



Asset Management Investment Company PLC

Interim Report
for the six months ended
31 March 2009

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

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

Chairman's Statement

Background

The first half of your Company's financial year witnessed a continuation of the turmoil in financial markets and depressed stock markets worldwide.

Against this background your Company's principal investments have experienced difficult operating conditions, which have been reflected in their valuations, the net asset value per share of 72.46p (or 99.46p adjusted for the capital distribution of 27p per share in February 2009) at 31 March 2009 comparing with 125.46p as at 30 September 2008. However, a higher income from the investment portfolio has been achieved and the companies are well positioned to continue their growth when market conditions permit.

Investment portfolio

Your company holds two listed investments, **City of London Investment Group plc** and **Integrated Asset Management plc**. City of London experienced volatility in the level of funds under management as a consequence of markets, but the company has expressed its optimism for prospects for the emerging markets as global economic recovery comes closer. The company is seeing an encouraging flow of new mandates, and the office opened in Dubai to exploit the opportunities it sees in the Middle East is developing successfully. Integrated Asset Management recently announced the sale of its funds of funds business together with the cancellation of 27% of its issued share capital, and has a strong balance sheet. The share prices of both companies have made significant recoveries from the lowest levels reached.

IFDC Group S.A., a manager of funds invested in the Japanese stock market, has continued to be a major contributor to our revenue, although the weakness in the Japanese stock market has adversely affected the level of assets under management and obliged your Board to reduce the valuation of the investment. **International Foreign Exchange Concepts Holdings, Inc ('FX Concepts')** whose business has been less affected by equity markets, had another excellent year in 2008, with 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, have maintained excellent performance in each investment area and are seeing an encouraging flow of new mandates.

Corporate developments

As reported in my statement with the Annual Report for 2008, on 31 October 2008 FX Concepts exercised the call option which it held in respect of the 20,014 ordinary shares in FX Concepts held by AMIC. Following consultation with major shareholders and its advisers your Board decided that the majority of the net proceeds from the disposal should be returned to shareholders and a capital distribution of 27p per share was completed on 10 February 2009.

Financial results

Revenue profit after tax for the period was £849,000 compared with £549,000 at the previous half year. The investment income was £1.09 million compared with £0.93 million at the previous half year, the strengthened dollar reducing the impact of a slight decrease in the income received. A substantial part of the revenue received by the Company is received in the second half of the financial year.

The Company will pay an interim dividend of 2.5p net per share (2008: 2.0p) on 14 August 2009 to shareholders on the register at 24 July 2009. This increase in the interim dividend should not be taken as an indication that the total dividend for the year will be increased.

Chairman's Statement *continued*

Gearing

At the end of the interim period the gearing (being the proportion of interest bearing debt to total assets) stood at 17% (31 March 2008 19%). The gearing arises from the outstanding loan of \$4 million from Investec Bank which will be finally repaid on 2 July 2009 from the remaining amount to be received from FX Concepts under the terms of the disposal agreement between the Company and FX Concepts dated 7 February 2006.

Risk Management

The major risks associated with the business of the Group are market risk, currency risk, liquidity risk and credit risk. The Group has established a comprehensive framework for managing these risks, which evolves as the business activities of the Group change in response to market, credit and other developments. The policies of the Group 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 2008. Other risks include market share price risk and regulatory risk as mentioned under the Business Review of the Directors' Report in the financial statements for the year ended 30 September 2008.

Outlook

Despite the view in some quarters that the worst may be over, the considerable uncertainties in the financial markets may take a significant time to resolve. Operating conditions for asset management companies in general continue to be challenging, but your Board continue to be confident that the principal investments in the portfolio should produce a satisfactory performance.

Charles Wilkinson *Chairman*

21 May 2009

Condensed Income Statement (Unaudited)

Six months ended 31 March 2009			
Notes	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on financial assets at fair value through profit or loss	–	(4,573)	(4,573)
Investment income	1,088	–	1,088
Administration expenses	(106)	(319)	(425)
Profit/(loss) before finance costs and taxation	982	(4,892)	(3,910)
Interest payable	(15)	(44)	(59)
Movement on loan redemption derivative	69	206	275
Interest receivable	30	–	30
Profit/(loss) on ordinary activities before taxation	1,066	(4,730)	(3,664)
Taxation	(217)	45	(172)
Profit/(loss) for the period from continuing operations	849	(4,685)	(3,836)
Earnings per share			
Return per ordinary share (basic)	2	4.48p	(24.73p)
Return per ordinary share (diluted)	2	4.48p	(20.25p)

