training services and technology-related consulting	537	890	4,808
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	77	82	9,199
CSV	CSG	A print and communications solution provider to corporate and government customers	1,530	2,594	3,865
CVO	Cover-More Group	Provider of travel insurance and medical assistance services	940	1,508	1,825
CVW	ClearView Wealth	Life insurance company with associated offerings in wealth management and financial advice	0	2,107	2,002
FNP	Freedom Foods Group	Specialist producer of allergen-free foods, with related packaging and marketing interests in dairy and seafood	0	888	3,605
FPH	Fisher & Paykel Healthcare Corporation	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	166	414	3,961
GBT	GBST Holdings	A provider of software and services to the global financial services industry	0	116	480
GTY	Gateway Lifestyle Group	Develops and operates residential communities for elderly residents	125	986	2,830
HSO	Healthscope	One of Australia's leading private healthcare operators through the ownership and operation of private hospitals and medical centres	375	1,762	5,040

HOLDINGS OF SECURITIES continued

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
#	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	875	0
IDX	Integral Diagnostics	A national operator of a network of diagnostic imaging sites	0	847	1,228
IEL	IDP Education	Provider of international English language testing, student placement and English language teaching services	0	301	1,241
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen-based fertiliser and industrial explosives	1,708	1,727	5,131
IRE	IRESS	Provider of share market and wealth management information systems	0	250	2,723
JHC	Japara Healthcare	Provider of residential aged care services	1,609	1,915	4,884
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	200	305	6,237
LIC	Lifestyle Communities	Develops, owns and manages independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities on site	2,500	2,621	7,627
MFT	Mainfreight	Provider of managed warehousing and international and domestic freight forwarding services	0	445	7,080
MTO	Motorcycle Holdings	Australia's largest motorcycle dealership operator with locations in Queensland, New South Wales and the Australian Capital Territory	0	58	157
MYX	Mayne Pharma Group	A specialty pharmaceutical company that develops and manufactures branded and generic products, which it distributes globally either directly or through distribution partners	1,200	4,772	9,090
NAB	National Australia Bank	Banking and wealth management services	230	190	4,832
NTC	NetComm Wireless	Delivers advanced broadband and wireless devices that empower businesses, people and machines to connect to the internet	0	847	2,134
NUF	Nufarm	Agricultural chemical company that manufactures and sells crop protection and seed treatment products globally	0	320	2,358
NVT	Navitas	An international education provider through its University Pathways Programs, Creative Media Education, English Language Training and Settlement services	0	224	1,232
OCL	Objective Corporation	Provider of information technology software and services	512	1,385	2,479
OFX	OzForex Group	An online foreign currency payment service provider to consumers and small businesses	0	1,500	3,480
OSH*	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	1,842	950	6,277
PBG	Pacific Brands	Owns and markets a portfolio of brands that is predominantly driven by Bonds underwear and apparel and Sheridan linen and home accessories	0	2,083	2,200
PGC	Paragon Care	A supplier of medical equipment and consumables to the healthcare market	0	4,000	2,800
QBE	QBE Insurance Group	General insurance and reinsurance services provider	483	540	5,632
QUB	Qube Holdings	Provider of import and export logistics services with national operations	2,527	3,000	6,630
RBL	Redbubble	Operates a global online marketplace for print on demand products (including T-shirts and other clothing, wall art and home décor), based on user submitted artwork	0	606	648

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
RMD*	ResMed	Leading developer, manufacturer and distributor of medical equipment for treating, diagnosing and managing sleep-disordered breathing and other respiratory disorders	650	450	3,722
RWC	Reliance Worldwide Corporation	Global provider of water control systems and plumbing solutions for domestic, commercial and industrial applications with the largest product category being 'push to connect' plumbing fittings in the United States residential market	0	120	371
S32	South32	A globally diversified metals and mining company formed via its demerger by BHP	808	650	1,001
SEK	SEEK	Operator of employment classifieds websites in Australia and offshore with interest in education and training	0	250	3,803
SHL*	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	160	188	3,990
SIV	Silver Chef	Provides hospitality and other small business operators with a 'rent-try-buy' funding solution for their capital equipment	0	154	1,648
SKB	Skydive the Beach Group	Australia and New Zealand's largest operator of tandem skydives across landmark tourist drop zones in each country	0	2,494	1,272
SRX	Sirtex Medical	An Australian medical device company that markets its proprietary radiation therapy for the treatment of liver-related cancers globally	0	50	1,279
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	665	525	6,295
TGR	Tassal Group	Producer and exporter of Atlantic salmon from Tasmania	876	551	2,191
TLS*	Telstra Corporation	Telecommunications operator and information services provider	1,634	550	3,014
TPM	TPG Telecom	Provider of a diverse range of communication services to residential users, small and medium sized enterprises, government and large corporate enterprises. The company owns and operates its own domestic network infrastructure and an international submarine cable connecting Australia and Guam	655	655	7,795
TWE	Treasury Wine Estates	Wine company with over 50 brands produced in Australia, New Zealand, the United States and Italy and sold globally	671	760	7,016
VOC	Vocus Communications	Provider of wholesale, retail and business telecommunications services in Australia and New Zealand	0	460	3,919
WBC*	Westpac Banking Corporation	Banking and wealth management services	240	70	2,056
WES*	Wesfarmers	Diversified conglomerate with retailing operations in supermarkets, department stores, home improvement and office supplies. The group also operates businesses involved in coal mining, energy, insurance, chemicals, fertilisers and industrial and safety products	65	73	2,896
WLL	Wellcom Group	Production company providing pre media, digital asset management and specialty printing services to advertisers, retailers and corporations	0	750	3,525
WPL*	Woodside Petroleum	Engages in the exploration, evaluation, development and production of hydrocarbon and oil and gas properties	0	45	1,191
Total					233,465

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

Unlisted security.

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions (Above \$2 Million)	Cost \$'000
Mainfreight* (listed on the New Zealand Stock Exchange)	6,115
Mayne Pharma Group	4,535
Ardent Leisure Group*	3,925
OzForex Group*	3,758
Healthscope	3,634
Amcor*	3,556
SEEK*	3,503
ASG Group*	3,177
Wellcom Group*	3,008
IRESS*	2,945
Woodside Petroleum*	2,927
Freedom Foods Group*	2,879
Vocus Communications*	2,685
Gateway Lifestyle Group*	2,602
Australian Agricultural Company*	2,459
Nufarm*	2,392
AMA Group	2,194
Paragon Care*	2,144

* New to the portfolio.

Disposals (Above \$2 Million)	Proceeds \$'000
Oil Search	6,161
Telstra Corporation	5,719
Westpac Banking Corporation	5,253
Commonwealth Bank of Australia	4,822
iProperty Group* (takeover by REA Group Limited)	4,400
Brickworks*	4,017
Asciano*	3,975
Santos*	3,834
BHP Billiton	3,750
Veda Group* (takeover by Equifax)	3,214
Energy Developments* (takeover by DUET Group)	3,200
Sims Metal Management*	3,054
Computershare*	2,631
AMP	2,630
iSelect*	2,416
Broadspectrum* (takeover by Ferrovial)	2,318
Vicinity Centres*	2,223

* Complete disposal from the portfolio.

