



**Asset Management Investment Company PLC**

Interim Report  
for the six months ended  
31 March 2008

## **CORPORATE OBJECTIVE**

**AMIC operates as a specialist investor in the asset management industry.**

**Pursuant to the special resolution passed on 20 October 2006 AMIC adopted a new investment objective to effect an orderly realisation of its investment portfolio in order to return capital to shareholders**

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## Corporate Information

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|--|---|
| <b>Directors</b>                         | <p>Charles Wilkinson <i>Non-Executive Chairman</i><br/>George Robb <i>Managing Director and Chief Investment Officer</i><br/>Geoff Miller <i>Senior Non-Executive Director</i><br/>Barry Aling <i>Non-Executive Director</i><br/>Hugh Tilney <i>Non-Executive Director</i></p> <p>Messrs Wilkinson, Aling (Chairman), Miller and Tilney are members of the Audit Committee<br/>Messrs Wilkinson (Chairman), Miller, Aling and Tilney are members of the Remuneration Committee<br/>Messrs Wilkinson (Chairman), Miller, Aling, Tilney and Robb are members of the Nominations Committee</p> |
| <b>Secretary &amp; Registered Office</b> | <p>Bharat Bhagani<br/>32 Ludgate Hill<br/>London EC4M 7DR</p>   |
| <b>Company Number</b>                    | <p>2918390 (Incorporated in England and Wales)</p>  |
| <b>Auditors</b>                          | <p>Smith &amp; Williamson<br/>Portwall Place<br/>Portwall Lane<br/>Bristol BS1 6NA</p>  |
| <b>Bankers</b>                           | <p>Bank of Scotland Corporate Banking<br/>155 Bishopsgate<br/>London EC2M 3YB</p>   |
| <b>Registrars</b>                        | <p>Equiniti Limited<br/>Aspect House<br/>Spencer Road<br/>Lancing<br/>West Sussex BN99 6DA</p>  |
| <b>Solicitors</b>                        | <p>Maclay Murray and Spens<br/>One London Wall<br/>London<br/>EC2Y 5AB</p>  |
| <b>Stockbrokers</b>                      | <p>Numis Securities Limited<br/>10 Paternoster Square<br/>London EC4M 7LT</p>   |

## Chairman's Statement

### Background

The first half of your Company's financial year covered a period of considerable turmoil in world financial markets as a consequence of the sub-prime loan crisis in the United States and the resulting liquidity crisis. The implications for the banking sector and the wider financial markets are still being worked out and there have been increasing fears of recession and growing inflation.

I am pleased to report that against this uncertain background your Company's principal investments have performed well. Our income stream has been maintained and the net asset value per share of 146.45p at 31 March 2008 compares with 133.76p as at 30 September 2007.

### Investment portfolio

Your company holds two listed investments, **City of London Investment Group plc** and **Integrated Asset Management plc**. City of London has seen some volatility in the level of funds under management as a consequence of markets, but the current level of \$4.7 billion compares well with the highest level the company has achieved of just under \$5 billion. The company is seeing an encouraging flow of new mandates, and has recently opened an office in Dubai to exploit the opportunities it sees in the Middle East. In accordance with the strategy adopted by your Company in October 2006 the holding was recently further reduced with the sale of 281,275 shares for a consideration of £0.94 million. Integrated Asset Management, following completion in March of the acquisition of the Altigefi hedge fund group in Paris, currently has funds under management of \$2.8 billion, the highest level in the history of the company, and substantial cash resources with which to continue to pursue its strategy of growth by acquisition. Despite this the company's share price performance has been disappointing, reflecting the particular effect of market conditions on the hedge fund sector.