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

Six months ended 31 March 2008			Year ended 30 September 2008		
Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	3,145	3,145	–	(1,212)	(1,212)
934	–	934	2,109	–	2,109
(145)	(436)	(581)	(287)	(860)	(1,147)
789	2,709	3,498	1,822	(2,072)	(250)
(60)	(179)	(239)	(75)	(226)	(301)
(18)	(53)	(71)	(11)	(34)	(45)
23	–	23	54	–	54
734	2,477	3,211	1,790	(2,332)	(542)
(185)	–	(185)	(417)	229	(188)
549	2,477	3,026	1,373	(2,103)	(730)
2.71p	12.23p	14.94p	6.96p	(10.66p)	(3.7p)
2.71p	12.23p	14.94p	6.96p	(10.66p)	(3.7p)

Condensed Balance Sheet (Unaudited)

Notes	31 March 2009		31 March 2008		30 September 2008	
	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets						
Property, plant and equipment		4		2		2
Investments						
Fair value through profit or loss						
– Listed investments	2,305		7,340		3,765	
– Unlisted investments	9,802		21,450		13,319	
		12,107		28,790		17,084
		12,111		28,792		17,086
Current assets						
Investment	–		–		5,614	
Receivables	3,130		3,894		2,675	
Cash and cash equivalents	1,153		3,201		1,233	
		4,283		7,095		9,522
Total assets		16,394		35,887		26,608
Current liabilities						
Payables	(204)		(375)		(400)	
Bank loans	(2,791)		(2,012)		(2,244)	
Loan Redemption Derivative	(19)		–		(295)	
		(3,014)		(2,387)		(2,939)
Total assets less current liabilities		13,380		33,500		23,669
Non-current liabilities						
Bank loans		–		(4,627)		–
Loan Redemption Derivative		–		(321)		–
Net assets		13,380		28,552		23,669
Equity						
Ordinary share capital		4,616		4,908		4,752
Special Reserve		7,654		5,174		4,433
Capital Redemption Reserve		–		8,608		8,764
Other capital reserves		(1,318)		7,947		3,367
Retained earnings		2,424		1,986		2,430
Own share reserve		4		(71)		(77)
Total equity		13,380		28,552		23,669
Allocation of shareholders' funds						
Net asset value per ordinary						
25p share (basic)	3	72.46p		146.51p		125.46p
Net asset value per ordinary						
25p share (diluted)	3	72.46p		146.51p		125.46p

Condensed Statement of Changes in Equity (Unaudited)

	Share Capital £'000	Special Reserve £'000	Capital Redemption Reserve £'000	Own Share Reserve £'000	Other Capital Reserve £'000	Retained Earnings £'000	Total £'000
For six months ended 31 March 2009							
Net assets at 30 September 2008	4,752	4,433	8,764	(77)	3,367	2,430	23,669
Profit for the year	–	–	–	–	(4,685)	849	(3,836)
Total recognised income and expenses for the period	4,752	4,433	8,764	(77)	(1,318)	3,279	19,833
Cancellation of capital redemption	–	8,764	(8,764)	–	–	–	–
Cancellation of ordinary shares	(136)	(5,543)	–	–	–	–	(5,679)
Ordinary dividends paid	–	–	–	–	–	(855)	(855)
Movement in own shares	–	–	–	81	–	–	81
Net assets at 31 March 2009	4,616	7,654	–	4	(1,318)	2,424	13,380
For six months ended 31 March 2008							
Net assets at 30 September 2007	5,186	6,438	8,330	(68)	5,470	2,267	27,623
Profit for the year	–	–	–	–	2,477	549	3,026
Total recognised income and expenses for the period	5,186	6,438	8,330	(68)	7,947	2,816	30,649
Cancellation of ordinary shares	(278)	(1,264)	278	–	–	–	(1,264)
Ordinary dividends paid	–	–	–	–	–	(830)	(830)
Movement in own shares	–	–	–	(3)	–	–	(3)
Net assets at 31 March 2008	4,908	5,174	8,608	(71)	7,947	1,986	28,552
For the year ended 30 September 2008							
Net assets at 30 September 2007	5,186	6,438	8,330	(68)	5,470	2,267	27,623
Profit for the year	–	–	–	–	(2,103)	1,373	(730)
Total recognised income and expenses for the period	5,186	6,438	8,330	(68)	3,367	3,640	26,893
Cancellation of ordinary shares	(434)	(2,005)	434	–	–	–	(2,005)
Ordinary dividends paid	–	–	–	–	–	(1,210)	(1,210)
Movement in own shares	–	–	–	(9)	–	–	(9)
Net assets at 30 September 2008	4,752	4,433	8,764	(77)	3,367	2,430	23,669

