AMCIL Limited
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Dear Shareholder

CHAIRMAN'S PRESENTATION – AGM 2002

Enclosed is a copy of my presentation to shareholders at the Company's Annual General Meeting held on Wednesday 23 October 2002 at the Hilton on the Park, Melbourne. It included information on the Company's recent performance and a background to the proposal to wind-up the Company and other alternatives considered by the Board.

Following my presentation, shareholders took the opportunity to ask questions about the Company, the proposal and other matters. We then proceeded to the formal business:

1. The receipt of the financial statements and reports of the directors and auditor
2. Election of Directors – Mr P.C. Barnett and Mr R. Myer
3. Disposal of Assets
4. Return of Capital
5. Insertion of Partial Takeover Approval Rule back into the Constitution

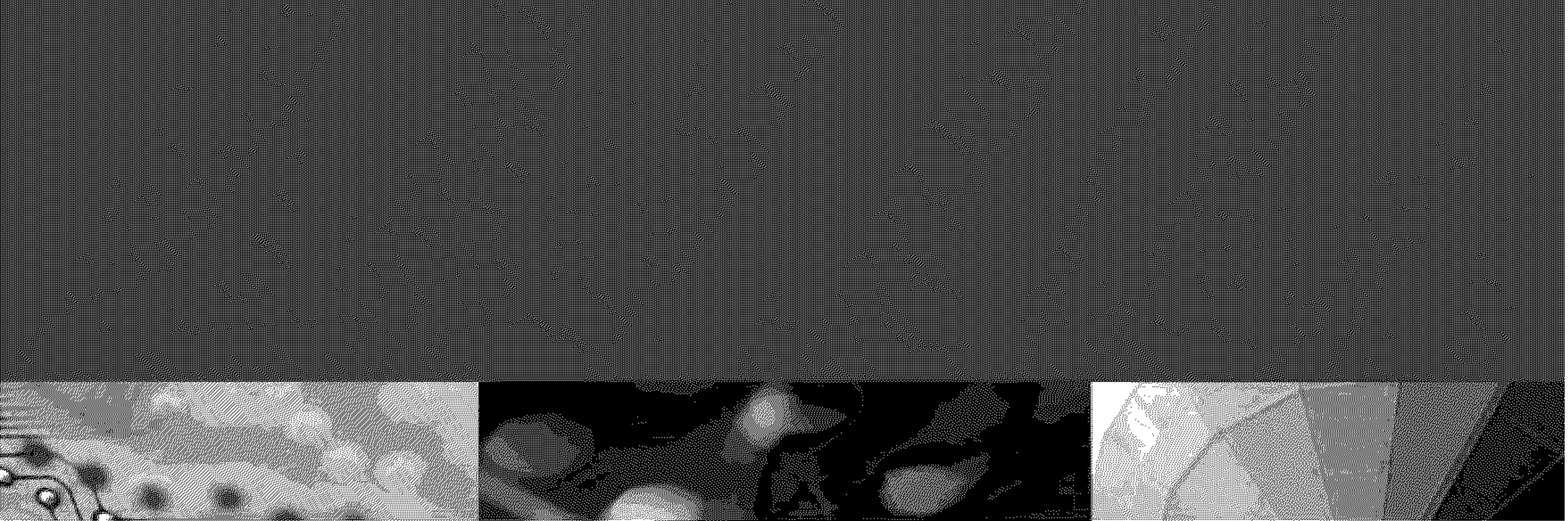
All resolutions put to the meeting were passed on a show of hands.

As indicated at the meeting, we expect the Company to be in a position shortly to make the first of a number of capital repayments. To facilitate the direct crediting of these distributions to a nominated account, we have included a direct credit application form for shareholders who may not have previously availed themselves of this service.

