

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2004

CONTENTS

- Results for announcement to the market
- Letter to Australian Stock Exchange
- Financial Statements
- Independent Audit Review Report

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2004 with the corresponding period being the half year ended 31 December 2003.

Results for announcement to the market

- Revenue from ordinary activities including revenue from the sale of long-term investments was \$28.4 million, 15% down from the prior year.
- Profit from ordinary activities after tax was \$9.6 million, 4% up from the prior year.
- Net profit attributable to shareholders was \$9.6 million, 4% up from the prior year.
- The operating profit includes \$962,500 in special dividends and distributions received including \$450,000 from Macquarie Infrastructure Group. The previous corresponding period included \$2,121,104 special dividends received as part of the Telstra Corporation Ltd and Foster's Group Ltd share buy back arrangements.
- The interim dividend for the half year is 8.0 cents per share (6.5 cents previous period) fully franked payable on 12 April 2005. The record date for determining entitlement to the interim dividend is 22 March 2005.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

LEVEL 4
45 EXHIBITION STREET
MELBOURNE VIC 3000
AUSTRALIA

TEL (613) 9654 0499
FAX (613) 9654 3499

18 February 2005

The General Manager
Australian Stock Exchange
P O Box H224
Australia Square
Sydney NSW 2000

Dear Sir,

HALF YEARLY REPORT AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2004

Net Profit

The Directors of Australian United Investment Company Limited announce that the net operating profit after income tax for the half year ended 31 December 2004 was \$9,592,160 compared to \$9,215,578 for the previous corresponding period, an increase of \$376,582. The operating profit includes \$962,500 special dividends and distributions received including \$450,000 from Macquarie Infrastructure Group. The previous corresponding period included \$2,121,104 special dividends received as part of the Telstra Corporation Ltd and Foster's Group Ltd share buy back arrangements.

Operating expenses (excluding interest) were 0.08% of the average market value of the portfolio (2003: 0.09%).

The earnings per share were 11.7 cents for the half year to 31 December 2004 (10.5 cents excluding special dividends) compared to 11.4 cents for the half year to 31 December 2003 (8.8 cents excluding special dividends).

Interim Dividend

The directors also announce an interim dividend of 8.0 cents per share fully franked to shareholders registered on 22 March 2005, to be paid on 12 April 2005. The comparable 2004 interim dividend was 6.5 cents per share fully franked.

Dividend Reinvestment Plan

The last date for receipt of election notices under the Dividend Reinvestment Plan is 22 March 2005. The Plan offers shares in lieu of the cash dividend, at current market prices without discount.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$5.68 at 31 December 2004 and \$5.81 at 31 January 2005. These calculations are after provision for tax on net realised gains, before tax on unrealised gains and before provision for the interim dividend.

The Company is a long term investor and does not intend disposing of its total portfolio. If estimated tax on unrealised portfolio gains were to be deducted, the above figures would be \$4.85 at 31 December 2004 and \$4.94 at 31 January 2005.

Investment Portfolio

As at 31 December 2004 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. ANZ Banking Group Ltd	36,033	7.1%
2. National Australia Bank Ltd	28,820	5.7%
3. Tabcorp Holdings Ltd	27,664	5.4%
4. Westpac Banking Corporation Ltd	26,311	5.2%
5. Wesfarmers Ltd	23,880	4.7%
6. Rio Tinto Ltd	21,516	4.2%
7. BHP Billiton Ltd	19,942	3.9%
8. Alumina Ltd	19,008	3.7%
9. WMC Resources Ltd	18,050	3.6%
10. Woodside Petroleum Ltd	15,678	3.1%
11. Diversified United Investment Ltd	15,583	3.1%
12. Commonwealth Bank Ltd	14,445	2.8%
13. Orica Ltd	14,259	2.8%
14. Suncorp Metway Ltd	13,904	2.7%
15. Perpetual Trustees Australia Ltd	12,580	2.5%
16. Southern Cross Broadcasting (Aust) Ltd	12,328	2.4%
17. Brambles Industries Ltd	11,120	2.2%
18. Alesco Corporation Ltd	10,692	2.1%
19. Woolworths Ltd	10,507	2.1%
20. St George Bank Ltd	10,100	2.0%
21. Westfield Group	9,858	1.9%
22. QBE Insurance Group Ltd	9,210	1.8%
23. Bluescope Steel Ltd	8,250	1.6%
24. Iluka Resources Ltd	7,862	1.5%
25. Australian Gas Light Company Ltd	7,535	1.5%
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	405,135	79.6%
Total Investments at Market Value and Cash	509,043	