SUB-UNDERWRITING

During the year the Company participated as a sub-underwriter of issues of securities. The principal underwriter and securities involved were:

Company	Underwritten By	Description	Amount Underwritten
Mayne Pharma Group Limited	Credit Suisse/UBS	\$888 million equity raising including: <ul style="list-style-type: none"> • \$601 million 1 for 1.725 accelerated non-renounceable pro rata entitlement offer • \$287 million institutional placement 	\$333,334
ALS Limited	J.P. Morgan/Morgans Corporate	\$325 million 1 for 9 accelerated non-renounceable pro rata entitlement offer	\$699,999
Silver Chef Limited	Wilson HTM Corporate Finance/Morgans Corporate	\$30 million 5 for 21 accelerated non-renounceable pro rata entitlement offer	\$302,719
Treasury Wine Estates Limited	Goldman Sachs	\$155 million 2 for 15 accelerated renounceable pro rata entitlement offer	\$576,923

SHARE CAPITAL CHANGES

Date	Type	Price/Amount
4 March 2016	Share Purchase Plan	\$0.83
25 August 2015	Dividend Reinvestment Plan	\$0.85
18 November 2014	Share Purchase Plan	\$0.86
26 August 2014	Dividend Reinvestment Plan	\$0.94
8 October 2013	Share Purchase Plan	\$0.85
27 August 2013	Dividend Reinvestment Plan	\$0.87
5 January 2011	Share Purchase Plan	\$0.64
27 August 2010	Dividend Reinvestment Plan	\$0.60
11 December 2009	Share Purchase Plan	\$0.64
27 August 2009	Dividend Reinvestment Plan	\$0.59
15 August 2008	Dividend Reinvestment Plan	\$0.62
27 August 2007	Dividend Reinvestment Plan	\$0.75
Various	Exercise of options	\$0.50
23 January 2004	Share issue	\$0.50
19 December 2003	Capital consolidation 1 for 16	
15 August 2003	Capital return	\$0.40
23 May 2003	Capital return	\$0.40
11 March 2003	Capital return	\$0.40
17 January 2003	Capital return	\$0.32
18 November 2002	Capital return	\$0.33
7 April 2000	1 for 5 rights issue	\$2.00
24 January 2000	Exercise of JBWere option	\$2.00
10 September 1999	Dividend Reinvestment Plan	\$2.54
2 June 1999	1 for 3 rights issue	\$2.40
15 March 1999	Dividend Reinvestment Plan	\$2.38
16 September 1998	Dividend Reinvestment Plan	\$2.14
17 June 1998	1 for 2 rights issue	\$2.00
27 March 1998	Dividend Reinvestment Plan	\$2.17
12 September 1997	Dividend Reinvestment Plan	\$1.95
18 October 1996	Initial issue	\$2.00

COMPANY PARTICULARS

AMCIL Limited (AMCIL)
ABN 57 073 990 735

Directors

Bruce B Teele, Chairman
Ross E Barker, Managing Director
Roger G Brown
Siobhan L McKenna
Rupert Myer AO
Richard B Santamaria

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

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@amcil.com.au
Website amcil.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry lines 1300 653 916
+61 3 9415 4224
(from overseas)
Facsimile +61 3 9473 2500
Website investorcentre.com.au/contact

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

Australian Securities Exchange Code

AMH Ordinary shares

SHAREHOLDER MEETINGS

Annual General Meeting

Time 1.30pm
Date Wednesday 12 October 2016
Venue RACV City Club
Location 501 Bourke Street
Melbourne

Sydney Shareholder Meeting

Time 1.00pm
Date Friday 14 October 2016
Venue Four Seasons Hotel
Location 199 George Street
Sydney

Adelaide Shareholder Meeting

Time 1.00pm
Date Monday 17 October 2016
Venue Adelaide Convention Centre
Location North Terrace
Adelaide

Brisbane Shareholder Meeting

Time 1.00pm
Date Monday 24 October 2016
Venue Hilton Hotel
Location 190 Elizabeth Street
Brisbane

A photograph of a city street at night, featuring a long perspective of a sidewalk and a road. The scene is filled with out-of-focus, colorful bokeh lights in shades of yellow, orange, blue, and purple, creating a vibrant and artistic atmosphere. A person is walking away from the camera on the sidewalk in the lower-left corner.

Annual Review
2016

A Focused
Portfolio
of Australian
Equities

CONTENTS

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The Company aims to provide shareholders with:

- ▶ Attractive returns through strong capital growth in the portfolio over the medium to long term.
- ▶ The generation of fully franked dividend income.

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

The number of holdings in the portfolio will depend on market conditions and investment opportunities. The selection of stocks in the portfolio is based on attractive valuations as well as the outlook for growth and the competitive structure of the industry.



YEAR IN SUMMARY

PROFIT FOR THE YEAR

\$7.7m

▲ Up 10.1% from 2015

TOTAL SHAREHOLDER RETURN

+11.8%

Share price plus dividend

FULLY FRANKED FINAL DIVIDEND

3.5¢

▼ 4.0 cents in 2015

MANAGEMENT EXPENSE RATIO

0.65%

0.67% in 2015

TOTAL PORTFOLIO RETURN

+9.7% Including franking*

S&P/ASX 200 Accumulation Index +2.2%*

TOTAL PORTFOLIO

\$240.8m

Including cash at 30 June

▲ \$221.0 million in 2015

* Assumes shareholder can take full advantage of the franking credits.

REVIEW OF OPERATIONS AND ACTIVITIES

Profit and Dividend

Profit for the year was \$7.7 million, up on last year's result of \$7.0 million. Last year's profit figure included a non-cash dividend of \$0.9 million received as a result of the demerger of South32 from BHP Billiton. Excluding this figure the profit was up 26.7 per cent.

Income generated from dividends and distributions was \$6.9 million, which was marginally down from last year's figure of \$7.0 million (when the demerger dividend is excluded). The contribution from the trading portfolio and option income was \$3.3 million, up from \$0.6 million last year. This large increase was generated from participation in some smaller IPOs, which produced strong returns over the year, the sale of share entitlements from company capital raisings and the share price strength of the holding in NetComm Wireless in the first half of the year (this holding has been subsequently sold to the investment portfolio). Higher volatility over the year also assisted with increased generation of income from option activity.

The Company's dividend policy is to maximise the distribution of available franking credits each year. Accordingly, AMCIL will pay a final dividend of 3.5 cents per share fully franked, which is down on the 4.0 cents per share paid last year.

There are no LIC capital gains attached to the final dividend this year.