Yours sincerely

Terry Campbell

Terry Campbell
Chairman



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Annual General Meeting

23 October 2002

Investment Environment

	Media Price Index	Telco Price Index
Fall Mar 00 peak To Sept 01	53.6%	53.0%
Fall from Sept 01 to Sept 02	25.5%	10.7%
Approximate cumulative fall from peak	65%	58%

SLIDE 1

Last year, we held our AGM on 11 October, one month out from the September 11 terrorist attacks in the United States. At that point the two sectors in which we invest, the media and telecommunications sectors, had fallen dramatically from their peaks during March 2000. The media sector was down almost 54% and the telecommunications sector down 53%, after 18 months of falls.

At that time, although there was considerable uncertainty about the economic impact of the events of September 11, we anticipated that with an economic improvement in Australia, there would have been a follow on pick up in advertising activity and a commensurate improvement in the media sector, as well as some improvement in the telecommunications sector.

We are now one year further on. Since that time the Australian economy has performed extremely well in what has been a difficult global environment. However, the traditional link between an improving economy and an improved advertising environment did not eventuate, so that there has been continuing weakness in advertising and hence media stocks have remained weak.The telecommunications sector has also remained very weak from the over capacity in the sector and the continued intense competition.

The 12 months further we have travelled from the market peaks in March 2000 has continued to see large falls in both sectors. The media sector is down 25.5% in price terms and the telecommunications sector is down just under 11%. Altogether since their peaks in March 2000, the media sector has fallen approximately 65%, with the telecommunications sector approximately 58% down.

The magnitude and length of the weakness in these sectors are almost unprecedented. They are on a scale only matched by general market falls in the 1930's and early 70's.

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AMCIL's Performance

	2002 $'000	2001 $'000
Dividends & Interest	7,004	8,010
Option Trading	3,811	7,209
Other Income	0	59
Expenses	(718)	(769)
Gains/(Losses) on disposals	(8,316)	5,644
Net write down of securities	(22,341)	(64,978)
Income tax	(2,590)	(2,717)
Total Changes in Equity	(23,150)	(47,542)

SLIDE 2

In this very difficult investment environment, how did AMCIL perform for the year?

This next slide summarises AMCIL's Statement of Financial Performance.

During the past two years, we have used up capital reserves and, as a result, some losses on disposals had to be taken through the profit and loss. Also, writedowns on the portfolio were taken through the profit and loss account both this year and last year. This has meant that the statutory report is a little confusing.

Dividends and interest were down by $1 million.

Option trading income was down by $3.4 million mostly because the underlying stocks had fallen so far in price, option premiums received were accordingly much lower.

Expenses in running the company were a little down this year.

This year, we had losses on disposals of investments of $8.3 million compared to gains of $5.6 million in the year before.

The write down of our portfolio this year was $22.3 million compared with $64.98 million last year.

Total changes in equity arising from the company's activities was a decline of $23.2 million compared with $47.5 million last year.

Overview to June 30 2002

• AMCIL Total return (Net Assets + div)	down 10%
• S&P/ASX Media Accum Index	down 40%
• S&P/ASX Media Accum Index ex NCP	down 5%
• S&P/ASX Telco Accum Index	down 13%
• S&P/ASX Telco Accum Index ex TLS	down 25%

SLIDE 3

These results in percentage terms show that AMCIL's total return as measured by return on net assets and dividends to June 30 2002 was a decline of 10%, which represent significant out performance compared with the Media Accumulation Index and the Telecommunications Accumulation Index over the same period.

Our performance in managing the portfolio is obviously affected by the performance of the companies in these two sectors.

How did we perform against the indices which gauge the performance of these sectors?

On this next table we see that the media accumulation index fell 40% over the year.

(I should add that an accumulation index includes both share price moves and dividends paid to calculate its value to make the comparison with our performance valid).

However by far the largest component of that index is News Corporation. If we look at the index of stocks other than News Corporation the index was down 5%.

Similarly, if we look at the telecommunications sector this accumulation index was down 13%. Again if we exclude its largest company, Telstra, it was down 25% for the year.

