

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

HALF YEARLY REPORT TO SHAREHOLDERS

Dear Shareholder,

20 February 2008

Results & Dividend

On 14 February 2008 the Company released the attached report to the Australian Securities Exchange covering the Company's performance for the half year to 31 December 2007 and the interim dividend declaration.

The key points were:

- Operating Profit after tax and before net realised gains on the investment portfolio was \$16.2 million, up 18% from the prior period.
- Earnings per share based on net operating profit after tax were 18.9 cents, an increase of 17% from the prior period.
- The interim dividend for the half year is 11.5 cents per share (10.5 cents previous period), fully franked, payable on Friday 11 April 2008. The record date for determining entitlement to the interim dividend is 18 March 2008.
- The Company's net asset backing accumulation performance for the six months to 31 December 2007 (assuming all dividends were reinvested) was 1.8%.

Dividend Reinvestment Plan – Discount 3%

Directors have resolved that for this interim dividend, a discount of 3% to the Average Selling Price will apply for shares purchased under the Dividend Reinvestment Plan (DRP).

The Average Selling Price is calculated as the average selling price of shares traded on the Australian Securities Exchange in the five business days beginning from the day the shares begin trading on an ex dividend basis. Shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. The last day for receipt of an election notice for participation in the plan is 18 March 2008.

An application form for participation in the Dividend Reinvestment Plan is enclosed. (If you have previously enrolled for participation in the DRP, not withdrawn your participation and wish to continue in the Plan, you need take no action).

The terms of the Dividend Reinvestment Plan are available from the Company's website, www.aui.com.au or from the Company's Share Registrar by calling 1300 850 505, or by calling this office.

Yours faithfully



A J Hancock
Company Secretary

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14 February 2008

The General Manager
Australian Stock Exchange
10th Floor
20 Bond Street
Sydney NSW 2000

Dear Sir,

HALF YEARLY REPORT AND DIVIDEND ANNOUNCEMENT **FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

The Directors are pleased to make the following report concerning the company's performance and interim dividend:-

Operating Profit and Realised Capital Gains

Operating profit after income tax and before net realised gains on the investment portfolio for the half year ended 31 December 2007 was \$16,187,906 (previous corresponding period: \$13,692,373). Operating profit includes special dividends and distributions received of \$2,103,577 (previously \$1,274,375).

Net realised gains on the investment portfolio after tax were \$16,949,916 (previously \$10,473,142).

Operating expenses (excluding interest) for the half year were 0.05% of the average market value of the portfolio (previously 0.05%).

Earnings Per Share

The operating earnings per share based on the weighted average number of shares on issue for the half year was 18.9 cents per share (16.4 cents excluding the special dividends) compared to 16.1 cents for the half year to 31 December 2006 (14.6 cents excluding special dividends).

Including realised capital gains and special dividends, earnings per share were 38.6 cents (previously 28.5 cents).

Dividends

The Directors also announce an interim dividend of 11.5 cents per share fully franked to shareholders registered on 18 March 2008, to be paid on 11 April 2008. The comparable 2007 interim dividend was 10.5 cents per share fully franked. The dividend contains no Listed Investment Company capital gains.

Dividend Reinvestment Plan

The Company operates a Dividend Reinvestment Plan ("DRP") under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares will be at a 3% discount to the average selling price of shares traded on the Australian Securities Exchange in the five days beginning from the day the shares begin trading on an ex dividend basis. The last day for the receipt of an election notice for participation in the plan is 18 March 2008.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$9.39 at 31 December 2007 and \$8.41 at 31 January 2008. 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 \$7.63 at 31 December 2007 and \$6.95 at 31 January 2008.

The Company's net asset backing accumulation performance for the six months to 31 December 2007 (assuming all dividends were reinvested) was 1.8%.

Investment Portfolio

As at 31 December 2007 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. BHP Billiton Ltd	84,294	9.6%
2. Rio Tinto Ltd	80,370	9.2%
3. Woodside Petroleum Ltd	50,390	5.7%
4. ANZ Banking Group Ltd	48,055	5.5%
5. Diversified United Investment Ltd	47,640	5.4%
6. National Australia Bank Ltd	41,569	4.7%
7. Westpac Banking Corporation Ltd	37,692	4.3%
8. Woolworths Ltd	33,990	3.9%
9. Commonwealth Bank Ltd	32,505	3.7%
10. Wesfarmers Ltd	30,375	3.5%
11. Alumina Ltd	28,665	3.3%
12. Orica Ltd	23,813	2.7%
13. Tabcorp Holdings Ltd	23,648	2.7%
14. QBE Insurance Group Ltd	23,338	2.7%
15. Westfield Group	21,000	2.4%
16. Brambles Ltd	20,754	2.4%
17. AXA Asia Pacific Holdings Ltd	18,450	2.1%
18. Suncorp Metway Ltd	16,920	1.9%
19. Perpetual Ltd	16,560	1.9%
20. St George Bank Ltd	14,215	1.6%
21. Alesco Corporation Ltd	13,556	1.5%
22. Telstra - Instalment Receipts	12,680	1.4%
23. Bluescope Steel Ltd	11,580	1.3%
24. CSL Ltd	10,908	1.2%
25. Transurban Group Ltd	10,260	1.2%
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	753,227	85.8%
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Total Investments at Market Value and Cash	877,645	

Yours faithfully,



A J Hancock
Company Secretary