Yours faithfully

A J Hancock
Company Secretary

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED
(ABN 37 004 268 679)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2004

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors

C B Goode AC - Chairman

G E Moir

P J B Rose AO

P J Wetherall

Company Secretary

Andrew Justin Hancock FCA

Principal Office

Level 4

45 Exhibition Street

Melbourne Vic 3000

Tel: (613) 9654 0499

Fax: (613) 9654 3499

Email: info@au.com.au

Website: www.aui.com.au

Registered Office

Australian United Investment Company Limited

C/- KPMG

161 Collins Street

Melbourne Vic 3000

Bankers

National Australia Bank Limited

Auditors

KPMG

Chartered Accountants

Share Registry

Computershare Investor Services Pty Ltd

Yarra Falls

452 Johnston Street

Abbotsford Vic 3067

Tel: 1300 850 505 or (613) 9415 5000

Fax: (613) 9473 2500

Website: www.computershare.com

Stock Exchange

The Company is listed on the Australian Stock Exchange Ltd.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors' Report

The directors of Australian United Investment Company Limited present their report together with the financial report for the half-year ended 31 December 2004 and the auditors' review report thereon.

Directors

The names of each person who has been a director of the Company at any time during or since the end of the half-year, are:

<i>Name</i>	<i>Period of Directorship</i>
Charles B. Goode AC Chairman	Director since 1990 Appointed Chairman 1994
Graeme E. Moir	Director since 1976
Dr P John B Rose AO	Director since 2000
Peter J. Wetherall	Director since 2001

Review of Operations

The operating profit after income tax was \$9,592,160 for the half-year ended 31 December 2004 compared to \$9,215,578 for the half-year ended 31 December 2003, an increase of \$376,582. The operating profit includes \$962,500 special dividends and distributions received including \$450,000 from Macquarie Infrastructure Group. In the 2003 half-year operating profit included franked dividends of \$2,121,104 received through the Company's participation in the Fosters Group Ltd and Telstra Corporation Ltd share buy back schemes.

Operating expenses (excluding interest) were 0.08% of the average market value of the portfolio (2003: 0.09%).

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the half-year ended 31 December 2004.

Signed in accordance with a resolution of the directors, for and on behalf of the board.

Melbourne, February 2005

C B Goode
Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Australian United Investment Company Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2004 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Don Pasquariello

Don Pasquariello
Partner
Melbourne

18th February 2005



AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Financial Performance for the Half-Year Ended 31 December 2004

	<i>Note</i>	<i>31 December 2004 \$</i>	<i>31 December 2003 \$</i>
Revenue from operating activities		11,241,044	10,469,658
Revenue from the sale of long term investments		17,151,242	23,150,093
<i>Total ordinary revenue</i>	3	28,392,286	33,619,751
Carrying value of investments sold		(17,151,242)	(23,150,093)
Operating expenses		(360,287)	(330,510)
Borrowing costs		(1,318,149)	(1,028,372)
Profit from ordinary activities before related income tax expense		9,562,608	9,110,776
Income tax benefit relating to ordinary activities		29,552	104,802
Profit from ordinary activities after related income tax expense		9,592,160	9,215,578
Net profit		9,592,160	9,215,578
Non-owner transaction changes in equity			
Increase/(decrease) in reserves			
Asset revaluation reserve		73,180,079	51,666,564
Investment fluctuation reserve		3,503,512	(12,891,361)
Total changes in equity from non-owner related transactions	7	86,275,751	47,990,781
Basic earnings per share (cents per share)		11.69	11.44

There are no factors which cause diluted earnings per share to be different from basic earnings per share.