The reason for highlighting the two indices without News and Telstra is to show the size of the falls in the market beyond the two dominating investments in those sectors.

Against all these measures, AMCIL has significantly outperformed, especially bearing in mind that our performance is after income tax and the costs of running the company.

AMCIL Returns

		01/02	00/01	99/00	98/99	97/98	96/97 (8mths)
DIVIDEND/SHARE	**Cents**	**0**	**14**	**8**	**7.5**	**7**	**4**
NET ASSETS/SHARE	**Cents**	**188**	**214**	**276**	**271**	**229**	**207**
TOTAL RETURN	**%pa**	**-10.4**	**-17.6**	**14.5**	**21.6**	**28.2**	**6.8**

COMPOUND ANNUAL 5 YEAR RETURN = 5.7% pa

SLIDE 4

This next slide shows the performance of AMCIL since inception as measured by the growth in net assets per share and dividends paid. This is a measure of the internal performance of the company's management of its assets including dividends paid out to shareholders from the profits earned.

In the latest year, the total return was negative 10.4%. In the prior year the total return was negative 17.6%. These returns follow total positive returns of 14.5%, 21.6% and 28.2% in the first three full years of operation.

Even after the last two years of negative returns, the compound growth rate over the past 5 years of operation was just under 5.7% per annum. Since inception, this compound growth rate was 5.8% per annum.

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Net Asset Backing

Net Asset Backing (before providing for final dividend)

30 June 2000	$2.76
30 June 2001	$2.14
30 June 2002	$1.88
30 Sept 2002	$1.79

SLIDE 5

This next slide shows the movement in the net asset backing per share of AMCIL over the last two years and updating it for the latest quarter.

As at 30 September 2002, the net asset backing was $1.79.

Overview June-September 2002

• AMCIL Total return	down 4.77%
• S&P/ASX 300 Media Accum Index	down 9.33%
• S&P/ASX 300 Telco Accum Index	up 3.99%

SLIDE 6

The performance for the quarter was a further decline of 4.8%.

This compares to the Media Accumulation Index which was down 9.3%. The Telecommunications index was up 4.0%, the first positive movement in that index for some time.

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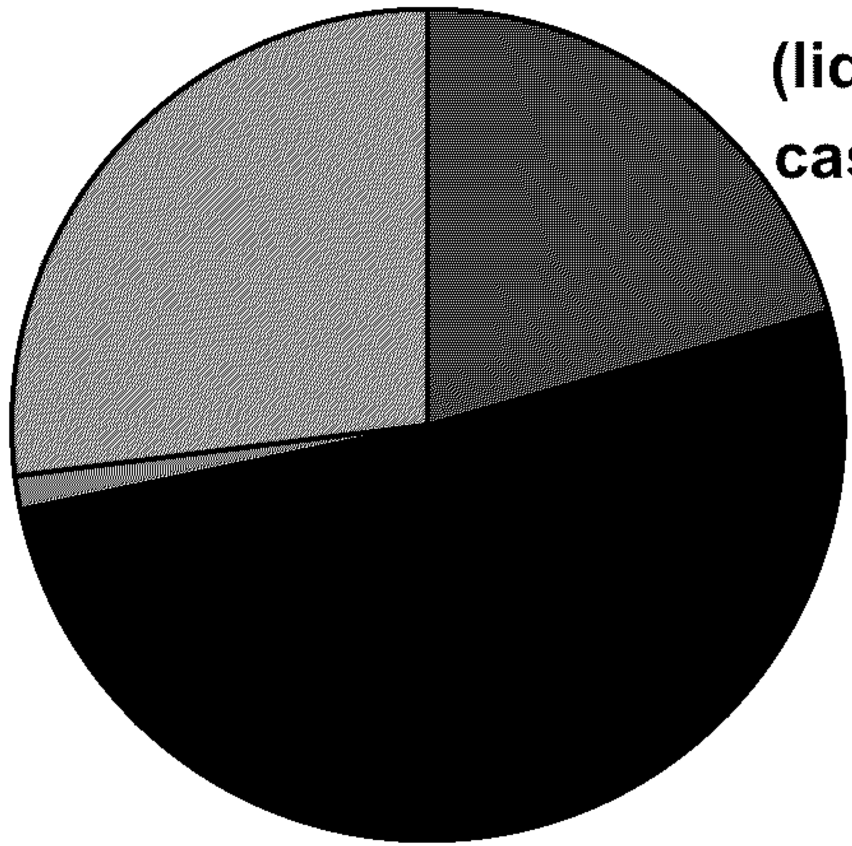
AMCIL Portfolio Composition