**IFDC Group S.A.**, a manager of funds invested in the Japanese stock market, continues to be the largest investment in the portfolio and is also a major contributor to our revenue. Assets under management have held up well despite the weakness in the Japanese market. **FX Concepts**, whose business has been less affected by markets, have had another excellent year, with close to \$15.0 billion under management and revenues which are again well ahead of the level which ensures that AMIC will receive the maximum revenue of \$1,425,000 from its note. **Lombardia Capital Partners**, who are managers of large cap, mid cap and small cap equity portfolios invested in the United States stock markets, now have funds under management of close to \$1.8 billion, the highest level since the restructuring of the business in 2005. This has resulted from excellent investment management performance in each investment area.

There have been two exits from investments negotiated during the half year. As reported in my statement with the Annual Report for 2007, **Hillview Capital Advisors**, a private wealth management company located in New York City, was sold to the management of Hillview in December 2007. The total consideration was \$1.3 million, comprising a first payment of \$500,000 received in December 2007, a payment of \$540,000 due in December 2008 and three annual payments commencing in 2009 each of 2.5% of the gross revenues of Hillview less commissions on sales.

In February the Company announced the disposal of its investment in **Principal Investment Holdings Limited** for a total consideration satisfied partly at completion and partly by a deferred payment linked to the performance of the FTSE 100 Index. £2,455,340 in cash (representing 80% of the value of the investment) was received on completion of the sale in March, and the balance of the consideration, calculated by reference to the performance of the FTSE 100 Index in 2008, will be received on the first anniversary of completion. There will also be a possible adjustment in favour of the selling shareholders depending on the performance of the FTSE 100 in 2009. The holding in Principal was acquired in exchange for the Company's investment in Turnstone Holdings Limited, which merged with Principal in 2003. Had the total consideration been payable in full at completion, it would be £348,770 greater than the carrying value of the investment and represent a profit of £1,229,581 on the original investment in Turnstone.

The Board have been endeavouring to achieve a satisfactory conclusion in connection with the investment in **Financial Management Advisors**, a fixed income manager located in Los Angeles. As previously reported a full provision was made against the value of the investment following FMA receiving an unfavourable judgement in a significant litigation in December 2006. Discussions are well advanced towards a resolution, which the Board is hoping will be finalised in the near future.

**Corporate developments**

Your Board took the decision to apply the proceeds from the disposal of Principal and the shares in City of London to the reduction of the balance of the revolving credit facility provided by Investec Bank (UK) Limited. This has resulted in the balance being eliminated, and borrowings from Investec will be further reduced on the receipt of the third tranche of \$4 million from FX Concepts payable on 2 July 2008. Your Company currently has cash in hand of £0.6 million which after working capital requirements will continue to be used to buy back ordinary shares for cancellation. Between 1 October 2007 and 31 March 2008 1,114,300 ordinary shares have been bought back and cancelled at a cost of £1.3 million, equal to 5.4% of the ordinary share capital in issue at the start of the financial year. Since 31 March 2008 a further 264,793 ordinary shares have been bought back and cancelled at a cost of £0.3 million.

**Financial results**

Consolidated profit after tax for the period was £549,000 compared with £647,000 at the previous half year. The investment income was £0.9 million compared with £1.1 million at the previous half year. A substantial part of the revenue received by the Company is received in the second half, and the Directors expect that in the absence of unforeseen circumstances the total revenue for the year to 30 September 2008 will not be less than £2.1 million and the distributable revenue will not be less than £1.3 million.

The Company will pay an interim dividend of 2.0p net per share (2007: 1.5p) on 15 August 2008 to shareholders on the register at 25 July 2008.

**Gearing**

At the end of the interim period the gearing (being the proportion of interest bearing debt to total assets) stood at 19% (31 March 2007 19%). In April 2008 the balance of the revolving credit facility with Investec Bank (UK) Limited of £2.75 million was repaid in full bringing the gearing down to 12%.

**Risk Management**

The major risks associated with the group's business are market risk, liquidity risk and credit risk. The Group has established a comprehensive framework for managing these risks, which evolves as the Group's business activities change in response to market, credit and other developments. The Group's policies for managing each of these risks and its exposure thereto are detailed in note 26 of the financial statements for the year ended 30 September 2007.

