



Asset Management Investment Company PLC

Interim Results

31 March 2005

CORPORATE OBJECTIVE

The objective of AMIC is to provide shareholders with long term growth of capital and revenue through investment in the asset management industry. AMIC believes that the sector will benefit from economic and demographic trends in the years ahead to out-perform many other areas of the market.

AMIC is one of the few organisations in the United Kingdom operating as a specialist investor in the asset management industry.

Corporate Information

Directors

Charles Wilkinson, *Non-Executive Chairman*
George Robb, *Managing Director and Chief Investment Officer*
Barry Aling, *Non-Executive Director*
Hugh Tilney, *Non-Executive Director*
John Taylor, *Non-Executive Director*

Messrs Wilkinson, Aling (Chairman) and Tilney are members of the Audit Committee
Messrs Wilkinson (Chairman), Aling and Taylor are members of the Remuneration Committee
Messrs Wilkinson (Chairman), Aling and Robb are members of the Nominations Committee

Secretary and Registered Office

Michael Pritchard
32 Ludgate Hill
London EC4M 7DR

Company Number

2918390 (Incorporated in England and Wales)

Auditors

Solomon Hare LLP
Chartered Accountants
Oakfield House, Oakfield Grove
Bristol BS8 2BN

Bankers

Bank of Scotland Corporate Banking
155 Bishopsgate
London EC2M 3YB

Registrar

Lloyds TSB Registrars Scotland
Finance House, Orchard Brae
Edinburgh EH4 1WQ

Solicitors

Maclay Murray and Spens
5 Old Bailey
London
EC4M 7JX

Burges Salmon LLP
Narrow Quay House, Narrow Quay
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Chairman's Statement

This is my first report to shareholders as Chairman of AMIC following the Extraordinary General Meeting (the 'EGM') on 8 June 2005, prior to which the previous board appointed a new board of directors of your Company. I am pleased to be able to say that the proxy votes received indicated a very substantial majority in favour of the change, which gave the new Board a clear mandate from shareholders to address the important issues before the Company. In the letter sent to shareholders on behalf of the requisitionists it was stated that it was the firm intention of the requisitionists that a new plan for the Company be circulated to shareholders within twelve weeks of the adoption of the proposals before the EGM. The new directors ratify this commitment. The board commenced work on the plan immediately upon the conclusion of the EGM and have made significant progress. The board also conducted an in-depth review of the investment portfolio and the financial position of the Company in conjunction with management, who are to be congratulated on their efforts on behalf of shareholders during a difficult period.

Portfolio Investments

The period under review has featured continuing strong results from several of the companies in the investment portfolio. FX Concepts now manages mandates in excess of \$12 billion with a strong pipe-line of new business being pursued. The investment now represents approximately 50% of the investment portfolio, excluding cash, and is clearly of great significance to your Company. I am pleased that FX Concepts is now represented on the board of AMIC by John Taylor, Chairman and Chief Executive, and Hugh Tilney, Chief Operating Officer in order that a sensible, constructive and continuing dialogue can be maintained with regard to this most important investment. City of London Investment Management has now over \$1.7 billion of funds under management, the highest in the history of the company, which is flowing through to a strong financial performance and a significantly higher dividend to shareholders. IFDC has continued its excellent performance, which has resulted in a strong revenue flow for your Company since the investment was made in 1998.

As reported in the Chairman's Statement in the 2004 Annual Report, AMIC Distribution Partners, MMCM Holdings and Valenzuela Capital Partners all faced challenging operating conditions during 2004, and in the case of ADPI it was stated that your Company would resolve its investment in the early part of 2005. As a result of a detailed strategic review of the company, it was decided that ADPI was not a viable ongoing concern and the decision was taken to commence liquidation procedures in March of this year. Your Company's management have committed extensive time to ensure that this is achieved in as efficient manner as possible. This investment was fully written down as at 30 September 2004 and a small further provision has been made in anticipation of the wind up costs of the company.