Management Expense Ratio

One of the features of AMCIL is its relatively low cost for shareholders. The MER was 0.65 per cent, down from 0.67 per cent last year as expenses were down marginally and the portfolio increased in size. Importantly AMCIL's portfolio is managed internally, meaning the benefit of size flows back to shareholders, unlike an externally managed fund that normally charges a set percentage fee on the portfolio size. In addition, AMCIL does charge any performance fees.

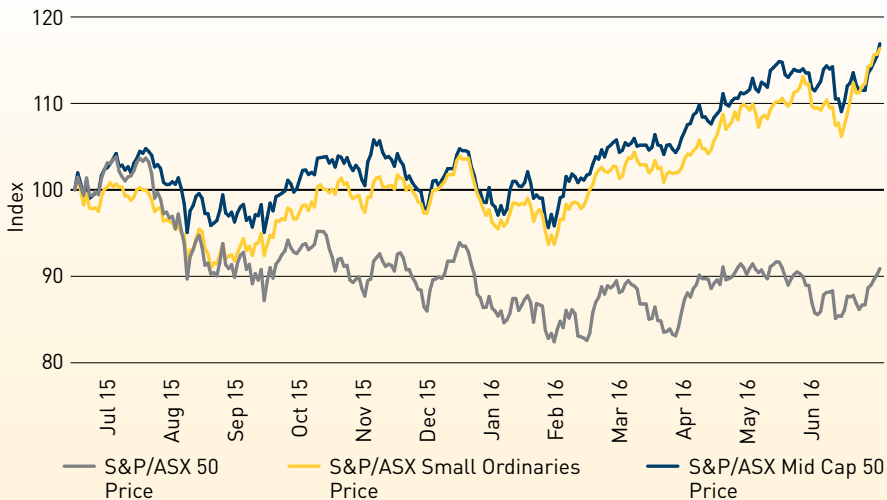
The MER compares very favourably with the average fees charged by managed funds with a similar investment focus as AMCIL. For retail investors these fees can typically be from 1 per cent to 2 per cent (source: Morningstar).

Portfolio Returns Remain Strong

The Company's portfolio returns have benefited from its increased exposure to mid and smaller sized companies, which have substantially outperformed larger companies over the year.

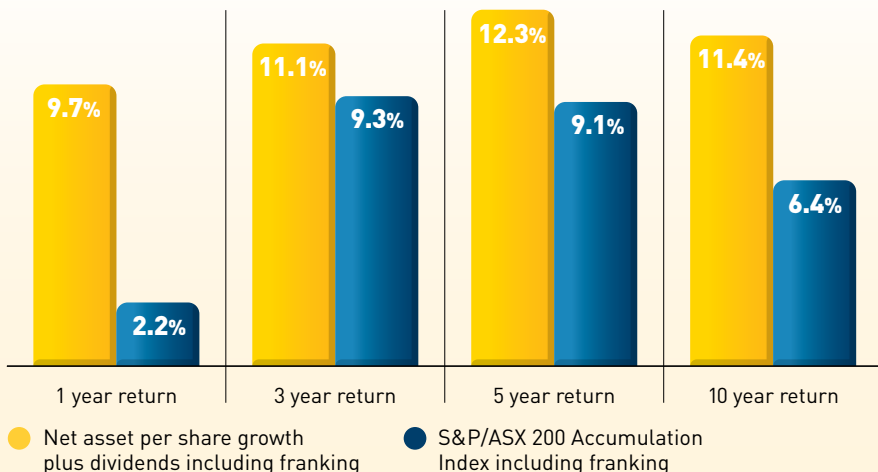
AMCIL's total portfolio return, which includes dividends paid, was 7.6 per cent. This compares with the S&P/ASX 200 Accumulation Index return, which was 0.6 per cent. Given AMCIL's dividend policy seeks to maximise the distribution of franking credits, including those arising from taxable realised gains, it is appropriate to add franking credits to total returns. On this basis, assuming the full benefit of franking credits, AMCIL's portfolio delivered a return of 9.7 per cent, whereas the S&P/ASX 200 Accumulation Index return was 2.2 per cent. (Figure 2).

Figure 1: Contrast in sector performance in the Australian market



Source: FactSet

Figure 2: Portfolio performance – per annum return to 30 June 2016 including the benefit of franking credits



Note: The franking benefit assumes a shareholder can take full advantage of the franking credits.

REVIEW OF OPERATIONS AND ACTIVITIES

continued

Some of the best performing stocks over the 12 month period were Mayne Pharma, Treasury Wine, TPG Telecom, iProperty (which was taken over by REA Group), Citadel Group, Vocus Communications and Lifestyle Communities. Of the larger companies in the portfolio, CSL and Brambles also delivered strong returns to the portfolio given their exposure to attractive markets globally and to Transurban, which has benefited from strong investor interest in the current low interest rate environment.

Ongoing Adjustments Lead to More Small and Mid Cap Holdings in the Portfolio

The Australian economy is providing a number of headwinds for larger companies, which are facing slower growth and increased competition in mature markets. On the other hand, many smaller companies are finding opportunities to expand in more innovative and growing segments, either in Australia or internationally.

In this context, a number of new companies were added through the 12 month period. These included Mainfreight, Ardent Leisure, OzForex Group, Amcor, SEEK, ASG Group and Wellcom Group. AMCIL also added to existing holdings in Mayne Pharma (through its recent rights issue and placement), Healthscope and AMA Group.

Details of some of the new companies added to the portfolio in the second half of the year are:

- **Amcor** which is a global leader in packaging solutions supplying a broad range of rigid and flexible packaging products into the food, beverage, healthcare, home and personal care and tobacco packaging industries.
- **Australian Agricultural Company** which owns and operates properties, feedlots and farms for the production of beef products. It operates through different segments including the sale of cattle to domestic and overseas markets, and increasingly in producing grain finished and Wagyu beef for overseas customers.
- **ASG Group Ltd** which provides information technology business solutions and services for businesses in major sectors such as government, finance, healthcare, energy and mining. They specialise in applications management outsourcing and enterprise systems delivery under long term contracts.
- **Nufarm** which engages in the manufacture and marketing of agricultural crop protection products. It operates through the crop protection and seed technologies segments. The crop protection segment produces and sells herbicides, fungicides and insecticides. The seed technologies segment offers seeds and seed treatment products.