**Outlook**

There remain considerable uncertainties in the financial markets which may take a significant time to resolve. However, your Board are confident that the principal investments in the portfolio will produce a satisfactory performance in these difficult times and are well positioned to take advantage of recovery in markets in due course.

**Charles Wilkinson** *Chairman*

22 May 2008

## Condensed Consolidated Income Statement (Unaudited)

|  | Notes | Six months ended 31 March 2008 |                  | Total<br>£'000 |
|--|-------|--------------------------------|------------------|----------------|
|  |       | Revenue<br>£'000               | Capital<br>£'000 |                |
| Gains on assets at fair value                        |       | –                              | 3,145            | 3,145          |
| Investment income                                    |       | 934                            | –                | 934            |
| Administration expenses                              |       | (145)                          | (436)            | (581)          |
| <b>Profit before finance costs and taxation</b>      |       | <b>789</b>                     | <b>2,709</b>     | <b>3,498</b>   |
| Interest payable                                     |       | (60)                           | (179)            | (239)          |
| Movement on loan redemption derivative               |       | (18)                           | (53)             | (71)           |
| Interest receivable                                  |       | 23                             | –                | 23             |
| <b>Profit on ordinary activities before taxation</b> |       | <b>734</b>                     | <b>2,477</b>     | <b>3,211</b>   |
| Taxation   |       | (185)                          | –                | (185)          |
| <b>Profit for the period</b>                         |       | <b>549</b>                     | <b>2,477</b>     | <b>3,026</b>   |
| <b>Earnings per share</b>                            |       |                                |                  |                |
| Return per ordinary share (basic)                    | 2     | 2.71p                          | 12.23p           | 14.94p         |
| Return per ordinary share (diluted)                  | 2     | 2.71p                          | 12.23p           | 14.94p         |

The total column of this statement represents the Group's Income Statement, prepared in accordance with IFRS. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies. All items from the above derive from continuing operations.

| Revenue<br>£'000 | Six months ended 31 March 2007 |                |  | Revenue<br>£'000 | Year ended 30 September 2007 |                |
|------------------|--------------------------------|----------------|--|------------------|------------------------------|----------------|
|                  | Capital<br>£'000               | Total<br>£'000 |  |                  | Capital<br>£'000             | Total<br>£'000 |
| –                | 3,452                          | 3,452          |  | –                | 2,578                        | 2,578          |
| 1,112            | –                              | 1,112          |  | 2,424            | –                            | 2,424          |
| (131)            | (394)                          | (525)          |  | (214)            | (645)                        | (859)          |
| 981              | 3,058                          | 4,039          |  | 2,210            | 1,933                        | 4,143          |
| (90)             | (270)                          | (360)          |  | (154)            | (460)                        | (614)          |
| (51)             | (154)                          | (205)          |  | (63)             | (188)                        | (251)          |
| 48               | –                              | 48             |  | 87               | –                            | 87             |
| 888              | 2,634                          | 3,522          |  | 2,080            | 1,285                        | 3,365          |
| (241)            | 241                            | –              |  | (424)            | 291                          | (133)          |
| 647              | 2,875                          | 3,522          |  | 1,656            | 1,576                        | 3,232          |
| 3.04p            | 13.50p                         | 16.54p         |  | 7.83p            | 7.46p                        | 15.29p         |
| 3.04p            | 13.50p                         | 16.54p         |  | 7.83p            | 7.46p                        | 15.29p         |