30 September 2002



SLIDE 7

This pie chart shows the composition of the portfolio as at September 30, 2002.

At this point, 27% of the portfolio is held in Telecommunications stocks, primarily Telstra (approx. 73% of the Telco investments) and also Telecom New Zealand and Singapore Telecommunications (which took over OPTUS).

50% of the portfolio is held in media stocks. Again the predominant investment is News Corporation (approx. 23% of the media investments).
The balance of the media component is held in a range of newspaper, television and radio stocks.

21% of the portfolio is held in cash and liquid securities.

A consequence of this is that cash and Telstra and News Corporation are the three cornerstone investments which influence our performance the most.

Specific Actions

- Manage the portfolio defensively
- Retain high cash levels
- Maintain sound financial position
- Continue the share buy back
- Propose a wind up

SLIDE 8

Last year, I indicated that “the past 18 months have been about as difficult as they could possibly get in investment in these two sectors”. This year I could reiterate this comment but referring to the past 30 months.

In this environment, we have continued to seek to preserve the company’s position and to look after our shareholders’ interests.

The key actions have been to:

- Manage the portfolio defensively
- Retain high cash levels
- Maintain the company’s sound financial position
- Continue the share buy back (3.364 million shares were bought back at an average price of $1.71 - well below the company’s net asset backing).
- <u>Propose a wind up of the Company – I will now move on to talk more about the proposal.</u>

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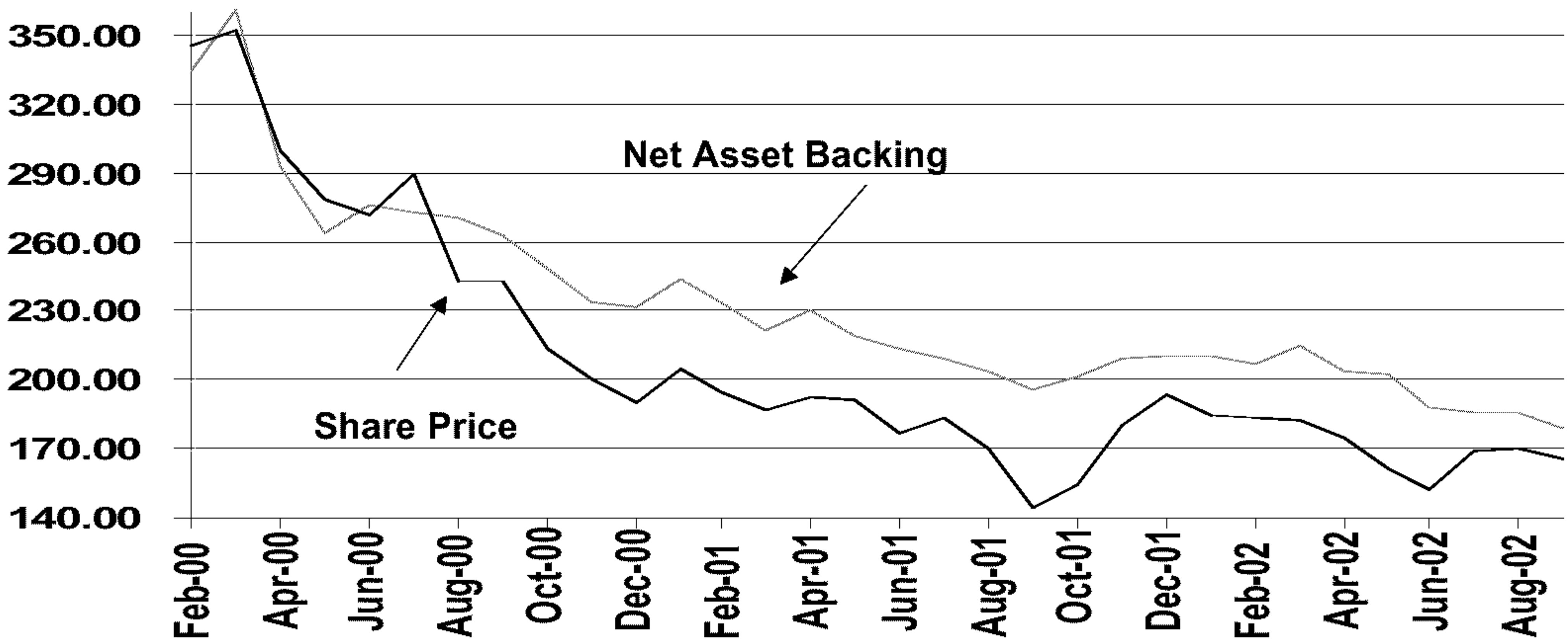
Net Asset Backing v Share Price Since Listing



