



Asset Management Investment Company PLC

Interim Report
for the six months ended
31 March 2010

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> Barry Aling <i>Senior Non-Executive Director</i> Hugh Tilney <i>Non-Executive Director</i></p> <p>Messrs Wilkinson, Aling (Chairman) and Tilney are members of the Audit Committee Messrs Wilkinson (Chairman), Aling and Tilney are members of the Remuneration Committee Messrs Wilkinson (Chairman), 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 and domiciled in England and Wales)</p>
Auditors	<p>Nexia Smith & Williamson Audit Limited 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

Your Company's principal investments have in the main experienced improved operating conditions despite the continuing uncertainty in world financial markets. The net asset value per share of 74.12p at 31 March 2010 compares with 75.12p as at 30 September 2009 and satisfactory income from the investment portfolio has been achieved. During the period the level of discount to the net asset value enabled the programme of share buy-backs to be continued, and 1,051,422 ordinary shares were repurchased for subsequent cancellation.

Investment portfolio

Your company held two listed investments during the period, **City of London Investment Group plc** and **Integrated Asset Management plc**. The holding in City of London was sold early in April for total proceeds of £3,995,060, representing a profit on the investment of £3,268,233. Following the sale of the major part of its fund of hedge funds business in September 2009 Integrated Asset Management examined a number of potential investment transactions and on 19 March 2010 announced a joint venture with the JRJ Group to invest in commodity brokers Marex Group Limited. The company retains significant cash on its balance sheet which will enable it to pursue additional investment opportunities.

IFDC Group S.A., as a manager of funds invested solely in the Japanese stock market, has experienced challenging market conditions over the past two years but continues to be a major contributor to our revenue. **International Foreign Exchange Concepts Holdings, Inc**, foreign exchange managers, have also encountered a difficult operating environment, but we again anticipate receiving a substantial revenue contribution in our second half. **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 which have included a mandate from the United States Treasury under the TARP program.

Corporate developments

In accordance with its revised investment policy the Board is committed, subject to all legal and regulatory requirements, to return cash to Ordinary Shareholders as and when surplus cash becomes available. The Board is consulting with major shareholders and its advisers to determine the most appropriate method for returning some or all of the proceeds from the investment in City of London to shareholders and will be contacting shareholders shortly.

Financial results

Revenue profit after tax for the period was £222,000 compared with £849,000 at the previous half year. The investment income was £0.4 million compared with £1.09 million for the previous half year. The reduction in the period was as a result of a change in the date of payment of the final dividend from IFDC Group SA in respect of its financial year to 31 December 2009, which this year fell after 31 March 2010. Had the dividend been received during the period as previously investment income would have been £775,000 compared with £1.09 million for the previous half year. It is not expected that the revenue received for the full year will be affected.

The Company will pay an interim dividend of 2.5p net per share (2009: 2.5p) on 13 August 2010 to shareholders on the register at 16 July 2010.

Chairman's Statement *continued*

Risk Management

The major risks associated with the business of the Company are market risk, currency risk, liquidity risk and credit risk. The Company has established a comprehensive framework for managing these risks, which evolves as the business activities of the Company change in response to market, credit and other developments. The policies of the Company for managing each of these risks and its exposure thereto are detailed in note 25 of the financial statements for the year ended 30 September 2009. 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 2009.

Board and Management

Mr. Geoff Miller, the Senior Independent Non-Executive Director, resigned from the Board on 4 February 2010. Mr. Barry Aling succeeded Mr Miller as Senior Independent Non-Executive Director.

Following the expiry of his contract of service on 20 May 2010 Mr George Robb, your Company's Managing Director, has entered into a new contract at a lower salary and a reduced period of notice, appropriate to the current circumstances of the Company. Mr Robb has undertaken to continue to give his full commitment to the Company and its investment strategy. The details of his new contract of service will be set out in the report of the Remuneration Committee in the annual report and accounts for the current year.

Outlook

Early signs that the worst of the major economic and financial problems affecting the world are over have suffered a setback as the fallout from concerns over the Greek and other sovereign debt crises have contributed to volatility in global markets.

The prospects for AMIC are, to a very considerable extent, influenced by global trends in both stock markets and interest rates. Increased market volatility leads to less predictable revenue flows and a harder marketing environment for the asset management industry in which AMIC is invested. Movements in interest rates will affect the discount rates applied by the Company in valuing the loan notes it holds and the revenue streams derived from those assets. It is not possible for the Board to forecast the direction of these trends. The Board believes that the companies in which AMIC is invested are well positioned to weather the challenging times ahead.

