



**Asset Management Investment Company  
PLC**

**Interim Results**

for the six months to 31 March 2001



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**For immediate release on Friday 1 June 2001**

**Asset Management Investment Company PLC (“AMIC”), the only quoted company specialising in investment in the global asset management industry announces its interim results for the six months to 31 March 2001.**

## **Chairman’s Statement**

The first half of the financial year has been an uncertain period for world stock markets in the aftermath of the bursting of the investment bubble in the high technology sector. This, combined with fears that the United States may be moving into a period of recession, has meant lower stock prices and pressure on margins and earnings for the asset management sector.

Against this difficult background for the industry your company has had an active period assisted by greater financial and human resources and the strongest deal flow since the inception of the company in 1994. Relative to the decline in the markets, a 12.3 % decline in the company’s net asset value per share represents a creditable performance.

In October 2000 your company successfully completed a Placing of new ordinary shares and new zero dividend preference shares which, together with a loan facility of £10.0 million, provided £30.9 million net of expenses to assist the development of the business of your company. This has significantly increased gross assets, total revenue and earnings per share.

Total assets less current liabilities were £50.9 million at 31 March 2001 compared with £23.2 million at 30 September 2000, giving an undiluted net asset value per share of 162.00p compared with 184.67p. The fall in the net asset value over the period is mainly attributable to a fall in the market value of £0.5 million in our temporary investment in Aberdeen High Income Bond Unit Trust and a £1.3 million fall in the market value of our shares in iRegent Limited.

There has been a significant increase in revenue compared with the six months to 31 March 2000. Profits after taxation and minority interests as at 31 March 2001 were £1,244,389 compared with £644,577 at the previous half-year. Further to the payment of the special dividend of 3.80p per Ordinary Share paid in February, the Directors propose to pay an interim dividend of 4.00p per share (2000: 2.00p) on 6 July 2001 and expect to meet the intention, stated at the time of the Placing, to declare aggregate net dividends of not less than 15.80p per share for the financial year ending 30 September 2001. This stated intention of dividend payment should not be regarded as constituting a profit forecast.

Since the previous year end two new unlisted investments have been added to the portfolio. In February 2001 your company invested \$5 million for a 20% interest in Valenzuela Capital Partners LLC, a New York based firm managing approximately \$1 billion and specialising in small-cap and mid-cap stocks. Also in February 2001 AMIC increased its investment in Integrated Asset Management plc by financing the issue of a £2 million 12% convertible unsecured loan stock 2006. In both cases the funding was requested to develop the sales and marketing capabilities of these companies. Your company was also instrumental in arranging the financial and organizational restructuring of New York based Marquee Millennium Group, which is now represented in the portfolio by MMCM Holdings Inc.

Useful progress during the period was made by several investments in the portfolio, including our most recent investments in Turnstone Holdings, the holding company of Nevile Merriam Investment Management, and Valenzuela Capital Partners. AMIC also announced the disposal of its interest in Thornhill Holdings, for a

consideration which will give a satisfactory return on the investment. Other companies in which we are invested experienced difficult trading conditions due to the markets in which they specialise, in particular City of London Group and IFDC Group S.A. In Hong Kong, iRegent Group experienced a collapse of its share price following adverse publicity related to its business in Korea. Efforts to effect the sale of Midhurst Asset Management were in the end unsuccessful and the company has now ceased trading.

During the period your company's management team has been significantly strengthened. John Spurdle, our director in charge of the New York office, is now working for AMIC on a full-time basis, reflecting the steady increase in the number of investment opportunities which we are identifying in North America. Paul Jennings has joined your company as Group Financial Controller and Company Secretary and Connie Arcella as Investment Manager.

Following the Annual General Meeting in January, I succeeded Robin Bridgeman as Chairman of your company. Robin had been Chairman since AMIC was established in 1994, and I would like to express the appreciation of the board for all the work which he did on behalf of the company.