Condensed Cash Flow Statement (Unaudited)

	Six months ended 31 March 2009		Six months ended 31 March 2008		Year ended 30 September 2008	
	£'000	£'000	£'000	£'000	£'000	£'000
Net income from operations						
before tax	(3,664)		3,211		(542)	
Depreciation	1		1		1	
(Increase)/decrease in receivables	(455)		(214)		994	
Increase/(decrease) in payables	349		103		346	
(Gains)/losses on investments held at fair value through profit and loss	4,573		(3,145)		1,212	
(Gains)/losses on derivative	(276)		70		44	
Net receipt/(payment) to EBT	81		(3)		(9)	
Cash generated by operations		609	23		2,046	
Taxes		(171)	–		(103)	
Net cashflow from operating activities		438	23		1,943	
Investing activities						
Purchase of investments		–	–		–	
Sale of investments		5,704	2,715		4,157	
Purchase of tangible fixed assets		(2)	–		–	
Net cash inflow from investment activities		5,702	2,715		4,157	
Net cash inflow before financing		6,140	2,738		6,100	
Financing activities						
Repurchase of ordinary shares		(5,679)	(1,264)		(2,005)	
Repayment of loan		–	–		(4,286)	
Drawdown of loan		–	1,000		1,000	
Equity dividend paid		(855)	(830)		(1,210)	
Net cash outflow from financing		(6,534)	(1,094)		(6,501)	
Increase/(decrease) in cash		(394)	1,644		(401)	
Effect of foreign exchange rate changes		314	133		235	
Changes in cash and cash equivalents		(80)	1,777		(166)	
Cash and cash equivalents at beginning of period		1,233	1,424		1,399	
Cash and cash equivalents at end of period		1,153	3,201		1,233	

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 2008 and in accordance with IAS 34 "Interim Financial Reporting".

The same accounting policies, presentational methods of computation are followed in the condensed set of financial statements as applied in the latest annual audited financial statements, except as mentioned in Note 1(p) of the Group financial statement for the year ended 30 September 2008, AMIC Canada Limited, the remaining subsidiary, was dissolved on 6 June 2008. Therefore only the condensed Company financial statements for the six months have been prepared for this interim report and only the Company comparatives have been included in this period's condensed financial statements.

2. Earnings per share

The earnings per ordinary share are based on the profit (loss) after taxation of £849,000 (2008 – £549,000) and on 18,942,173 (2008 – 20,266,610) being the weighted number of ordinary shares in issue during the period.

	(Unaudited)			(Unaudited)			(Audited)		
	Half year ended 31 March 2009			Half year ended 31 March 2008			Year ended 30 September 2008		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) for the period	849	(4,685)	(3,836)	549	2,477	3,026	1,373	(2,103)	(730)
Earnings per share									
Return per ordinary share (basic)	4.48p	(24.73p)	(20.25p)	2.71p	12.23p	14.94p	6.96	(10.66p)	(3.7p)

3. Net asset value

The net asset value per ordinary share for the Company at 31 March 2009 is based on a net asset value of £13,380,000 (2008 – £28,552,000) and on 18,465,833 (31 March 2008 – 19,488,626) ordinary shares in issue at period end as noted above.

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 Company in the first six months of the financial year.

5. Dividends

The proposed interim dividend for the half-year ended 31 March 2009 of 2.5p (2008 2.0p) has not been included as a liability as at 31 March 2009.

6. 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 Company's auditors.

The information for the year ended 30 September 2008 has been extracted from the latest published audited accounts. The audited accounts for the year ended 30 September 2008 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*

7. Responsibility Statement

We confirm to the best of our knowledge that:

- (a) the condensed set of financial statements for the six months to 31 March 2009 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

21 May 2009



Asset Management Investment Company PLC

32 Ludgate Hill, London EC4M 7DR

Telephone: +44 (0) 20 7618 9040 Facsimile: +44 (0) 20 7618 9045

Email: info@amicplc.com

www.amicplc.com