The statement of financial performance is to be read in conjunction with the notes to the half-year financial statements set out on pages 8 to 11.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Financial Position as at 31 December 2004

	<i>Note</i>	<i>31 December</i> 2004 \$	<i>30 June</i> 2004 \$
CURRENT ASSETS			
Cash assets		225,008	1,121,190
Receivables		529,510	2,716,610
Other		537,166	553,617
TOTAL CURRENT ASSETS		1,291,684	4,391,417
NON-CURRENT ASSETS			
Investments		508,817,580	417,994,525
Deferred tax assets		464,430	333,844
TOTAL NON-CURRENT ASSETS		509,282,010	418,328,369
TOTAL ASSETS		510,573,694	422,719,786
CURRENT LIABILITIES			
Payables		145,844	42,892
TOTAL CURRENT LIABILITIES		145,844	42,892
NON-CURRENT LIABILITIES			
Interest-bearing liabilities		41,000,000	37,000,000
Provisions		310,000	250,000
Deferred tax liability		101,034	-
TOTAL NON-CURRENT LIABILITIES		41,411,034	37,250,000
TOTAL LIABILITIES		41,556,878	37,292,892
NET ASSETS		469,016,816	385,426,894
EQUITY			
Contributed equity	5	154,518,404	150,265,956
Reserves		284,804,580	208,120,989
Retained profits	6	29,693,832	27,039,949
TOTAL EQUITY		469,016,816	385,426,894

The statement of financial position is to be read in conjunction with the notes to the half-year financial statements set out on pages 8 to 11.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Cash Flows for the Half-Year Ended 31 December 2004

	<i>Note</i>	<i>31 December 2004 \$</i>	<i>31 December 2003 \$</i>
		<i>Inflows/ (Outflows)</i>	<i>Inflows/ (Outflows)</i>
Cash Flows from Operating Activities			
Interest received		79,392	210,676
Dividends and trust distributions received		13,344,862	11,812,015
Interest paid		(1,310,404)	(1,009,374)
Cash payments in the course of operations		(184,746)	(175,239)
Income taxes paid		-	(25,458)
		11,929,104	10,812,620
Cash Flows from Investing Activities			
Proceeds from sale of investments		11,050,752	23,337,369
Payments for investments		(25,190,209)	(31,639,620)
		(14,139,457)	(8,302,251)
Cash Flows from Financing Activities			
Dividends paid (excluding dividend re-investment plan)		(2,685,829)	(3,754,150)
Bank loan – bill facility		4,000,000	-
		1,314,171	(3,754,150)
Net cash provided by/(used in) financing activities			
Net (decrease) in cash held		(896,182)	(1,243,781)
Cash at the beginning of the financial period		1,121,190	6,251,620
Cash at the end of the financial period		225,008	5,007,839

The statement of cash flows is to be read in conjunction with the notes to the half-year financial statements set out on pages 8 to 11.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

1. *Statement of Significant Accounting Policies*

(a) *Basis of Preparation of half-year financial report*

The half-year financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The half-year financial report is to be read in conjunction with the 30 June 2004 Annual Financial Report and any public announcements by Australian United Investment Company Ltd during the half-year, in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

These accounting policies have been consistently applied and, except where there is a change in accounting policy as disclosed in Note 2, are consistent with those applied in the 30 June 2004 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in the annual financial report.

2. *Changes in Accounting Policy*

There have been no material changes in the accounting policies of the Company from those adopted at 30 June 2004.

3. *Revenue from Ordinary Activities*

(a) Revenue from operating activities

The activity of the Company is that of an investment company, returns being in the form of dividends, interest income, trust income and sub-underwriting income. Dividend income is recognised at the ex-dividend date and in accordance with Generally Accepted Accounting Principles.