A proposal from MMCM earlier in the year which involved committing further working capital funding was declined as it was considered that an acceptable return for our shareholders could not be achieved. As a result MMCM continues to trade, but full provision has been made against this investment in your Company's balance sheet. Since the summer of 2004 your Company's management has also been working closely with Valenzuela Capital Partners to resolve the operating difficulties that the company faces. This process is on-going and it is hoped that a satisfactory solution can be implemented in due course.

In March 2005 your Company completed negotiations with Hillview Capital Partners which had been ongoing since the summer of 2004 to construct a more appropriate capital structure for a company which the management of AMIC believes has good growth potential. Your Company now holds 33.3% of the equity, having converted previous debt instruments.

Financial Performance

Consolidated profit after tax for the period was £297,000 compared with £356,000 at the previous half year. The profit figure as at 31 March 2004 included results of the former trading subsidiaries of the Company which were sold during 2004. The figure as at 31 March 2005 also includes exceptional expenses relating to the departure of Mr George Robb in December 2004. Your directors propose to pay an interim dividend of 1.00p net per share (2004: 1.00p) on 22 August to shareholders on the register at 22 July 2005.

The consolidated return for the period was a reduction in equity shareholders funds of £2.33 million compared with an increase of £0.93 million at the previous half year, and an increase of £4.90 million for the year to 30 September 2004. As a result, consolidated equity shareholders funds were £17.26 million at the period end, compared with £15.65 million at the previous half year and £19.59 million at 30 September 2004.

Chairman's Statement *continued*

I and my fellow directors are confident that the actions which have been taken, and are being taken, are in the best interests of shareholders, and we look forward to presenting to shareholders the plan for the future of the Company.

Charles Wilkinson *Chairman*

29 June 2005

Consolidated Statement of Total Return (Unaudited) *incorporating the revenue account**

	Notes	Six months ended 31 March 2005		Total £'000
		Revenue £'000	Capital £'000	
(Losses)/gains on investments		–	(1,234)	(1,234)
Income		638	–	638
Administration expenses		(166)	(414)	(580)
Exceptional administration expenses	2	(60)	(180)	(240)
Return/(loss) before finance costs and taxation		412	(1,828)	(1,416)
(Loss)/Profit on disposal of subsidiaries		–	–	–
Interest payable		(49)	(146)	(195)
Interest receivable		74	–	74
Return/(loss) on ordinary activities before taxation		437	(1,974)	(1,537)
Taxation on ordinary activities		(140)	140	–
Return/(loss) on ordinary activities after taxation		297	(1,834)	(1,537)
Minority interests		–	–	–
Appropriation in respect of zero dividend preference shares		–	(575)	(575)
Return/(loss) attributable to equity shareholders		297	(2,409)	(2,112)
Dividend in respect of equity shares	3	(216)	–	(216)
Reserves transfer		81	(2,409)	(2,328)
Return per ordinary share (basic)	4	1.40p	(11.35)p	(9.95)p
Return per ordinary share (diluted)	4	1.40p	(11.35)p	(9.95)p
Return per zero dividend preference share	4	–	7.09p	7.09p

* The revenue column for this statement is the profit and loss account of the Group

Notes

1. Basis of preparation

The interim results for the six months ended 31 March 2005 are unaudited and have been prepared in accordance with the accounting policies set out in the Company's Annual Report for the year ended 30 September 2004. Comparative figures 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. Exceptional administration expenses

As previously disclosed in the Annual Report for the period to 30 September 2004, Mr George Robb was paid £240,000 split between a contribution to his personal pension and a payment made directly to him in accordance with a severance agreement dated 31 December 2004.

3. Dividends

An interim dividend of 1p per share has been declared, and will be paid on 22 August 2005 to the shareholders on the register on 22 July 2005.