## Condensed Consolidated Balance Sheet (Unaudited)

|  | Notes | 31 March 2008 |                | 31 March 2007 |         | 30 September 2007 |         |
|--|-------|---------------|----------------|---------------|---------|-------------------|---------|
|  |       | £'000         | £'000          | £'000         | £'000   | £'000             | £'000   |
| <b>Non-current assets</b>                    |       |               |                |               |         |                   |         |
| Property, plant and equipment                |       |               | 2              |               | 7       |                   | 3       |
| <b>Investments</b>                           |       |               |                |               |         |                   |         |
| Fair value through profit or loss            |       |               |                |               |         |                   |         |
| – Listed investments                         |       | 7,340         |                | 7,550         |         | 6,964             |         |
| – Unlisted investments                       |       | 21,450        |                | 22,705        |         | 21,529            |         |
|  |       |               | <b>28,790</b>  |               | 30,255  |                   | 28,493  |
|  |       |               | <b>28,792</b>  |               | 30,262  |                   | 28,496  |
| <b>Current assets</b>                        |       |               |                |               |         |                   |         |
| Receivables                                  |       | 3,883         |                | 3,778         |         | 3,669             |         |
| Cash and cash equivalents                    |       | 3,201         |                | 2,408         |         | 1,424             |         |
|  |       |               | <b>7,084</b>   |               | 6,186   |                   | 5,093   |
| Total assets                                 |       |               | <b>35,876</b>  |               | 36,448  |                   | 33,589  |
| <b>Current liabilities</b>                   |       |               |                |               |         |                   |         |
| Payables                                     |       | (375)         |                | (108)         |         | (196)             |         |
| Bank loans                                   |       | (2,012)       |                | –             |         | (1,963)           |         |
|  |       |               | <b>(2,387)</b> |               | (108)   |                   | (2,159) |
| <b>Total assets less current liabilities</b> |       |               | <b>33,489</b>  |               | 36,340  |                   | 31,430  |
| <b>Non-current liabilities</b>               |       |               |                |               |         |                   |         |
| Bank loans                                   |       |               | <b>(4,627)</b> |               | (6,828) |                   | (3,567) |
| Loan Redemption Derivative                   |       |               | <b>(321)</b>   |               | (205)   |                   | (251)   |
| Net assets                                   |       |               | <b>28,541</b>  |               | 29,307  |                   | 27,612  |
| <b>Equity</b>                                |       |               |                |               |         |                   |         |
| Ordinary share capital                       |       |               | <b>4,908</b>   |               | 5,328   |                   | 5,186   |
| Special Reserve                              |       |               | <b>5,174</b>   |               | 7,356   |                   | 6,438   |
| Capital Redemption Reserve                   |       |               | <b>8,608</b>   |               | 8,188   |                   | 8,330   |
| Other capital reserves                       |       |               | <b>7,936</b>   |               | 6,807   |                   | 5,766   |
| Retained earnings                            |       |               | <b>1,986</b>   |               | 1,696   |                   | 1,960   |
| Own share reserve                            |       |               | <b>(71)</b>    |               | (68)    |                   | (68)    |
| <b>Total equity</b>                          |       |               | <b>28,541</b>  |               | 29,307  |                   | 27,612  |
| <b>Allocation of shareholders' funds</b>     |       |               |                |               |         |                   |         |
| Net asset value per ordinary                 |       |               |                |               |         |                   |         |
| 25p share (basic)                            | 3     |               | <b>146.45p</b> |               | 137.54p |                   | 133.76p |
| Net asset value per ordinary                 |       |               |                |               |         |                   |         |
| 25p share (diluted)                          | 3     |               | <b>146.45p</b> |               | 137.54p |                   | 133.76p |