Charles Wilkinson *Chairman*

27 May 2010

Condensed Income Statement (Unaudited)

Six months ended 31 March 2010

	Notes	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss		–	636	636
Investment income		394	–	394
Administration expenses		(94)	(283)	(377)
Profit/(loss) before finance costs and taxation		300	353	653
Interest payable		–	–	–
Fair value movement on loan redemption derivative		–	–	–
Interest receivable		–	–	–
Profit/(loss) on ordinary activities before taxation		300	353	653
Taxation	3	(78)	–	(78)
Profit/(loss) for the period from continuing operations		222	353	575
Earnings per share				
Return per ordinary share (basic)	2	1.21p	1.93p	3.14p
Return per ordinary share (diluted)	2	1.21p	1.93p	3.14p

The Company does not have any income or expenses that are not included in the profit for the period and therefore the 'profit for the period' is also the 'total comprehensive income for the period' as defined in the International Accounting Standard 1 (revised).

All of the profit for the period and total comprehensive income for the period is attributable to the shareholders of the Company.

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 from the above derive from continuing operations.

Six months ended 31 March 2009

Year ended 30 September 2009

Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
–	(4,573)	(4,573)	–	(4,039)	(4,039)
1,088	–	1,088	2,020	–	2,020
(106)	(319)	(425)	(200)	(601)	(801)
982	(4,892)	(3,910)	1,820	(4,640)	(2,820)
(15)	(44)	(59)	(19)	(55)	(74)
69	206	275	39	118	157
30	–	30	30	–	30
1,066	(4,730)	(3,664)	1,870	(4,577)	(2,707)
(217)	45	(172)	(368)	179	(189)
849	(4,685)	(3,836)	1,502	(4,398)	(2,896)
4.48p	(24.73p)	(20.25p)	8.05p	(23.56p)	(15.51p)
4.48p	(24.73p)	(20.25p)	8.05p	(23.56p)	(15.51p)

Condensed Balance Sheet (Unaudited)

	Notes	31 March 2010		31 March 2009		30 September 2009	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Property, plant and equipment			4	4			4
Investments							
Fair value through profit or loss							
– Listed investments		4,216		2,305		4,549	
– Unlisted investments		8,767		9,802		8,219	
			12,983	12,107		12,768	
			12,987	12,111		12,772	
Current assets							
Receivables		216		3,130		1,134	
Cash and cash equivalents		668		1,153		303	
			884	4,283		1,437	
Total assets			13,871	16,394		14,209	
Current liabilities							
Payables		(332)		(204)		(275)	
Bank loans		–		(2,791)		–	
Loan Redemption Derivative		(137)		(19)		(137)	
			(469)	(3,014)		(412)	
Total assets less current liabilities			13,402	13,380		13,797	
Net assets			13,402	13,380		13,797	
Equity							
Ordinary share capital		4,520		4,616		4,591	
Special Reserve		7,266		7,654		7,435	
Capital Redemption Reserve		251		–		180	
Other capital reserves		(678)		(1,318)		(1,031)	
Retained earnings		2,013		2,424		2,618	
Own share reserve		30		4		4	
Total equity			13,402	13,380		13,797	
Allocation of shareholders' funds							
Net asset value per ordinary							
25p share (basic)	4		74.12p	72.46p		75.12p	
Net asset value per ordinary							
25p share (diluted)	4		74.12p	72.46p		75.12p	

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 2010							
Net assets at 30 September 2009	4,591	7,435	180	4	(1,031)	2,618	13,797
Total comprehensive income for the period	–	–	–	–	353	222	575
Total recognised income and expenses for the period	4,591	7,435	180	4	(678)	2,840	14,372
Cancellation of ordinary shares	(71)	(169)	71	–	–	–	(169)
Ordinary dividends paid	–	–	–	–	–	(827)	(827)
Movement in own shares	–	–	–	26	–	–	26
Net assets at 31 March 2010	4,520	7,266	251	30	(678)	2,013	13,402
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
Total comprehensive income (loss) for the period	–	–	–	–	(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 year ended 30 September 2009							
Net assets at 30 September 2008	4,752	4,433	8,764	(77)	3,367	2,430	23,669
Total comprehensive income (loss) for the period	–	–	–	–	(4,398)	1,502	(2,896)
Total recognised income and expenses for the period	4,752	4,433	8,764	(77)	(1,031)	3,932	20,773
Cancellation of capital redemption	–	8,764	(8,764)	–	–	–	–
Cancellation of ordinary shares	(161)	(324)	161	–	–	–	(324)
Cancellation of non-voting B & C shares	(19)	(5,132)	19	–	–	–	(5,132)
Cost associated with cancellation of non-voting B and C shares	–	(287)	–	–	–	–	(287)
Bonus issue B and C shares	19	(19)	–	–	–	–	–
Ordinary dividends paid	–	–	–	–	–	(1,314)	(1,314)
Movement in own shares	–	–	–	81	–	–	81
Net assets at 30 September 2009	4,591	7,435	180	4	(1,031)	2,618	13,797

Condensed Cash Flow Statement (Unaudited)