Revenue £'000	Restated Six months ended 31 March 2004		Revenue £'000	Audited Year ended 30 September 2004	
	Capital £'000	Total £'000		Capital £'000	Total £'000
–	2,154	2,154	–	4,772	4,772
2,129	–	2,129	3,966	–	3,966
(1,324)	(774)	(2,098)	(2,027)	(1,608)	(3,635)
–	–	–	(124)	(374)	(498)
805	1,380	2,185	1,815	2,790	4,605
–	(189)	(189)	–	2,757	2,757
(38)	(115)	(153)	(84)	(253)	(337)
7	–	7	47	–	47
774	1,076	1,850	1,778	5,294	7,072
(375)	245	(130)	(542)	323	(219)
399	1,321	1,720	1,236	5,617	6,853
(43)	–	(43)	(33)	–	(33)
–	(530)	(530)	–	(1,069)	(1,069)
356	791	1,147	1,203	4,548	5,751
(216)	–	(216)	(863)	–	(863)
140	791	931	340	4,548	4,888
1.66p	3.69p	5.35p	5.63p	21.30p	26.93p
1.66p	3.69p	5.35p	5.63p	21.30p	26.93p
–	6.53p	6.53p	–	13.17p	13.17p

Notes

4. Returns per share

Basic returns per ordinary share are calculated on the basis of retained net revenue after taxation divided by the weighted average number of shares in issue during the period, being 21,585,426 to 31 March 2005, September 2004 and 31 March 2004, less an adjustment for shares held in Company share schemes for the benefit of employees, being 342,543 to 31 March 2005, (30 September 2004: 237,717, 31 March 2004: 156,780). No adjustment has occurred in respect of options in issue when calculating the diluted return per ordinary share. Return per zero dividend preference share is calculated on the appropriation in respect of the zero dividend preference shares of £575,000 (30 September 2004: £1,069,000, 31 March 2004: £530,000) divided by 8,120,000 being the number of zero dividend preference shares of £1 each in issue during the period and at 30 September 2004 and 31 March 2004.

5. Net asset value

The net asset value per ordinary share at 31 March 2005 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, adjusted for shares held in Company shares schemes for the benefit of employees as noted above. The net asset value per zero dividend preference share at 31 March 2005 is calculated on 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.

6. Restated results for the period to 31 March 2004

In accordance with UITF 38, and to ensure consistency with the results to 31 March 2005 and 30 September 2004, the results for the period to 31 March 2004 have been restated. This has the effect of reducing Net Assets by £62,000 and increasing Capital Return for the period by £10,000.

Consolidated Balance Sheet (Unaudited)

	Notes	31 March 2005		Restated 31 March 2004		Audited 30 September 2004	
		£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets			–		1,393		–
Tangible fixed assets			8		64		9
Fixed asset investments							
Listed investments		3,348		3,340		3,722	
Unlisted investments		34,597		30,625		35,679	
			37,945		33,965		39,401
			37,953		35,422		39,410
Current assets							
Investments		–		132		–	
Debtors		231		1,062		758	
Cash and short term deposits		4,863		4,380		5,593	
		5,094		5,574		6,351	
Current liabilities							
Creditors:							
Amounts falling due within one year		(440)		(744)		(933)	
Net current assets			4,654		4,830		5,418
Total assets less current liabilities			42,607		40,252		44,828
Creditors:							
Amounts falling due after one year		(10,949)		(11,247)		(11,417)	
			31,658		29,005		33,411
Capital and reserves							
Called up share capital			5,396		5,396		5,396
Zero dividend preference shares			8,120		8,120		8,120
Share premium account			23,588		23,588		23,588
Capital reserve - realised			(9,095)		(9,260)		(7,999)
Capital reserve - unrealised			(2,437)		(3,803)		(1,238)
Revenue reserve			572		358		571
Own share reserve			(169)		(89)		(169)
Zero dividend appropriation reserve			5,683		4,620		5,142
Shareholders' funds			31,658		28,930		33,411
Minority interests			–		75		–
			31,658		29,005		33,411
Allocation of shareholders' funds							
Net assets attributable to equity shareholders			17,259		15,645		19,587
Net assets attributable to zero dividend preference shareholders			14,399		13,285		13,824
Net asset value per ordinary 25p share (basic)	5		81.24p		73.00p		92.19p
Net asset value per ordinary 25p share (diluted)	5		81.24p		73.00p		92.19p
Net asset value per zero dividend preference share	5		177.33p		163.61p		170.25p

