

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

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AUSTRALIA

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HALF YEARLY REPORT TO SHAREHOLDERS

15 March 2013

Dear Shareholder,

Dividend Payment Enclosed

Enclosed with this letter is payment of the 13.5¢ per share fully franked interim dividend, by way of cheque, notification of direct banking, or notification of allotment of shares under the Dividend Reinvestment Plan, according to your instructions.

Net Asset Backing 28 February 2013

At 28 February 2013 the unaudited net tangible asset backing of the Company's ordinary shares, based on investments at market value, after the tax effect of realised gains and before estimated tax on net unrealised gains/losses, and after provision for the interim dividend was \$7.93, or \$6.84 per share after providing for estimated tax on unrealised portfolio gains.

Results for Half Year Ended 31 December 2012

On 20 February 2013 the Directors made the following report to the Australian Securities Exchange concerning the company's performance and the interim dividend:-

Profit and Realised Capital Gains/Losses

Profit after income tax for the half year ended 31 December 2012 was \$17,734,318 (previous corresponding period: \$17,414,378). The Profit includes special dividends of \$170,345 after tax. The previous corresponding period included special and additional dividends received early of \$401,874 after tax.

Excluding special dividends Profit after tax rose 3%.*

Net realised losses on the investment portfolio after tax were \$12,763,789 (previously losses of \$5,522,528), which under accounting standards are transferred directly to the Asset Revaluation Reserve and are not included in Net Profit.

Operating expenses (excluding interest) for the half year were 0.07% of the average market value of the portfolio (previously 0.06%).

Earnings Per Share

The earnings per share based on the weighted average number of shares on issue for the half year were 16.8 cents per share (16.6 cents excluding special dividends) compared to 16.6 cents (16.2* cents excluding special dividends) for the period to 31 December 2011. The weighted average number of ordinary shares for the period was 105,867,362 against 104,967,037 in the previous period, an increase of 1%.*

Dividends

The Directors have declared an interim dividend of 13.5 cents per share fully franked to shareholders registered on 1 March 2013, to be paid on 15 March 2013. The comparable 2012 interim dividend was 13 cents per share fully franked.

LIC Capital Gains

The interim dividend will not include any Listed Investment Company capital gain dividend.

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 the average selling price (without discount) of shares traded on the Australian Securities Exchange in the five trading 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 1 March 2013.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$7.15 at 31 December 2012 and \$7.54 at 31 January 2013. These calculations are after the tax effect of realised gains, before tax on unrealised gains/losses, 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 \$6.32 at 31 December 2012 and \$6.60 at 31 January 2013.

Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2012 (assuming all dividends were reinvested) was a rise of 16.8%, compared to the rise of 16.1% in the S&P ASX 300 Accumulation index. The Company's returns are after tax and expenses and the impact of the Company's gearing for which no allowance is made in the index.

Investment Portfolio

As at 31 December 2012 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	76,055	8.9%
2. ANZ Banking Group Ltd	68,888	8.0%
3. Commonwealth Bank Ltd	62,180	7.2%
4. Westpac Banking Corporation Ltd	61,194	7.1%
5. Rio Tinto Ltd	53,804	6.3%
6. Wesfarmers Ltd PPS & Ordinary	53,548	6.2%
7. National Australia Bank Ltd	50,000	5.8%
8. Woodside Petroleum Ltd	42,350	4.9%
9. Woolworths Ltd	35,196	4.1%
10. Diversified United Investment Ltd	34,200	4.0%
11. Orica Ltd	25,070	2.9%
12. AGL Energy Ltd	17,943	2.1%
13. CSL Ltd	16,170	1.9%
14. QBE Insurance Group Ltd	15,805	1.8%
15. Brambles Ltd	15,771	1.8%
16. AMP Ltd	15,392	1.8%
17. Origin Energy Ltd	13,944	1.6%
18. SP AusNet	13,653	1.6%
19. Telstra Corporation Ltd	13,110	1.5%
20. Transurban Group	12,789	1.5%
21. Santos Ltd	11,100	1.3%
22. Mystate Ltd	9,178	1.1%
23. Echo Entertainment Group	8,256	1.0%
24. Amalgamated Holdings Ltd	8,100	0.9%
25. Tatts Group Ltd	7,525	0.9%
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	741,221	86.2%
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Total Investments at Market Value, Short Term Receivables and Cash	859,360	

Yours faithfully,



A J Hancock
Company Secretary"