SLIDE 9

This graph tracks the Company's share price since listing in February 2000 as compared with the net asset backing of the shares over the same period.

While our share price traded around the net asset backing in the period up to July 2000, since August 2000 it has consistently traded at a discount and mostly a large discount.

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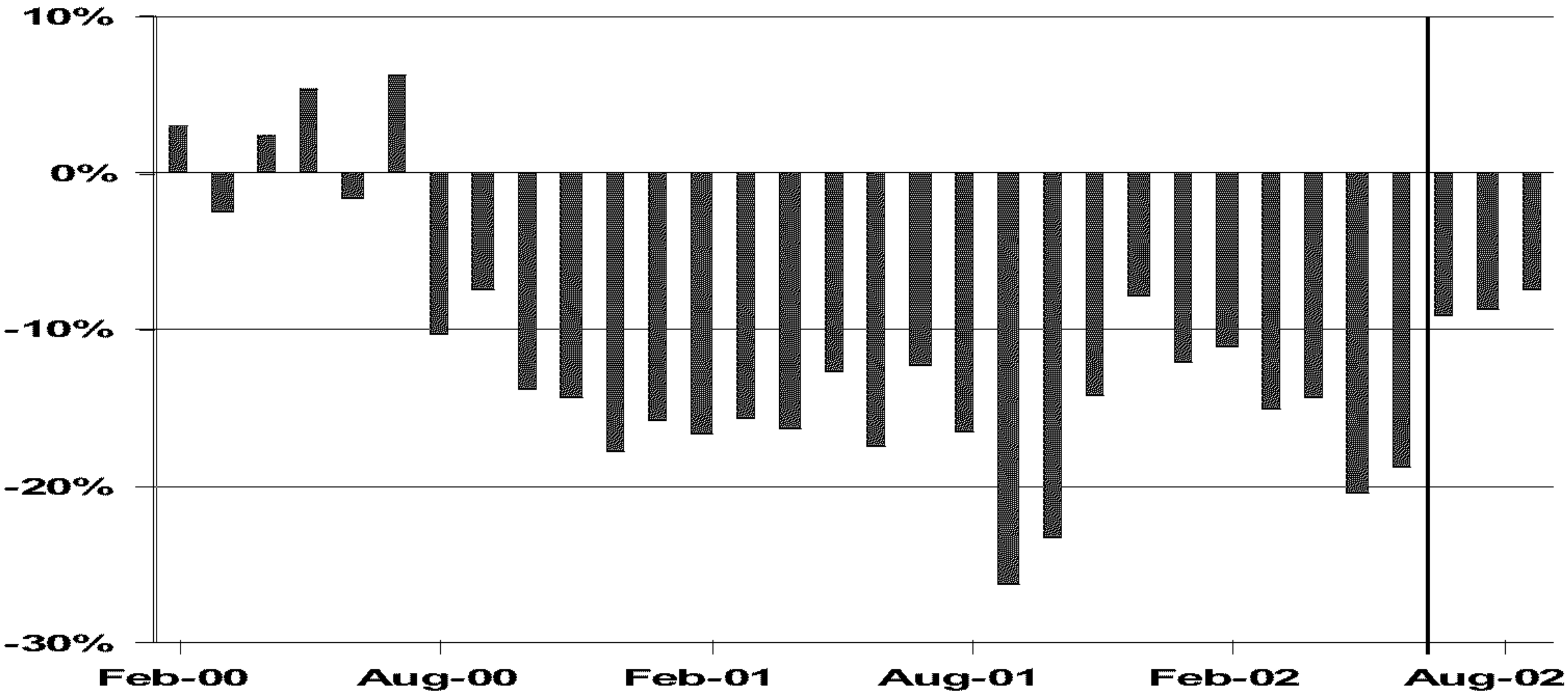
Share Price to Net Asset Backing Premium/Discount Since Listing