Consolidated Cash Flow Statement (Unaudited)

	Six months ended 31 March 2005		Restated Six months ended 31 March 2004		Audited Year ended 30 September 2004
	£'000	£'000	£'000	£'000	£'000
Net cashflow from operating activities		(246)		993	931
Returns on investment and servicing of finance					
Interest paid	(196)		(153)		(337)
Interest received	75		7		47
Dividends paid to minority interests	–		(18)		–
Net cashflow from returns on investment and servicing of finance		(121)		(164)	(290)
Taxation paid		–		(156)	(228)
Capital expenditure and financial investment					
Purchase of investments	(320)		(1,509)		(2,136)
Sale of investments	181		2,136		2,386
Purchase of tangible fixed assets	–		–		(22)
Net cashflow from capital expenditure and financial investment		(139)		627	228
Acquisitions and disposals					
Disposal of subsidiary	530		2,611		4,819
Cash sold with subsidiary	–		25		(339)
Net cashflow from acquisitions and disposals		530		2,636	4,480
Equity dividends paid		(648)		(648)	(863)
Management of liquid resources					
Short term deposits	348		(1,699)		(3,726)
Purchase of current asset investments	–		(458)		(815)
Sale of current asset investments	–		301		848
Net cashflow from management of liquid resources		348		(1,856)	(3,693)
Net cashflow before financing		(276)		1,432	565
Financing					
Purchase of own shares into trust	–		–		(80)
Net cashflow from financing		–		–	(80)
Change in cash		(276)		1,432	485

Investment Portfolio

At 31 March 2005

Company Name	Cost of investment £'000	Valuation £'000
Listed holdings		
Integrated Asset Management		
Ordinary shares	1,503	1,302
5% Convertible Note 2008	2,000	2,000
Stockcube Ordinary Shares	150	46
	3,653	3,348
Unlisted holdings		
AMIC Distribution Partners		
Common Shares	377	(159)
Non Convertible Promissory Note 2011	656	–
Convertible Promissory Note 2011	711	–
10% Loan	2,432	–
City of London Investment Group		
Ordinary Shares	2,742	3,100
	–	372
Clark Capital Management 11% Convertible Subordinated Debentures 2002	246	198
Columbus Financial Services		
Ordinary Shares	411	–
12% Loan	118	–
Financial Management Advisors		
Common Shares	4,660	1,413
10% Convertible Loan Note 2012	1,553	1,192
Hillview		
Common Shares	4,957	841
IFDC Ordinary Shares	2,166	3,441
International Foreign Exchange Concepts		
Common Stock	781	3,837
10% Convertible Loan Note 2011	3,567	14,393
Jovian Asset Management 6% Promissory Note 2006	2,432	2,348
MMCM Holdings		
Common Stock	2,412	–
Class 'B' Shares	358	–
10% Convertible Promissory Note	644	–
10% Loan	531	–
Midhurst Asset Management		
Ordinary Shares	636	–
'A' Ordinary Shares	55	–
'A' Preference Shares	469	–
New Star Asset Management Ordinary Shares	708	653
Norman Riddell and Associates Limited Ordinary Shares	603	282
Principal Investment Holdings		
Ordinary Shares	322	626
Convertible Deferred Ordinary Shares	93	182
6% Cumulative convertible Redeemable Preference shares 2008	1,300	534
The Mayberry Group Common Stock	702	24
Valenzuela Capital Partners		
Ordinary Shares	186	–
10% Convertible Loan Note 2011	3,459	1,320
	40,287	34,597
Total	43,940	37,945

Listed investments have been valued at closing middle market prices less a liquidity discount at the relevant balance sheet date. Unlisted investments have been valued at cost, or at Directors' valuation where subsequent financings or other circumstances indicate that a different valuation is appropriate.

Copies of this document are being sent to all shareholders and may also be obtained from the Registered Office of the Company, 32 Ludgate Hill, London EC4M 7DR.

Michael Pritchard *Company Secretary*

July 2005



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