## Condensed Consolidated Statement of Changes in Equity (Unaudited)

|   | Ordinary<br>Share<br>Capital<br>£'000 | Special<br>Reserve<br>£'000 | Capital<br>Redemption<br>Reserve<br>£'000 | Own<br>Share<br>Reserve<br>£'000 | Other<br>Capital<br>Reserve<br>£'000 | Retained<br>Earnings<br>£'000 | Total<br>£'000 |
|---|---------------------------------------|-----------------------------|---|----------------------------------|--------------------------------------|-------------------------------|----------------|
| <b>For six months ended 31 March 2008</b> |                                       |                             |   |                                  |                                      |                               |                |
| Net assets at 30 September 2007           | 5,186                                 | 6,438                       | 8,330                                     | (68)                             | 5,766                                | 1,960                         | 27,612         |
| Profit for the period                     | –                                     | –                           | –   | –                                | 2,477                                | 549                           | 3,026          |
| Dissolution of subsidiary                 | –                                     | –                           | –   | –                                | (307)                                | 307                           | –              |
| Cancellation of ordinary shares           | (278)                                 | (1,264)                     | 278                                       | –                                | –                                    | –                             | (1,264)        |
| Ordinary dividend paid                    | –                                     | –                           | –   | –                                | –                                    | (830)                         | (830)          |
| Movement in own shares                    | –                                     | –                           | –   | (3)                              | –                                    | –                             | (3)            |
| Net assets at 31 March 2008               | 4,908                                 | 5,174                       | 8,608                                     | (71)                             | 7,936                                | 1,986                         | 28,541         |

|   | Ordinary<br>Share<br>Capital<br>£'000 | Special<br>Reserve<br>£'000 | Capital<br>Redemption<br>Reserve<br>£'000 | Own<br>Share<br>Reserve<br>£'000 | Other<br>Capital<br>Reserve<br>£'000 | Retained<br>Earnings<br>£'000 | Total<br>£'000 |
|---|---------------------------------------|-----------------------------|---|----------------------------------|--------------------------------------|-------------------------------|----------------|
| <b>For six months ended 31 March 2007</b> |                                       |                             |   |                                  |                                      |                               |                |
| Net assets at 30 September 2006           | 5,396                                 | 9,380                       | 7,107                                     | (171)                            | 3,179                                | 2,227                         | 27,118         |
| Profit for the period                     | –                                     | –                           | –   | –                                | 2,875                                | 647                           | 3,522          |
| Cancellation of ZDP shares                | –                                     | (2,024)                     | 1,013                                     | –                                | 1,011                                | –                             | –              |
| Cancellation of ordinary shares           | (68)                                  | –                           | 68  | –                                | (258)                                | –                             | (258)          |
| Ordinary dividend paid                    | –                                     | –                           | –   | –                                | –                                    | (1,178)                       | (1,178)        |
| Movement in own shares                    | –                                     | –                           | –   | 103                              | –                                    | –                             | 103            |
| Net assets at 31 March 2007               | 5,328                                 | 7,356                       | 8,188                                     | (68)                             | 6,807                                | 1,696                         | 29,307         |

|   | Ordinary<br>Share<br>Capital<br>£'000 | Special<br>Reserve<br>£'000 | Capital<br>Redemption<br>Reserve<br>£'000 | Own<br>Share<br>Reserve<br>£'000 | Other<br>Capital<br>Reserve<br>£'000 | Retained<br>Earnings<br>£'000 | Total<br>£'000 |
|---|---------------------------------------|-----------------------------|---|----------------------------------|--------------------------------------|-------------------------------|----------------|
| <b>For the year ended 30 September 2007</b> |                                       |                             |   |                                  |                                      |                               |                |
| Net assets at 30 September 2006             | 5,396                                 | 9,380                       | 7,107                                     | (171)                            | 3,179                                | 2,227                         | 27,118         |
| Profit for the year                         | –                                     | –                           | –   | –                                | 1,576                                | 1,656                         | 3,232          |
| Cancellation of ordinary shares             | (210)                                 | (918)                       | 210                                       | –                                | –                                    | –                             | (918)          |
| Cancellation of ZDP shares                  | –                                     | (2,024)                     | 1,013                                     | –                                | 1,011                                | –                             | –              |
| Ordinary dividend paid                      | –                                     | –                           | –   | –                                | –                                    | (1,923)                       | (1,923)        |
| Movement in own shares                      | –                                     | –                           | –   | 103                              | –                                    | –                             | 103            |
| Net assets at 30 September 2007             | 5,186                                 | 6,438                       | 8,330                                     | (68)                             | 5,766                                | 1,960                         | 27,612         |