SLIDE 10

Except for two months the stock traded at a discount of more than 10% from August 2000 through to June 2002. Just after September 11 2001 it was trading at a discount of over 20%.

The Board viewed this with considerable concern. It meant that shareholders who were selling their investments were not achieving a fair value relative to the underlying portfolio.

It prompted us to consider why this was happening and what might be done.

While the company buying back its own shares was a sensible move, it certainly was not a full solution as one simply did not have the resources to completely counteract the negative investor sentiment that had clearly set in.

Following a series of reviews of the situation, we announced in early July 2002 that we were considering the possibility of an orderly winding up of the company's activities. As you can see, the discount has significantly reduced - but has not been eliminated - since that announcement.

INDEX COMPONENTS

- S&P/ASX 300 Media Index NCP 76.2%
- S&P/ASX 300 Telco Index TLS 88.3%

SLIDE 11

A key element in our thinking is the domination of the media sector by News Corporation and the domination of the telecommunications sector by Telstra.

In benchmark terms News Corporation now represents more than 75% of the S&P/ASX 300 Media Index and Telstra now represents 88.3% of the S&P/ASX 300 Telecommunications Index. This means that most of the performance of these two sectors of the market is contributed by the performance of News Corporation and Telstra respectively.

These are very large companies and their trading on the stock exchange is very liquid, such that investors can readily buy and sell positions.

It also means, going forward, that if one were fully invested and seeking to reliably match the benchmark Index, one would need to invest a significant additional quantum of the company's funds in these two stocks.

Whereas in 1996 and leading up to March 2000, there were a large number of prospective telecommunications companies, many of these have shrunk and some have collapsed, leaving the telecommunications sector dominated by Telstra, but with competition intense as the remaining players seek to generate some return on capital invested.

While the media sector has greater breadth than the telecommunications sector, none of the companies are likely to have the prospects of developing into companies anywhere near the size of News Corporation. These other companies are therefore unlikely to contribute greatly to the performance of the benchmark. In this environment, investors can readily achieve a close to benchmark performance by investing in Telstra and News Corporation directly.

