

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ACN 004 268 679

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HALF YEARLY REPORT TO SHAREHOLDERS

HALF YEAR ENDED 31 DECEMBER 2001

Dear Shareholder,

On 18 February 2002 the Directors made the following report to the Australian Stock Exchange concerning the Company's performance and the interim dividend:

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 2001 was \$4,563,858 compared to \$5,247,306 for the previous corresponding period. The decrease in operating profit is a result of higher interest costs associated with a higher level of borrowings, some companies in which we hold investments paying final dividends before 30 June 2001 and fewer special dividends received.

The Company incurred operating expenses (excluding interest) for the half year of \$213,660 (2000: \$182,677) which is equivalent to 0.07% (2000: 0.07%) of the average market value of the portfolio.

The earnings per share were 7.11 cents for the half year to 31 December 2001 compared to 8.18 cents for the half year to 31 December 2000.

Interim Dividend

The directors also announce an interim dividend of 5.5 cents per share fully franked to shareholders registered on 28 March 2002, to be paid on 11 April 2002. The comparable 2001 interim dividend was 5.0 cents per share fully franked.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$4.59 at 31 December 2001. This calculation is after provision for tax on net realised gains, before tax on unrealised gains and after provision for the interim dividend of 5.5 cents per share.

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 figure would be \$4.03 at 31 December 2001.

In the half year to 31 December 2001 the portfolio was revalued downwards by \$99,575 to a market value of \$326,774,836 (December 2000: revalued upwards by \$8,248,119 to a market value of \$267,131,187), the reduction being taken directly to the asset revaluation reserve.

Investment Portfolio

As at 31 December 2001 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. National Australia Bank Ltd	31,860	9.7%
2. ANZ Banking Group Ltd	23,563	7.2%
3. WMC Ltd	22,490	6.8%
4. Wesfarmers Ltd	21,693	6.6%
5. Mayne Nickless Ltd	16,127	4.9%
6. Westpac Banking Corporation Ltd	15,760	4.8%
7. Rio Tinto Ltd	14,884	4.5%
8. Tabcorp Holdings Ltd	9,840	3.0%
9. Woodside Petroleum Ltd	9,373	2.9%
10. Commonwealth Bank Ltd	8,982	2.7%
11. The News Corporation Ltd		
– Ordinary	8,186	2.5%
– Preference	235	0.1%
12. Diversified United Investment Ltd	8,394	2.6%
13. BHP Billiton	7,341	2.2%
14. Brambles Industries Ltd	7,300	2.2%
15. Telstra Corporation Ltd	7,224	2.2%
16. Southern Cross Broadcasting (Aust) Ltd	6,660	2.0%
17. Perpetual Trustees Australia Ltd	5,711	1.8%
18. Vision Systems Ltd		
– Ordinary	3,096	0.9%
– Ordinary Ex Prefs	2,604	0.8%
19. Coles Myer Ltd	5,341	1.6%
20. CSL Ltd	5,242	1.6%
21. AMP Ltd	4,610	1.4%
22. Australian Gas Light Company Ltd	4,540	1.4%
23. Woolworths Ltd	4,350	1.3%
24. Lend Lease Ltd	3,915	1.2%
25. Foodland Assoc. Ltd	3,675	1.1%
	262,996	80.0%
	328,767	
Total Investments at Market Value and Cash	328,767	

Yours faithfully,

Charles Goode
Chairman