

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2003

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2003 with the corresponding period being the half year ended 31 December 2002.

Results for announcement to the market

- Revenue from ordinary activities including revenue from the sale of long-term investments was \$33.6 million, 0.8% up from the prior year.
- Profit from ordinary activities after tax was \$9.2 million, 43.8% up from the prior year.
- Net profit attributable to shareholders was \$9.2 million, 43.8% up from the prior year.
- After excluding special dividends received as part of the Company's participation in the Telstra Corporation Ltd and Foster's Group Ltd share buy-back arrangements, profit from ordinary activities after tax was up 10.7% from the prior period.
- The interim dividend for the half year is 6.5 cents per share (6 cents previous period) fully franked payable on 13 April 2004. The record date for determining entitlement to the interim dividend is 24 March 2004.

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

20 February 2004

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 2003

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 2003 was \$9,215,578 compared to \$6,405,991 for the previous corresponding period, an increase of \$2,809,587. The increase in operating profit includes \$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 0.09% of the average market value of the portfolio (2002: 0.09%).

The earnings per share were 11.44 cents for the half year to 31 December 2003 (8.81 cents excluding the Telstra and Foster's special buy-back dividends) compared to 7.99 cents for the half year to 31 December 2002.

Interim Dividend

The directors also announce an interim dividend of 6.5 cents per share fully franked to shareholders registered on 24 March 2004, to be paid on 13 April 2004. The comparable 2003 interim dividend was 6 cents per share fully franked.

Dividend Reinvestment Plan

The last date for receipt of election notices under the Dividend Reinvestment Plan is 24 March 2004. 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 \$4.46 at 31 December 2003 and \$4.40 at 31 January 2004. 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 \$3.96 at 31 December 2003 and \$3.92 at 31 January 2004.

Investment Portfolio

As at 31 December 2003 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	30,297	7.8%
2. National Australia Bank Ltd	29,950	7.7%
3. Westpac Banking Corporation Ltd	21,587	5.5%
4. Rio Tinto Ltd	16,740	4.3%
5. Alumina Ltd	16,425	4.2%
6. Wesfarmers Ltd	15,894	4.1%
7. Tabcorp Holdings Ltd	13,364	3.4%
8. WMC Resources Ltd	13,230	3.4%
9. Commonwealth Bank Ltd	11,780	3.0%
10. Woodside Petroleum Ltd	11,544	3.0%
11. Suncorp Metway Ltd	9,912	2.5%
12. Orica Ltd	9,772	2.5%
13. BHP Billiton Ltd	9,752	2.5%
14. TAB Ltd	9,240	2.4%
15. Southern Cross Broadcasting (Aust) Ltd	8,536	2.2%
16. Perpetual Trustees Australia Ltd	8,520	2.2%
17. Brambles Industries Ltd	8,448	2.2%
18. Woolworths Ltd	8,260	2.1%
19. Diversified United Investment Ltd	7,921	2.0%
20. Foodland Associated Ltd	7,784	2.0%
21. Alesco Corporation Ltd	7,092	1.8%
22. Amcor Ltd	6,608	1.7%
23. QBE Insurance Group Ltd	6,360	1.6%
24. The News Corporation Ltd	6,295	1.6%
25. Australian Gas Light Company Ltd	6,176	1.6%
	<hr/> <hr/>	<hr/> <hr/>
	301,487	77.2%
Total Investments at Market Value and Cash	390,525	

Yours faithfully

A J Hancock
Company Secretary

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

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2003

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors

C B Goode - Chairman

G E Moir

P J B Rose

P J Wetherall

Company Secretary

A J Hancock

Level 4

45 Exhibition Street

Melbourne Vic 3000

Telephone: (03) 9654 0499

Registered Office

Australian United Investment Company Limited

C/- KPMG

Level 4

161 Collins Street

Melbourne Vic 3000

Administration Managers

The Myer Family Office Ltd

Solicitors

Mallesons Stephen Jaques

Bankers

National Australia Bank Limited

Auditors

KPMG

Chartered Accountants

Share Registry

Computershare Investor Services Pty Ltd

Level 12

565 Bourke Street

Melbourne Vic 3000

Telephone: (03) 9611 5711

Facsimilie: (03) 9611 5710

Stock Exchange

The Company is listed on the Australian Stock Exchange, ASX code: AUI.