David Thomson  
*Chairman*

1 June 2001

**CONSOLIDATED STATEMENT  
TO 31 MARCH 2001  
(incorporating the**

		<b>Six Months ended 31 March 2001</b>		
	<b>Notes</b>	<b>Revenue £'000</b>	<b>Capital £'000</b>	<b>Total £'000</b>
(Losses)/gains on investments		–	(2,481)	(2,481)
Income		1,858	–	1,858
Administration expenses		175	440	615
		<hr/>	<hr/>	<hr/>
<b>Net return/(loss) before finance costs and taxation</b>		1,683	(2,921)	(1,238)
Interest payable		81	242	323
Interest receivable		4	–	4
		<hr/>	<hr/>	<hr/>
<b>Return/(loss) on ordinary activities before taxation</b>		1,606	(3,163)	(1,557)
Taxation on ordinary activities		362	(164)	198
		<hr/>	<hr/>	<hr/>
<b>Return/(loss) on ordinary activities after taxation</b>		1,244	(2,999)	(1,755)
Minority interests		–	(11)	(11)
Appropriation in respect of zero dividend preference shares		–	357	357
		<hr/>	<hr/>	<hr/>
<b>Return/(loss) attributable to equity shareholders</b>		1,244	(3,345)	(2,101)
Dividend in respect of equity shares	2	1,457	–	1,457
		<hr/>	<hr/>	<hr/>
<b>Transfer to reserves</b>		(213)	(3,345)	(3,558)
		<hr/>	<hr/>	<hr/>
Return per ordinary share (basic)	3	6.84p	(18.39)p	(11.55)p
Return per ordinary share (diluted)	3	6.69p	(17.98)p	(11.29)p
Return per zero dividend preference share		–	4.46p	4.46p

\*The revenue columns for this statement are the profit and loss account of the Group

**MENT OF TOTAL RETURN**  
**01 (UNAUDITED)**  
**revenue account\*)**

<b>Six Months ended 31 March 2000</b>			<b>Year ended 30 September 2000</b>		
<b>Revenue £'000</b>	<b>Capital £'000</b>	<b>Total £'000</b>	<b>Revenue £'000</b>	<b>Capital £'000</b>	<b>Total £'000</b>
–	2,951	2,951	–	4,059	4,059
803	–	803	1,707	–	1,707
143	143	286	394	362	756
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
660	2,808	3,468	1,313	3,697	5,010
14	14	28	35	35	70
–	–	–	1	–	1
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
646	2,794	3,440	1,279	3,662	4,941
2	1	3	72	2	74
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
644	2,793	3,437	1,207	3,660	4,867
–	23	23	(1)	(88)	(89)
–	280	280	–	563	563
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
644	2,490	3,134	1,208	3,185	4,393
173	–	173	607	–	607
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
471	2,490	2,961	601	3,185	3,786
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
7.43p	28.71p	36.14p	13.93p	36.73p	50.66p
6.61p	25.53p	32.14p	13.45p	35.47p	48.92p
–	4.82p	4.82p	–	9.26p	9.26p

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2001 (UNAUDITED)

	Notes	31 March 2001		31 March 2000		30 September 2000	
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed asset investments</b>							
Listed investments		21,672		3,545		1,557	
Unlisted investments		28,902		18,108		23,065	
			50,574		21,653		24,622
<b>Tangible fixed assets</b>			13		16		15
			50,587		21,669		24,637
<b>Current assets</b>							
Investments		148		–		415	
Debtors		1,244		241		345	
Cash		395		694		155	
		1,787		935		915	
<b>Current liabilities</b>							
Creditors:							
Amounts falling due within one year		1,449		505		2,349	
		1,449		505		2,349	
<b>Net current assets/(liabilities)</b>			338		430		(1,434)
<b>Total assets less current liabilities</b>							
Creditors:							
Amounts falling due after one year			10,000		–		–
			40,925		22,099		23,203
<b>Capital and reserves</b>							
Called up share capital			4,678		2,168		2,168
Zero dividend preference shares			8,120		5,800		5,800
Share premium account			21,529		5,393		5,393
Capital reserve - unrealised			6,516		8,001		9,139
Capital reserve - realised			(2,739)		(1,587)		(1,983)
Warrant reserve			327		327		327
Zero dividend appropriation reserve			1,822		1,208		1,465
Revenue reserve			544		556		766
Shareholders' funds (including non-equity)			40,797		21,866		23,075
Minority interests			128		233		128
			40,925		22,099		23,203
<b>Allocation of Shareholders' funds</b>							
Net assets attributable to equity shareholders			30,303		15,076		16,015
Net assets attributable to zero dividend preference shareholders			10,494		6,790		7,060
Net asset value per ordinary 25p share (basic)	4		162.0p		173.8p		184.7p
Net asset value per ordinary 25p share (diluted)	4		158.8p		165.6p		175.6p
Net asset value per zero dividend preference share	4		129.2p		117.1p		121.7p