REVIEW OF OPERATIONS AND ACTIVITIES

continued

Figure 3: Exposure by company size 30 June 2016

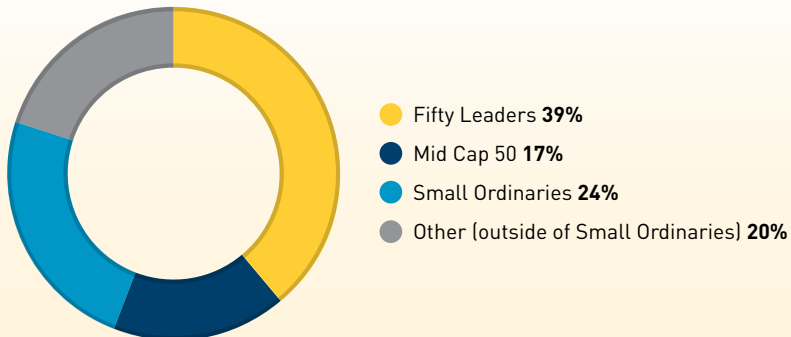


Figure 4: Exposure by company size 30 June 2015

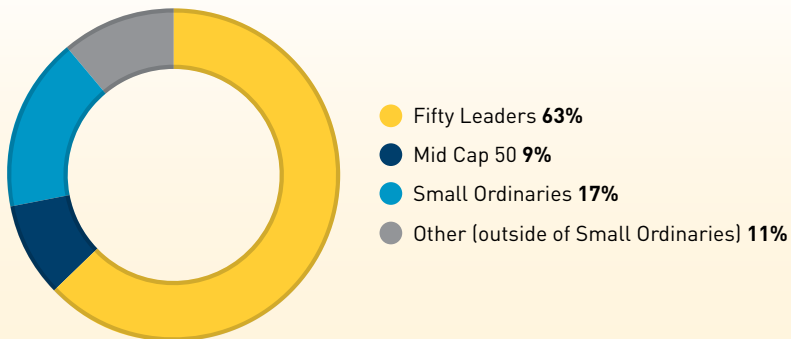
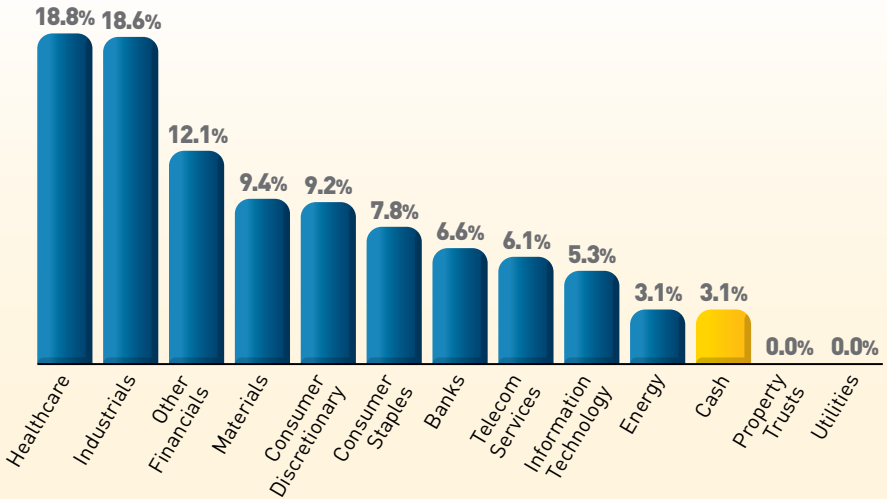


Figure 5: Investment by sector as at 30 June 2016

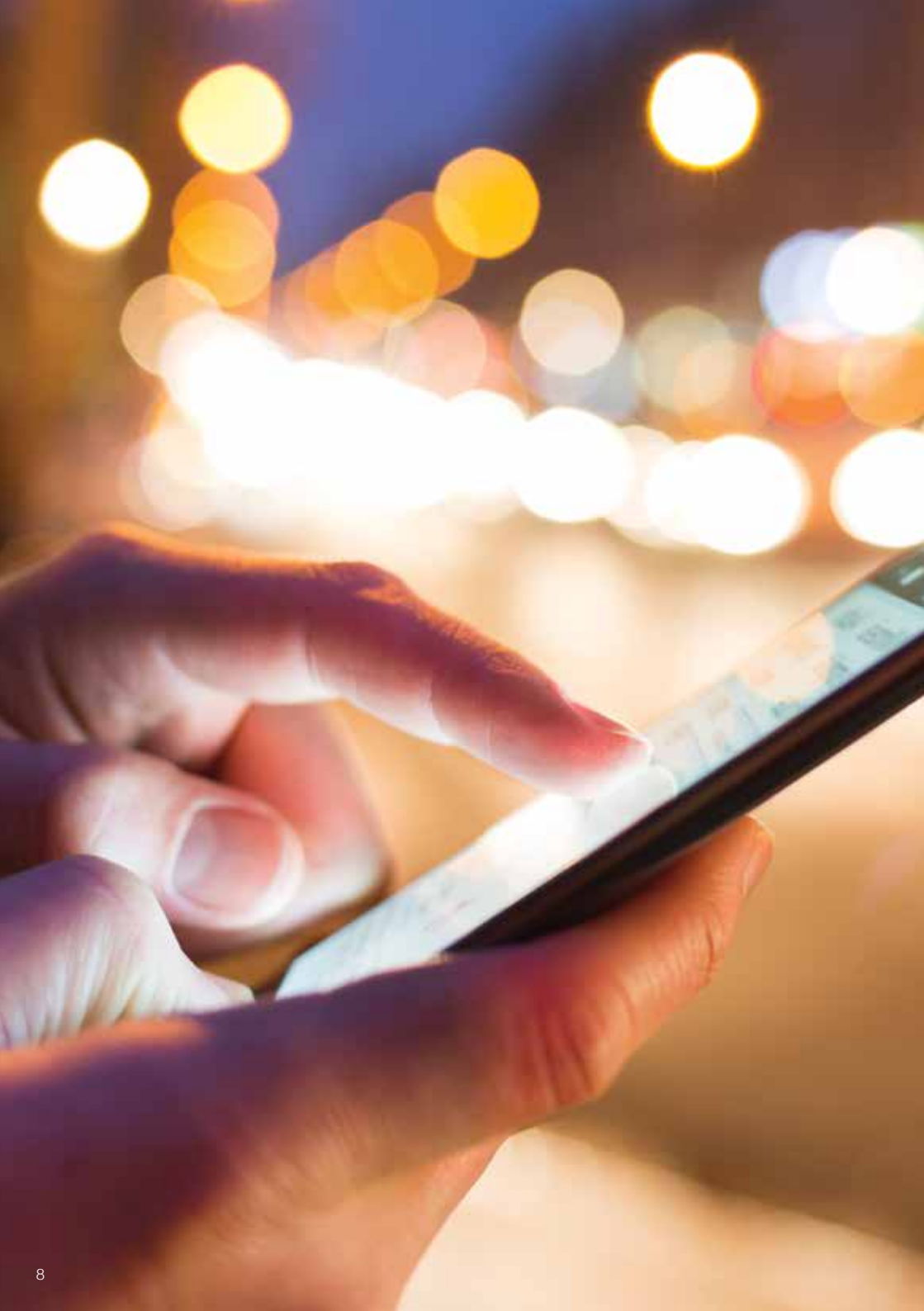


These purchases were funded from cash raised through the Share Purchase Plan (SPP) in March and the sale of holdings predominantly in larger companies. These included a reduction in the Westpac and Commonwealth Bank positions, the complete sale of the holding in Santos and reduced exposures to Oil Search, BHP Billiton and Telstra. Takeovers also provided some additional funds.