## Condensed Consolidated Cash Flow Statement (Unaudited)

|   | Six months ended<br>31 March 2008 |                | Six months ended<br>31 March 2007 |         | Year ended<br>30 September 2007 |         |
|---|-----------------------------------|----------------|-----------------------------------|---------|---------------------------------|---------|
|   | £'000                             | £'000          | £'000                             | £'000   | £'000                           | £'000   |
| <b>Net income from operations</b>   |                                   |                |                                   |         |                                 |         |
| <b>before tax</b>   | <b>3,211</b>                      |                | 3,522                             |         | 3,365                           |         |
| Depreciation  | 1                                 |                | 3                                 |         | 7                               |         |
| (Increase)/decrease in receivables  | (214)                             |                | 4,032                             |         | 4,140                           |         |
| Increase/(decrease) in payables   | 103                               |                | (527)                             |         | (572)                           |         |
| (Gains)/losses on investments held<br>at fair value through profit and loss | (3,145)                           |                | (3,452)                           |         | (2,578)                         |         |
| (Gains)/losses on derivative  | 70                                |                | 205                               |         | 251                             |         |
| Receipt from EBT scheme   | 41                                |                | 103                               |         | 103                             |         |
| Payment to EBT scheme   | (50)                              |                | –                                 |         | –                               |         |
| Receipt from closure of<br>employee Aesop scheme                            | 6                                 |                | –                                 |         | –                               |         |
| <b>Cash generated by operations</b>   |                                   | <b>23</b>      |                                   | 3,886   |                                 | 4,716   |
| Taxes paid  |                                   | –              |                                   | –       |                                 | –       |
| <b>Net cashflow from operating activities</b>                               |                                   | <b>23</b>      |                                   | 3,886   |                                 | 4,716   |
| <b>Investing activities</b>   |                                   |                |                                   |         |                                 |         |
| Purchase of investments   | –                                 |                | (1)                               |         | (2)                             |         |
| Sale of investments   | 2,715                             |                | 2,122                             |         | 2,656                           |         |
| <b>Net cash inflow from<br/>investment activities</b>                       |                                   | <b>2,715</b>   |                                   | 2,121   |                                 | 2,654   |
| <b>Net cash inflow from operating<br/>and investing activities</b>          |                                   | <b>2,738</b>   |                                   | 6,007   |                                 | 7,370   |
| <b>Financing activities</b>   |                                   |                |                                   |         |                                 |         |
| Repurchase of ZDP shares  | –                                 |                | (2,024)                           |         | (2,024)                         |         |
| Repurchase of ordinary shares   | (1,264)                           |                | (260)                             |         | (918)                           |         |
| Repayment of loan   | –                                 |                | (3,373)                           |         | (4,671)                         |         |
| Drawdown of loan  | 1,000                             |                | –                                 |         | –                               |         |
| Equity dividend paid  | (830)                             |                | (1,178)                           |         | (1,923)                         |         |
| <b>Net cash outflow from financing</b>                                      |                                   | <b>(1,094)</b> |                                   | (6,835) |                                 | (9,536) |
| Increase/(decrease) in cash   |                                   | <b>1,644</b>   |                                   | (828)   |                                 | (2,166) |
| Effect of foreign exchange rate changes                                     |                                   | <b>133</b>     |                                   | 113     |                                 | 467     |
| <b>Changes in cash and cash equivalents</b>                                 |                                   | <b>1,777</b>   |                                   | (715)   |                                 | (1,699) |
| <b>Cash and cash equivalents at<br/>beginning of period</b>                 |                                   | <b>1,424</b>   |                                   | 3,123   |                                 | 3,123   |
| <b>Cash and cash equivalents at<br/>end of period</b>                       |                                   | <b>3,201</b>   |                                   | 2,408   |                                 | 1,424   |

## Notes to the Financial Statements

### 1. Accounting policies

The interim condensed set of financial statements has been prepared using the same accounting policies as are set in the Group's financial statements for the year ended 30 September 2007 and in accordance with IAS 34 "Interim Financial Reporting".