## CONSOLIDATED CASHFLOW STATEMENT TO 31 MARCH 2001 (UNAUDITED)

	Six Months ended 31 March 2001		Six Months ended 31 March 2000		Year ended 30 September 2000	
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>		262		617		890
<b>Returns on investment and servicing of finance</b>						
Interest received	4		–		–	
Interest paid	(322)		(28)		(70)	
	<u>          </u>		<u>          </u>		<u>          </u>	
<b>Net cash outflow from returns on investment and servicing of finance</b>		(318)		(28)		(70)
<b>Taxation</b>						
Taxation paid	(109)		(10)		(31)	
	<u>          </u>		<u>          </u>		<u>          </u>	
<b>Taxation paid</b>		(109)		(10)		(31)
<b>Capital expenditure and financial investment</b>						
Purchase of investments	(50,327)		(1,109)		(3,946)	
Sale of investments	21,943		1,631		2,736	
Purchase of tangible fixed assets	(3)		–		(9)	
	<u>          </u>		<u>          </u>		<u>          </u>	
<b>Net cash outflow from capital expenditure and financial investment</b>		(28,387)		522		(1,219)
<b>Equity dividends paid</b>		(1,144)		(302)		(476)
<b>Management of liquid resources</b>						
Short term deposits	–		1,389		1,400	
Purchase of current asset investments	267		206		(209)	
	<u>          </u>		<u>          </u>		<u>          </u>	
<b>Net cash inflow from management of liquid resources</b>		267		1,595		1,191
<b>Net cash (outflow)/inflow before financing</b>		(29,429)		2,394		285
<b>Financing</b>						
Issue of share capital	20,966		–		–	
Repayment of loan: due within one year	–		(1,000)		(1,000)	
Repayment of loan: due more than one year	–		(900)		(900)	
Loan	10,000		–		–	
	<u>          </u>		<u>          </u>		<u>          </u>	
<b>Net cash inflow/(outflow) from financing</b>		30,966		(1,900)		(1,900)
<b>Increase/(decrease) in cash</b>		<u>1,537</u>		<u>494</u>		<u>(1,615)</u>

**Notes:**

**1. Basis of preparation**

The interim results for the half year ended 31 March 2001 are unaudited and have been prepared in accordance with the accounting policies set out in the company's annual report and accounts for the year ended 30 September 2000. Comparative figures for 30 September 2000 are extracted from the annual report, a copy of which has been delivered to the Registrar of Companies. The auditors' report on the statutory accounts was unqualified.

**2. Dividend**

An interim dividend of 4p per share has been declared, and will be paid on 6 July 2001 to the shareholders on the register on 15 June 2001.

**3. Return per share**

Return per ordinary share is calculated on the basis of retained net revenue after taxation divided by the weighted average number of shares in issue during the period, being 18,188,660 to 31 March 2001 (8,672,596 to 30 September 2000 and 31 March 2000). Return per zero dividend preference share is calculated on the appropriation in respect of the zero dividend preference shares of £356,985 (30 September 2000 £563,000; 31 March 2000: £279,830) divided by 8,765,714 (30 September 2000 and 31 March 2000: 5,800,000) being the number of zero dividend preference shares of £1 each in issue during the period. Diluted return per ordinary share is calculated on 19,171,458 shares (30 September 2000: 8,978,924; 31 March 2000: 9,752,205) after adjusting for warrants and options.

**4. Net asset value**

The net asset value per ordinary share at 31 March 2001 is calculated on the basis of the net assets attributable to equity shareholders divided by the number of ordinary shares in issue at that date. The net asset value per zero dividend preference share at 31 March 2001 is calculated the basis of the net assets attributable to zero dividend preference shareholders less the issue costs, divided by the number of zero dividend preference shares in issue at that date.

**For further information please contact:**

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