Purchases in the investment portfolio totalled \$93.1 million for the year, with total sales of \$78.3 million for the period.

These changes have seen a significant transformation in AMCIL's portfolio over the year with small and mid cap company holdings increasing from 37 per cent of the total portfolio to 61 per cent over the 12 month period. (Figures 3 and 4).

Figure 5 highlights the profile of the total portfolio by the various sectors of the market at the end of the financial year. In comparison to last year there has been an increase in portfolio weightings in the Healthcare (up from 11.2 per cent last year) and Industrials (up from 14.0 per cent last year) sectors. The biggest reduction was in Energy (down from 8.4 per cent last year) and the Banks (down from 13.8 per cent last year).



REVIEW OF OPERATIONS AND ACTIVITIES

continued

Share Price Performance

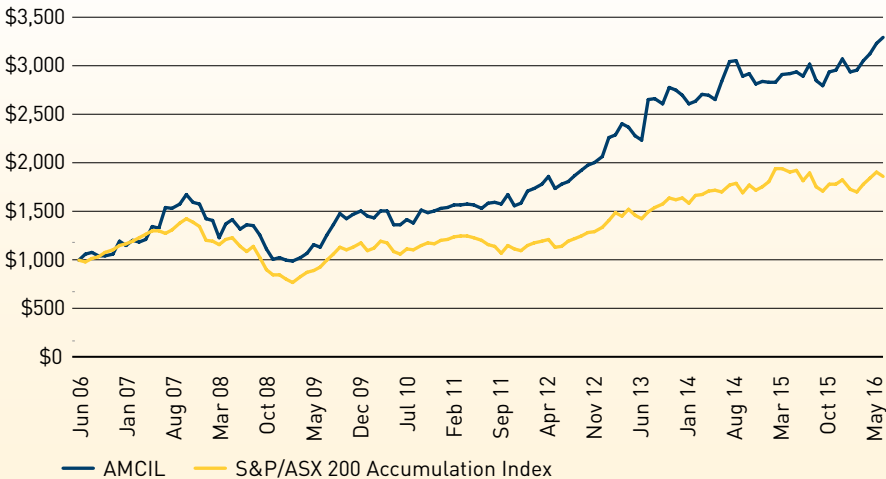
Figure 6 outlines the benefit of compound returns and the value of AMCIL's investment approach. It shows the total share price return (including dividends and the full benefit of franking credits) from an investment of \$1,000 in AMCIL shares over a 10 year period relative to the return from the ASX 200 Accumulation Index, including franking credits.

Going Forward

The Australian market has been trading in a range for quite some time with periods of high volatility. This reflects a number of factors.

Business conditions in Australia are patchy and at the same time increasing competition is making it harder for larger companies to generate meaningful profit growth. There is uncertainty about economic change in China and disappointing growth in most developed countries despite extraordinarily low interest rates. Recent political events in the United Kingdom and Australia have also had an unsettling effect on the local market.

Figure 6: Ten year share price of AMCIL including dividends and the full benefit of franking credits



Note: Assumes the reinvestment of dividends. 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.

REVIEW OF OPERATIONS AND ACTIVITIES

continued

In contrast, low interest rates are still driving demand for equities, in some circumstances, leading to very high valuation levels in some sectors of the market as investors seek returns. However, in this environment any profit setbacks often trigger marked falls in share prices.

AMCIL with its investment approach in focusing on what it believes to be the better growth prospects across quality companies in the market, is well placed to make further adjustments to the portfolio as opportunities arise. However, we are also conscious of the wide difference in valuation levels across sectors and companies, which means a prudent approach is also warranted.

Directorship Matters

As advised to shareholders in the Half-Year Review, Mr Peter Barnett, a Director of the Company, retired from the Board on 19 January 2016. Mr Barnett had been a Director of the Company since it commenced operations in 1996. The Board deeply appreciates Peter's 20 years of dedicated service to shareholders and outstanding contribution to Board matters, including as Chair of the Audit Committee throughout the life of the Company.

Ms Siobhan McKenna was appointed to the Board on 17 March 2016.

Ms McKenna has extensive investment, advisory, media and technology experience.

Ms McKenna is the Managing Partner of Illyria Pty Limited, a private investment company, and was previously a Partner of leading global management consulting firm McKinsey & Company. Ms McKenna is also a Non-Executive Director of Ten Network Holdings; Nova Entertainment; Woolworths and The Australian Ballet. She was previously Chair of NBN Co and a Commissioner at the Productivity Commission. We are delighted to welcome Ms McKenna to the Board and look forward to the contribution she will make.

TOP 20 INVESTMENTS

As at 30 June 2016

Includes investments held in both the investment and trading portfolios.

Valued at closing prices at 30 June 2016

		Total Value \$'000	% of Portfolio
1	Brambles*	10,514	4.5
2	CSL	9,199	3.9
3	Mayne Pharma Group	9,090	3.9
4	Commonwealth Bank of Australia	8,924	3.8
5	TPG Telecom	7,795	3.3
6	Lifestyle Communities	7,627	3.3
7	Mainfreight	7,080	3.0
8	Treasury Wine Estates	7,016	3.0
9	Qube Holdings	6,630	2.8
10	Transurban Group	6,295	2.7
11	Oil Search*	6,277	2.7
12	James Hardie Industries	6,237	2.7
13	QBE Insurance Group	5,632	2.4
14	Incitec Pivot	5,131	2.2
15	Healthscope	5,040	2.2
16	Japara Healthcare	4,884	2.1
17	National Australia Bank	4,832	2.1
18	The Citadel Group	4,808	2.1
19	Sonic Healthcare*	3,990	1.7
20	Fisher & Paykel Healthcare Corporation	3,961	1.7
Total		130,960	

As a percentage of total portfolio (excludes cash)

56.1%

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

Cash position at 30 June 2016 – \$7.4 million.

INCOME STATEMENT

For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Dividends and distributions	6,906	7,883
Revenue from deposits and bank bills	146	425
Net gains on trading portfolio	2,476	134
Realised gains from options written portfolio	847	440
Other revenue	14	23
Total income	10,389	8,905
Finance costs	(73)	(65)
Administration expenses	(1,474)	(1,485)
Profit before income tax	8,842	7,355
Income tax expense	(1,155)	(375)
Profit for the year	7,687	6,980
	Cents	Cents
Profit for the year per share	3.10	2.93

BALANCE SHEET

As at 30 June 2016

	2016 \$'000	2015 \$'000
Current assets		
Cash	7,375	12,973
Receivables	981	955
Trading portfolio	157	547
Total current assets	8,513	14,475
Non-current assets		
Investment portfolio	233,537	207,642
Total non-current assets	233,537	207,642
Total assets	242,050	222,117
Current liabilities		
Payables	3,139	1,037
Tax payable	1,226	1,684
Options sold	229	186
Total current liabilities	4,594	2,907
Non-current liabilities		
Deferred tax liabilities	44	7
Deferred tax liabilities – investment portfolio	16,119	13,533
Total non-current liabilities	16,163	13,540
Total liabilities	20,757	16,447
Net assets	221,293	205,670
Shareholders' equity		
Share capital	168,556	157,880
Revaluation reserve	25,620	22,661
Realised capital gains reserve	4,485	7,064
Retained profits	22,632	18,065
Total shareholders' equity	221,293	205,670