### 2. Earnings per share

The earnings per ordinary share are based on the profit (loss) after taxation of £549,000 (2006 - £647,000) and on 20,266,610 (2007 – 21,307,632) being the weighted number of ordinary shares in issue during the period, following adjustments for shares held in the Company Employee Benefit Trust.

|                                     | (Unaudited)                   |                  |                | (Unaudited)                   |                  |                | (Audited)                    |                  |                |
|-------------------------------------|-------------------------------|------------------|----------------|-------------------------------|------------------|----------------|------------------------------|------------------|----------------|
|                                     | Half year ended 31 March 2008 |                  |                | Half year ended 31 March 2007 |                  |                | Year ended 30 September 2007 |                  |                |
|                                     | Revenue<br>£'000              | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000              | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000             | Capital<br>£'000 | Total<br>£'000 |
| <b>Profit/(loss) for the period</b> | <b>549</b>                    | <b>2,477</b>     | <b>3,026</b>   | 647                           | 2,875            | 3,522          | 1,656                        | 1,576            | 3,232          |
| <b>Earnings per share</b>           |                               |                  |                |                               |                  |                |                              |                  |                |
| Return per ordinary share (basic)   | <b>2.71p</b>                  | <b>12.23p</b>    | <b>14.94p</b>  | 3.04p                         | 13.50p           | 16.54p         | 7.83p                        | 7.46p            | 15.29p         |

### 3. Net asset value

The net asset value per ordinary share for the Group at 31 March 2008 is based on a net asset value of £28,541,000 (2007 – £29,307,000) and on 19,488,626 (31 March 2007 – 21,307,632) ordinary shares in issue at year-end as noted above.

The Net Asset Value per ordinary share of 146.45p is cum-income. The daily published Net Asset Value per ordinary share on the Regulatory News Service of the Stock Exchange on 1 April 2008 of 143.30p was ex-income as per Association of Investment Companies (AIC) guidelines.

### 4. Related party transactions

There have been no related party transactions or changes in related party transactions described in the latest annual report that could have a material effect on the financial position or performance of the Group in the first six months of the financial year.

### 5. Dividends

The proposed interim dividend for the half-year ended 31 March 2008 of 2.0p (2007 1.5p) has not been included as a liability as at 31 March 2008.

### 6. Dissolution of subsidiary

Application is in progress to dissolve AMIC Canada Limited (dormant), the only remaining subsidiary which has no assets or liabilities. This has been recognised in the interim financial statements.

### 7. Basis of preparation

The financial information contained in this interim report does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The condensed set of financial statements has not been either audited or reviewed by the Group's auditors.

The information for the year ended 30 September 2007 has been extracted from the latest published audited accounts. The audited accounts for the year ended 30 September 2007 have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under either section 237(2) or (3) of the Companies Act 1985.

## Notes to the Financial Statements *continued*

### 8. Responsibility Statement

We confirm to the best of our knowledge:

- (a) the condensed set of financial statements for the six months to 31 March 2008 has been prepared in accordance with IAS 34;
- (b) the interim management report includes a fair review of the information required by DTR 4.27R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during first six months and description of principal risks and uncertainties for the remaining six months of the year; and
- (c) the interim management report includes a fair view of the information required by DTR 4.2.8R being disclosure of related party transactions and changes therein.

#### **By order of the Board**

Bharat Bhagani  
*Company Secretary*

22 May 2008









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