

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

Monday 12 May 2008

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED **PLACEMENT OF SHARES**

The Directors of Australian United Investment Company Limited ('AUI') advise that the company is finalising the issue of 7,987,300 ordinary shares to Professional and Sophisticated investors at \$8.27 per share. All placement shares will rank equally with, and have the same rights as, all existing listed fully paid ordinary securities issued by AUI. The placement price represented a 5% discount to the latest announced Net Tangible Asset Backing Per Share of AUI as at 30 April 2008 adjusted market movements to Friday 9 May 2008.

The \$66,054,971 raised from the Placement will be used to reduce borrowings or held on deposit pending investment in shares.

The placement increases shareholder numbers by over approximately 1,000, adding to the liquidity of shares in the company, enabling expansion of the investment portfolio without having to sell long term investments, and assisting in continuing to lower the Management Expense Ratio.

Dixon Advisory & Superannuation Services Pty Limited ("Dixon Advisory") is the facilitator to this transaction. The shares were placed to institutional investors, and clients of Dixon Advisory, who are sophisticated and professional investors and exempt from the disclosure requirements of Chapter 6D of the Corporations Act.

As this placement represents less than 15% of the securities on issue, shareholder approval is not required to be sought in relation to the issue.

The transaction is expected to be settled on or before 19 May 2008 and shares allotted on or about 20 May 2008. The expected date of quotation of placement shares is 21 May 2008.

A J Hancock
Company Secretary