SUMMARISED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	2016 \$'000	2015 \$'000
Total equity at the beginning of the year	205,670	201,732
Dividends paid	(9,675)	(14,825)
Shares issued		
– Dividend Reinvestment Plan	3,513	5,531
– Share Purchase Plan	7,215	6,805
Costs of share issues	(52)	(54)
Total transactions with shareholders	1,001	(2,543)
Profit for the year	7,687	6,980
Revaluation of investment portfolio	9,976	(289)
Provision for tax on revaluation	(3,041)	(210)
Revaluation of investment portfolio (after tax)	6,935	(499)
Total comprehensive income for the year	14,622	6,481
Realised gains on securities sold	4,431	6,583
Tax expense on realised gains on securities sold	(455)	(1,447)
Net realised gains on securities sold	3,976	5,136
Transfer from revaluation reserve to realised gains reserve	(1,049)	(3,377)
Transfer from revaluation reserve to retained profits*	(2,927)	(1,759)
Total equity at the end of the year	221,293	205,670

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

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

HOLDINGS OF SECURITIES

As at 30 June 2016

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784).

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
AAC	Australian Agricultural Company	Owns and operates properties, feedlots and farms for the production of beef and is expanding its value added branded beef operations	0	1,750	3,089
AAD	Ardent Leisure	An operator of leisure and entertainment assets across Australia, the United States and New Zealand	0	1,725	3,243
ADH	Adairs	A specialty retailer of home furnishings in Australia with a national footprint of stores across a number of store formats	500	925	2,285
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	275	400	1,956
AMA	AMA Group	An automotive aftercare and accessories business focused on the vehicle panel repair market and the manufacture and sale of bullbars	1,169	4,272	3,439

HOLDINGS OF SECURITIES *continued*

As at 30 June 2016

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
AMC	Ancor	Global packaging company	0	254	3,785
AMP	AMP	Major Australasian financial services organisation	960	500	2,580
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	184	234	3,923
ASZ	ASG Group	Australian IT business solutions provider, offering IT management and consulting services	0	3,400	3,094
BHP	BHP Billiton	Diversified international resources company	380	200	3,730
BLX	Beacon Lighting Group	Australia's largest lighting and accessory retailer with integrated operations from design and sourcing through to merchandising and retailing	1,624	1,624	2,209
BXB*	Brambles	Global provider of supply chain management and logistics solutions	870	850	10,514
CBA	Commonwealth Bank of Australia	Banking and wealth management services	180	120	8,924
CGL	The Citadel Group	Provider of professional training services and technology-related consulting	537	890	4,808

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
CSL	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	77	82	9,199
CSV	CSG	A print and communications solution provider to corporate and government customers	1,530	2,594	3,865
CVO	Cover-More Group	Provider of travel insurance and medical assistance services	940	1,508	1,825
CWW	ClearView Wealth	Life insurance company with associated offerings in wealth management and financial advice	0	2,107	2,002
FNP	Freedom Foods Group	Specialist producer of allergen-free foods, with related packaging and marketing interests in dairy and seafood	0	888	3,605
FPH	Fisher & Paykel Healthcare Corporation	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	166	414	3,961
GBT	GBST Holdings	A provider of software and services to the global financial services industry	0	116	480

HOLDINGS OF SECURITIES *continued*

As at 30 June 2016

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
GTY	Gateway Lifestyle Group	Develops and operates residential communities for elderly residents	125	986	2,830
HSO	Healthscope	One of Australia's leading private healthcare operators through the ownership and operation of private hospitals and medical centres	375	1,762	5,040
#	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	875	875	0
IDX	Integral Diagnostics	A national operator of a network of diagnostic imaging sites	0	847	1,228
IEL	IDP Education	Provider of international English language testing, student placement and English language teaching services	0	301	1,241
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen-based fertiliser and industrial explosives	1,708	1,727	5,131
IRE	IRESS	Provider of share market and wealth management information systems	0	250	2,723
JHC	Japara Healthcare	Provider of residential aged care services	1,609	1,915	4,884
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	200	305	6,237

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
LIC	Lifestyle Communities	Develops, owns and manages independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities on site	2,500	2,621	7,627
MFT	Mainfreight	Provider of managed warehousing and international and domestic freight forwarding services	0	445	7,080
MTO	Motorcycle Holdings	Australia's largest motorcycle dealership operator with locations in Queensland, New South Wales and the Australian Capital Territory	0	58	157
MYX	Mayne Pharma Group	A specialty pharmaceutical company that develops and manufactures branded and generic products, which it distributes globally either directly or through distribution partners	1,200	4,772	9,090
NAB	National Australia Bank	Banking and wealth management services	230	190	4,832
NTC	NetComm Wireless	Delivers advanced broadband and wireless devices that empower businesses, people and machines to connect to the internet	0	847	2,134

HOLDINGS OF SECURITIES continued

As at 30 June 2016

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
NUF	Nufarm	Agricultural chemical company that manufactures and sells crop protection and seed treatment products globally	0	320	2,358
NVT	Navitas	An international education provider through its University Pathways Programs, Creative Media Education, English Language Training and Settlement services	0	224	1,232
OCL	Objective Corporation	Provider of information technology software and services	512	1,385	2,479
OFX	OzForex Group	An online foreign currency payment service provider to consumers and small businesses	0	1,500	3,480
OSH*	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	1,842	950	6,277
PBG	Pacific Brands	Owns and markets a portfolio of brands that is predominantly driven by Bonds underwear and apparel and Sheridan linen and home accessories	0	2,083	2,200
PGC	Paragon Care	A supplier of medical equipment and consumables to the healthcare market	0	4,000	2,800
QBE	QBE Insurance Group	General insurance and reinsurance services provider	483	540	5,632

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
QUB	Qube Holdings	Provider of import and export logistics services with national operations	2,527	3,000	6,630
RBL	Redbubble	Operates a global online marketplace for print on demand products (including T-shirts and other clothing, wall art and home décor), based on user submitted artwork	0	606	648
RMD*	ResMed	Leading developer, manufacturer and distributor of medical equipment for treating, diagnosing and managing sleep-disordered breathing and other respiratory disorders	650	450	3,722
RWC	Reliance Worldwide Corporation	Global provider of water control systems and plumbing solutions for domestic, commercial and industrial applications with the largest product category being 'push to connect' plumbing fittings in the United States residential market	0	120	371
S32	South32	A globally diversified metals and mining company formed via its demerger by BHP	808	650	1,001
SEK	SEEK	Operator of employment classifieds websites in Australia and offshore with interest in education and training	0	250	3,803