(b) Revenue from other than operating activities

The proceeds on sale of long term investments are considered to be other revenue of the Company.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

	<i>31 December 2004</i>	<i>31 December 2003</i>
	\$	\$

4. *Dividends*

Dividends recognised in the current period by the Company are:

Final dividend paid on 8 October 2004	<u>6,938,277</u>	<u>6,419,588</u>
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Subsequent to reporting date:

Since 31 December 2004, the directors have declared the following dividend payable on 12 April 2005:

- Interim dividend of 8.0 cents per share fully franked	<u>6,604,612</u>	
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The financial effect of this dividend has not been brought to account in the financial statements for the period ended 31 December 2004.

	<i>31 December 2004</i>	<i>30 June 2004</i>
	\$	\$

5. *Contributed Equity*

Issued and Paid-Up Capital

82,557,646 ordinary shares, fully paid (30 June 2004:
81,629,164)

	<u>154,518,404</u>	<u>150,265,956</u>
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Movements in ordinary share capital

Balance at beginning of period

	150,265,956	144,432,148
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Shares Issued

- Dividend re-investment plan

(i)	<u>4,252,448</u>	<u>5,833,808</u>
	<u>154,518,404</u>	<u>150,265,956</u>

(i) In respect of the 2004 final dividend paid 8 October 2004, 928,482 shares were issued at \$4.58 each under the dividend re-investment plan.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

	<i>Note</i>	<i>31 December 2004</i>	<i>31 December 2003</i>
		\$	\$
6. Retained Profits			
Retained profits at the beginning of the half-year		27,039,949	22,449,054
Net profit		9,592,160	9,215,578
Dividends		<u>(6,938,277)</u>	<u>(6,419,588)</u>
Retained profits at the end of the half-year		<u>29,693,832</u>	<u>25,245,044</u>
7. Total Equity Reconciliation			
Total equity at the beginning of the half-year		385,426,894	316,605,286
Total changes in equity recognised in the statement of financial performance		86,275,751	47,990,781
Transactions with owners as owners			
Dividends		(6,938,277)	(6,419,588)
Shares issued under dividend re-investment plan		<u>4,252,448</u>	<u>2,665,439</u>
Total equity at the end of the half-year		<u>469,016,816</u>	<u>360,841,918</u>

8. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2004.

9. Segment Reporting

The Company operates as an investment company in Australia.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

10. Event subsequent to reporting date

International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Company must comply with the Australian equivalent to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This half-year financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting periods ending on 31 December 2004. The differences between Australian GAAP and AIFRS identified to date as potentially having a significant effect on the Company's financial performance and financial position are summarised below.

The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and AIFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the Company's financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with AIFRS.

Implementation project

The board has established a formal implementation project, to assess the impact of transition to AIFRS and to achieve compliance with AIFRS reporting for the financial year commencing 1 July 2005.

The key potential implications of the conversion to AIFRS on the Company identified to date are as follows:

- The Company must recognise an additional deferred tax liability amount for the capital gains tax payable on unrealised gains in the investment portfolio. This liability will be offset against the unrealised gains on the investment portfolio recognised in the Asset Revaluation Reserve.
- Revaluation increments or decrements from prior years realised on disposal of investments (net of tax) will be included in the Net Profit of the Company before being transferred to the Investment Fluctuation Reserve. Previously these amounts were transferred directly from the Asset Revaluation Reserve to the Investment Fluctuation Reserve.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors' Declaration

In the opinion of the directors of Australian United Investment Company Limited:

1. The financial statements of the Company and accompanying notes, as set out on pages 5 to 11, are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the Company as at 31 December 2004 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this day of February, 2005

Signed in accordance with a resolution of the Directors:

C B Goode
Director



**Independent review report to the members of
Australian United Investment Company Limited**

Scope

We have reviewed the financial report of Australian United Investment Company Limited ("the Company") for the half-year ended 31 December 2004, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 10 and the directors' declaration set out on pages 5 to 12. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the Company's financial position, and performance as represented by the results of its operations and its cash flows and in order for the Company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Australian United Investment Company Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - i. giving a true and fair view of the Company's financial position as at 31 December 2004 and its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

KPMG

KPMG

Don Pasquariello
Don Pasquariello
Partner

Melbourne
18th February 2005