	Six months ended 31 March 2010		Six months ended 31 March 2009		Year ended 30 September 2009	
	£'000	£'000	£'000	£'000	£'000	£'000
Net income from operations						
before tax	653		(3,664)		(2,707)	
Depreciation	–		1		2	
(Increase)/decrease in receivables	918		(455)		1,541	
Increase/(decrease) in payables	(23)		349		(143)	
(Gains)/losses on investments held at fair value through profit and loss	(636)		4,573		4,039	
(Gains)/losses on derivative	–		(276)		(157)	
Net receipt/(payment) to EBT	26		81		81	
Cash generated by operations		938		609		2,656
Taxes		–		(171)		(171)
Net cashflow from operating activities		938		438		2,485
Investing activities						
Sale of investments	400		5,704		5,704	
Purchase of tangible fixed assets	–		(2)		(4)	
Net cash inflow from investment activities		400		5,702		5,700
Net cash inflow before financing		1,338		6,140		8,185
Financing activities						
Repurchase of ordinary shares	(169)		(5,679)		(5,743)	
Repayment of loan	–		–		(2,244)	
Equity dividend paid	(827)		(855)		(1,314)	
Net cash outflow from financing		(996)		(6,534)		(9,301)
Increase/(decrease) in cash		342		(394)		(1,116)
Effect of foreign exchange rate changes		23		314		186
Changes in cash and cash equivalents		365		(80)		(930)
Cash and cash equivalents at beginning of period		303		1,233		1,233
Cash and cash equivalents at end of period		668		1,153		303

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 Company's financial statements for the year ended 30 September 2009 and in accordance with IAS 34 "Interim Financial Reporting".

The financial statements are prepared under the historic cost convention, except for the measurement at fair value of investments.

Where presentational guidance set out in the Statement of Recommended Practice ("SORP") for investment trusts issued by the Association of Investment Companies in January 2009 is consistent with requirements of International Financial Reporting Standards ("IFRS") the directors have sought to prepare the financial statements on basis compliant with the recommendations of the SORP.

The adoption of the January 2009 SORP has no effect on the Interim Financial Report of the Company, other than the requirement separately to disclose capital reserves that relate to the revaluation of investments held at the reporting date. These are disclosed in note 7. This new requirement replaces the previous requirement to disclose the value of the capital reserve that was unrealised. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The Financial Statements have been prepared on a going concern basis.

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 for the impact of the adoption of the Standards and Interpretations described below.

IAS 1 (revised 2007) Presentation of Financial Statements

The revised standard has introduced a number of terminology changes and has resulted in a number of changes in presentation and disclosure. However, the revised standard has had no impact on the reported results or financial position of the Company.

IFRS 8 Operating Segments

The Company has one reportable segment being invested in worldwide private or listed asset management companies. The geographical revenues are disclosed in the annual report.

Standards and interpretations effective for periods on or after 1 January 2009 but not relevant to the Company's operations:

IAS 23 'Borrowing costs'; IAS 32 Financial instruments presentation'; IFRS 2 'share based payment'; IFRS 3 'Business combinations; IAS 27 'Consolidated and separate financial statements'

2. Earnings per share

The earnings per ordinary share are based on the profit (loss) after taxation of £222,000 (2009 – £849,000) and on 18,314,236 (2009 – 18,942,173) being the weighted number of ordinary shares in issue during the period.

	(Unaudited)			(Unaudited)			(Audited)		
	Half year ended 31 March 2010			Half year ended 31 March 2009			Year ended 30 September 2009		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Profit/(loss) for the period	222	353	575	849	(4,685)	(3,836)	1,502	(4,398)	(2,896)
Earnings per share									
Return per ordinary share (basic)	1.21p	1.93p	3.14p	4.48p	(24.73p)	(20.25p)	8.05p	(23.56p)	(15.51p)

3. Taxation

The taxation expense reflected in the Income Statement is based on the Company's best estimate of the weighted average income tax expected for the full financial year. Taxes on income in the interim period are accrued using the tax rate that would be applicable to expected total earnings.

Notes to the Financial Statements *continued*

4. Net asset value

The net asset value per ordinary share for the Company at 31 March 2010 is based on a net asset value of £13,402,000 (2009 – £13,380,000) and on 18,082,833 (31 March 2009 – 18,465,833) ordinary shares in issue at period end as noted above.

5. Related party transactions

Details of related party transactions are contained in the annual report. The Company has a related party relationship with its key management personnel.

There have been no other related party transactions or changes in related party transactions that could have a material effect on the financial position or performance of the Company in the first six months of the financial year.

6. Dividends

The proposed interim dividend for the half-year ended 31 March 2010 of 2.5p (2009 2.5p) has not been included as a liability as at 31 March 2010.

7. Capital reserve

The other reserve reflected in the Balance Sheet at 31 March 2010 includes gains of £1,735,000 (31 March 2009 gains of £903,000; 30 September 2009 gains of £1,437,000).

8. Basis of preparation

The financial information contained in this interim report does not constitute statutory accounts as defined in section 434-436 of the Companies Act 2006. 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 2009 has been extracted from the latest published audited accounts. The audited accounts for the year ended 30 September 2009 have been filed with the Registrar of Companies. The report of the auditors on those accounts contained no qualification or statement under section 498 of the Companies Act 2006.

This Half-Year Report was approved by the Board on 27 May 2010.

9. 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 2010 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

27 May 2010



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