HOLDINGS OF SECURITIES *continued*

As at 30 June 2016

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
SHL*	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	160	188	3,990
SIV	Silver Chef	Provides hospitality and other small business operators with a 'rent-try-buy' funding solution for their capital equipment	0	154	1,648
SKB	Skydive the Beach Group	Australia and New Zealand's largest operator of tandem skydives across landmark tourist drop zones in each country	0	2,494	1,272
SRX	Sirtex Medical	An Australian medical device company that markets its proprietary radiation therapy for the treatment of liver-related cancers globally	0	50	1,279
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	665	525	6,295
TGR	Tassal Group	Producer and exporter of Atlantic salmon from Tasmania	876	551	2,191
TLS*	Telstra Corporation	Telecommunications operator and information services provider	1,634	550	3,014

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
TPM	TPG Telecom	Provider of a diverse range of communication services to residential users, small and medium sized enterprises, government and large corporate enterprises. The company owns and operates its own domestic network infrastructure and an international submarine cable connecting Australia and Guam	655	655	7,795
TWE	Treasury Wine Estates	Wine company with over 50 brands produced in Australia, New Zealand, the United States and Italy and sold globally	671	760	7,016
VOC	Vocus Communications	Provider of wholesale, retail and business telecommunications services in Australia and New Zealand	0	460	3,919
WBC*	Westpac Banking Corporation	Banking and wealth management services	240	70	2,056
WES*	Wesfarmers	Diversified conglomerate with retailing operations in supermarkets, department stores, home improvement and office supplies. The group also operates businesses involved in coal mining, energy, insurance, chemicals, fertilisers and industrial and safety products	65	73	2,896

HOLDINGS OF SECURITIES continued

As at 30 June 2016

Code	Name	Principal Activity	Number Held 2015 '000	Number Held 2016 '000	Market Value 2016 \$'000
WLL	Wellcom Group	Production company providing pre media, digital asset management and specialty printing services to advertisers, retailers and corporations	0	750	3,525
WPL*	Woodside Petroleum	Engages in the exploration, evaluation, development and production of hydrocarbon and oil and gas properties	0	45	1,191
Total					233,465

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

Unlisted security.

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions (Above \$2 Million)	Cost \$'000
Mainfreight* (listed on the New Zealand Stock Exchange)	6,115
Mayne Pharma Group	4,535
Ardent Leisure Group*	3,925
OzForex Group*	3,758
Healthscope	3,634
Amcor*	3,556
SEEK*	3,503
ASG Group*	3,177
Wellcom Group*	3,008
IRESS*	2,945
Woodside Petroleum*	2,927
Freedom Foods Group*	2,879
Vocus Communications*	2,685
Gateway Lifestyle Group*	2,602
Australian Agricultural Company*	2,459
Nufarm*	2,392
AMA Group	2,194
Paragon Care*	2,144

* New to the portfolio.

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO continued

Disposals (Above \$2 Million)	Proceeds \$'000
Oil Search	6,161
Telstra Corporation	5,719
Westpac Banking Corporation	5,253
Commonwealth Bank of Australia	4,822
iProperty Group* (takeover by REA Group Limited)	4,400
Brickworks*	4,017
Asciano*	3,975
Santos*	3,834
BHP Billiton	3,750
Veda Group* (takeover by Equifax)	3,214
Energy Developments* (takeover by DUET Group)	3,200
Sims Metal Management*	3,054
Computershare*	2,631
AMP	2,630
iSelect*	2,416
Broadspectrum* (takeover by Ferrovial)	2,318
Vicinity Centres*	2,223

* Complete disposal from the portfolio.

5 YEAR SUMMARY

	2016	2015	2014	2013	2012
Profit after tax (\$ million)	7.69	6.98	6.28	7.58	8.92
Net profit per share (cents)	3.10	2.93	2.81	3.63	4.27
Dividends per share (cents) ^(a)	3.5	4.0	6.5	8.0	2.5
Investments at market value (\$ million) ^(b)	233.46	208.00	200.16	172.10	152.92
Net asset backing (cents) ^(c)	93	91	95	90	77
Number of shareholders (30 June)	2,464	2,392	2,329	2,257	2,190

Notes

(a) 2016 carries no attributable LIC gain per share, 2015: 2.1 cents, 2014: 5.7 cents, 2013: 7.1 cents, 2012: nil.

(b) Excludes cash.

(c) Net asset backing per share based on year-end data before the provision for the final (and where applicable, special) dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date, as Directors do not intend to dispose of the portfolio.

COMPANY PARTICULARS

AMCIL Limited (AMCIL)

ABN 57 073 990 735

Directors

Bruce B Teele, Chairman

Ross E Barker, Managing Director

Roger G Brown

Siobhan L McKenna

Rupert Myer AO

Richard B Santamaria

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

Telephone (03) 9650 9911

Facsimile (03) 9650 9100

Email invest@amcil.com.au

Website amcil.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone 1800 780 784 (toll free)

Share Registrar

Computershare Investor Services Pty Ltd

Yarra Falls, 452 Johnston Street

Abbotsford Victoria 3067

Shareholder

Enquiry lines 1300 653 916

+61 3 9415 4224

(from overseas)

Facsimile +61 3 9473 2500

Website investorcentre.com.au/contact

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

Australian Securities Exchange Code

AMH Ordinary shares

SHAREHOLDER MEETINGS

Annual General Meeting

Time 1.30pm
Date Wednesday 12 October 2016
Venue RACV City Club
Location 501 Bourke Street
Melbourne

Sydney Shareholder Meeting

Time 1.00pm
Date Friday 14 October 2016
Venue Four Seasons Hotel
Location 199 George Street
Sydney

Adelaide Shareholder Meeting

Time 1.00pm
Date Monday 17 October 2016
Venue Adelaide Convention Centre
Location North Terrace
Adelaide

Brisbane Shareholder Meeting

Time 1.00pm
Date Monday 24 October 2016
Venue Hilton Hotel
Location 190 Elizabeth Street
Brisbane



NOTICE OF ANNUAL GENERAL MEETING 2016

The Annual General Meeting of **AMCIL Limited (ABN: 57 073 990 735, “the Company”)** will be held at: **RACV CITY CLUB, 501 BOURKE STREET, MELBOURNE, VICTORIA 3000 at 1.30pm (AEDT) on Wednesday 12 October 2016.**

The Company has determined that, for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company’s register at **7.00pm (AEDT) on Monday 10 October 2016.**

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To consider the Directors’ Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2016.

(Please note that no resolution will be required to be passed on this matter)

2. ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

“That the Remuneration Report for the financial year ended 30 June 2016 be adopted.”

(Please note that the vote on this item is advisory only)

3. ELECTION OF DIRECTOR

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

“That Ms Siobhan McKenna, a Director appointed since the last Annual General Meeting and retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company.”

4. RE-ELECTION OF DIRECTOR

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

“That Mr Rupert Myer, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company.”

By Order of the Board

A handwritten signature in black ink, appearing to read 'M. Rowe'.