ALTERNATIVES

- Continue as before
- Widen investment mandate geographically
- Invest in different sectors
- Takeover or merger
- Wind-up

SLIDE 12

The first of the alternatives which the Board considered was the "tough it out" scenario of continuing as before. This almost certainly would mean a continuation of the discount at which the shares were trading relative to asset backing. It also meant a considerable continuing investment in both News Corporation and Telstra and probably a large cash component. The Board formed the view that shareholders would be better served by a return of their capital to allow them to re-invest the funds in areas of the market with better prospects than the media and telecommunications sectors, or alternatively invest the cash back into Telstra and News Corporation on a more efficient basis.

We considered widening the investment mandate geographically so that one invested in media and telecommunications sectors on a global basis. However, we did not believe that the prospective returns would outweigh the costs and risks involved in such an activity.

Thirdly, we considered a change in the investment mandate to invest in completely different sectors of the market.The Board believed it was likely that such a change would take some considerable time to verify as being successful. In the meantime, investor sentiment towards the stock would remain weak. Also we need to be mindful that shareholders had invested in AMCIL because of its specific media and telco focus.

We also considered the possibility of a takeover or merger. This was one of the factors behind our decision to announce the possibility of a wind-up to encourage others to consider such a possibility. At this point the Board has not been advised of any such offer.

Reasons for the Wind up

- Structural changes in the industries
- Shares persistently trading at a big discount to Net asset backing
- Performance dominated by News Corporation, Telstra and cash holdings

SLIDE 13

That brings us again to the wind-up proposal – what are the key reasons?

First structural changes have occurred within the Media and Telecommunications sectors since the company was established in 1996. Whereas there was a sense of vitality and growth coming from the many start up and other ventures in the late 1990's, the period since March 2000 has seen many companies contract or disappear altogether. There has been a disengaging of investor interest and little new capital flowing to these two sectors.

Second, the Board has been concerned, as mentioned earlier, that the shares trade persistently at a significant discount to their net asset backing. We believe this penalises shareholders in realising fair value for their investment.

Third, the three largest holdings in the portfolio are our investments in Telstra, News Corporation and our cash. Shareholders are able to readily replicate such holdings directly themselves without the costs of running the company. By virtue of the size of Telstra and News Corporation which dominate their respective sectors they would be achieving most of the benchmark performance.

Wind up Proposal

- Progressively sell AMCIL's investments carefully at sensible prices
- As appropriate repay capital to shareholders in two or three payments
- Liquidate preferably by June 2003 subject to market

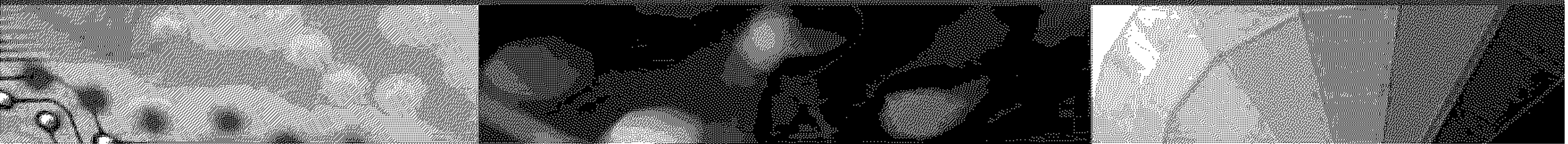
SLIDE 14

The wind-up proposal – how is it achieved?

The idea is that the company would progressively sell all its investments, but choosing to do so carefully and at sensible prices. During this period a number of returns of capital would be made as the cash was freed up. Once the portfolio had been converted into cash and most of the funds repaid to shareholders, we would then seek to have the company liquidated. It would be preferable that this happen prior to 30 June 2003, to enable shareholders to take the benefit of any tax loss on their AMCIL investment in the current tax year. However if market circumstances remain extremely weak it may be desirable to continue the company beyond this time to avoid selling some of the investments at overly low prices.

The windup proposal is fully supported by the Board as the best way forward for shareholders in the circumstances.

At this point I would like to invite shareholders to ask questions on the accounts or on the proposal in particular.



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