Matthew Rowe
Company Secretary
24 August 2016

EXPLANATORY NOTES

The Explanatory Notes below provide additional information regarding the items of business proposed for the Annual General Meeting.

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

Please ensure that your properly completed proxy form reaches the share registry by the deadline of 1.30pm (AEDT) on Monday 10 October 2016.

1. FINANCIAL STATEMENTS AND REPORTS

During this item there will be an opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2016. No resolution will be required to be passed on this matter.

Shareholders who have not elected to receive a hard copy of the Company's 2016 Annual Report can view or download it from the Company's website at:

www.amcil.com.au/Shareholder-Reports.aspx

2. ADOPTION OF REMUNERATION REPORT

Board recommendation and undirected proxies: The Board recommends that shareholders vote **in FAVOUR of item 2**. The Chairman of the meeting intends to vote undirected proxies **in FAVOUR of item 2**.

During this item there will be a reasonable opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which can be found in the Company's 2016 Annual Report.

Voting exclusions on item 2

Pursuant to section 250R(4) of the Corporations Act 2001, the Company is required to disregard any votes cast on item 2 (in any capacity) by or on behalf of either a member of the key management personnel, details of whose remuneration are included in the remuneration report; or a closely related party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a prohibited person.

If the Chairman of the meeting is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chairman of the meeting to vote for or against, or to abstain from voting on, the resolution on item 2 (Adoption of Remuneration Report) by marking the appropriate box opposite item 2 on the proxy form.

Pursuant to section 250R(5) of the Corporations Act 2001, if the Chairman of the meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite item 2, the relevant shareholder will be expressly authorising the Chairman to exercise the proxy in relation to item 2.

ITEMS 3. ELECTION OF DIRECTOR

Board recommendation and undirected proxies: The Board recommends that shareholders vote in **FAVOUR of item 3**. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR of item 3**.

Ms McKenna was appointed to the Board in March 2016 and so is seeking election by shareholders for the first time. Her biographical details are below:

Siobhan McKenna

B.Ec. (Hons), MPHIL Independent Non-Executive Director. Member of the Audit Committee.

Ms McKenna was appointed a Director in March 2016. She is currently Managing Partner of Illyria Pty Ltd, a private investment company. She is also a Non-Executive Director of Woolworths, Ten Network Holdings, Nova Entertainment, The Australian Ballet and a Trustee of the MCG Trust.

Ms McKenna is a former partner at McKinsey & Company, a former Commissioner of the Australian Productivity Commission, and a former Chairman and Board Member of NBN Co Limited.

ITEMS 4. RE-ELECTION OF DIRECTOR

Board recommendation and undirected proxies: The Board recommends that shareholders vote in **FAVOUR of item 4**. The Chairman of the meeting intends to vote undirected proxies in **FAVOUR of item 4**.

Mr Myer was last re-elected by shareholders in 2013 and as such is required to seek re-election by shareholders at this Annual General Meeting. His biographical details are below:

Rupert Myer AO

BCom (Hons) (Melb), MA (Cantab). Independent Non-Executive Director. Chairman of the Audit Committee and member of the Investment Committee.

Mr Myer is a company Director and was appointed a Director in January 2000. He is Chairman of the Australia Council for the Arts, a Director of The Myer Foundation, Healthscope Limited and eCargo Holdings Limited. Mr Myer was formerly a Deputy Chairman of Myer Holdings Ltd and a Director of Diversified United Investment Limited.

Further information regarding the Company's corporate governance arrangements and the Board's role can be found in the Company's 2016 Annual Report and on the Company's website at:

www.amcil.com.au/Corporate-Governance.aspx and

www.amcil.com.au/Board-Role-and-Membership.aspx

SHAREHOLDER INFORMATION

Proxies

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend, vote and speak in the shareholder's place and to join in any demand for a poll.
2. Where a shareholder appoints more than one representative, proxy or attorney, those appointees are entitled to vote on a poll but not on a show of hands.
3. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. Where no such specification is made, each proxy may exercise half of the votes (any fractions of votes resulting from this are disregarded).
4. **Proxy forms may be lodged online by visiting www.investorvote.com.au or by scanning the QR Code on the proxy form with a mobile device.**
5. **Relevant custodians may lodge their proxy forms online by visiting www.intermediaryonline.com**
6. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be delivered in person, by mail or by fax to the Company's Share Registry (see details below) no later than 48 hours before the meeting, being **1.30pm (AEDT) on Monday 10 October 2016**. Further details are on the proxy form.
7. A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of this Notice, including the voting exclusions noted above).
8. In certain circumstances the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting or the poll on that resolution even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will occur where:
 - an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
 - the appointed proxy is not the Chairman of the meeting; and
 - at the meeting, a poll is called on the resolution; and
 - either of the following apply:
 - if a record of attendance is made for the AGM - the proxy is not recorded as attending
 - the proxy does not vote on the resolution.

Corporate representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the Corporations Act 2001.

Attorneys

A shareholder may appoint an attorney to vote on their behalf. To be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the meeting.

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street address:
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Postal address:
GPO Box 242
Melbourne VIC 3001

Telephone: 1300 653 916 (within Australia)
+61 3 9415 4224 (outside Australia)
Facsimile: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)
Internet: www.investorcentre.com/contact



ABN 57 073 990 735



000001
000
SAM
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your proxy:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

In Person:

Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online users only (Custodians)
www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 653 916
(outside Australia) +61 3 9415 4224

Proxy Form

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Appoint your proxy and view the Annual Report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device. Follow the instructions on the secure website to appoint your proxy.

Your access information that you will need to appoint your proxy online:

Control Number: 999999

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential. Please dispose of this form carefully if you appoint your proxy online.

For your proxy form to be effective it must be received by 1.30pm (AEDT) on Monday 10 October 2016

How to direct your proxy to vote

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of shares you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of shares for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of shares for each in Step 1 overleaf.

A proxy need not be a shareholder of the Company.

Lodgement of proxy form

This proxy form (and any authority under which it is signed or a certified copy of it) must be received at an address given above by 1.30pm (AEDT) on Monday 10 October 2016, being not later than 48 hours before the commencement of the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Signing instructions for postal forms

Individual: Where the holding is in one name, the shareholder or attorney must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders or attorneys should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the meeting

If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO APPOINT YOUR PROXY,
or turn over to complete the form →**

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.



I 9999999999 I N D

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

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I/We being a shareholder/s of **AMCIL LIMITED** hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of **AMCIL Limited** to be held at **RACV City Club, 501 Bourke Street, Melbourne, Victoria, at 1.30pm (AEDT) on Wednesday 12 October 2016** and at any adjournment or postponement of that meeting.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting (to the extent permitted by law) to exercise my/our proxy in respect of item 2 even though the item is connected directly or indirectly with the remuneration of a member of key management personnel of AMCIL Limited, which includes the Chairman of the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	Election of Director - Ms Siobhan McKenna	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Re-election of Director - Mr Rupert Myer AO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each item of business. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

SIGN Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____ Date / /

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