WebSite

www.aui.com.au

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 2003 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	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 \$9,215,578 for the half year ended 31 December 2003 compared to \$6,405,991 for the half year ended 31 December 2002, an increase of \$2,809,587. The increase in operating profit is primarily a result of 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 0.09% of the average market value of the portfolio (2002: 0.09%).

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

Melbourne, February 2004

C B Goode
Director

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Financial Performance for the Half-Year Ended 31 December 2003

	<i>Note</i>	<i>31 December 2003 \$</i>	<i>31 December 2002 \$</i>
Revenue from operating activities		10,469,658	7,804,549
Revenue from the sale of long term investments		23,150,093	23,295,086
<i>Total ordinary revenue</i>	3	33,619,751	31,099,635
Carrying value of investments sold		(23,150,093)	(23,295,086)
Operating expenses		(330,510)	(338,006)
Borrowing costs		(1,028,372)	(1,004,588)
Profit from ordinary activities before related income tax expense		9,110,776	6,461,955
Income tax (expense)/benefit relating to ordinary activities		104,802	(55,964)
Profit from ordinary activities after related income tax expense		9,215,578	6,405,991
Net profit		9,215,578	6,405,991
Non-owner transaction changes in equity			
Increase/(decrease) in reserves			
Asset Revaluation Reserve		51,666,564	(27,954,022)
Investment Fluctuation Reserve		(12,891,361)	634,524
Total changes in equity from non-owner related transactions	7	47,990,781	(20,913,507)
Basic earnings per share (cents per share)		11.44	7.99

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 7 to 9.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Financial Position as at 31 December 2003

	<i>Note</i>	<i>31 December</i> 2003 \$	<i>30 June</i> 2003 \$
CURRENT ASSETS			
Cash assets		5,007,839	6,251,620
Receivables		1,721,786	4,863,101
Other		464,585	483,583
TOTAL CURRENT ASSETS		7,194,210	11,598,304
NON-CURRENT ASSETS			
Investments		383,827,822	335,161,293
Deferred tax assets		163,956	44,253
TOTAL NON-CURRENT ASSETS		383,991,778	335,205,546
TOTAL ASSETS		391,185,988	346,803,850
CURRENT LIABILITIES			
Payables		149,068	48,007
Current tax liabilities		-	10,557
TOTAL CURRENT LIABILITIES		149,068	58,564
NON-CURRENT LIABILITIES			
Interest-bearing Liabilities		30,000,000	30,000,000
Provisions		195,002	140,000
TOTAL NON-CURRENT LIABILITIES		30,195,002	30,140,000
TOTAL LIABILITIES		30,344,070	30,198,564
NET ASSETS		360,841,918	316,605,286
EQUITY			
Contributed equity	5	147,097,587	144,432,148
Reserves		188,499,287	149,724,084
Retained profits	6	25,245,044	22,449,054
TOTAL EQUITY		360,841,918	316,605,286

The statement of financial position is to be read in conjunction with the notes to the half year financial statements set out on pages 7 to 9.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Cash Flows for the Half Year Ended 31 December 2003

	<i>Note</i>	<i>31 December 2003</i>	<i>31 December 2002</i>
		\$	\$
		Inflows/ (Outflows)	Inflows/ (Outflows)
Cash Flows from Operating Activities			
Interest received		210,676	501,708
Dividends received		11,812,015	9,098,465
Interest paid		(1,009,374)	(834,522)
Cash payments in the course of operations		(175,239)	(359,287)
Income taxes (paid)		(25,458)	(46,196)
		10,812,620	8,360,168
Cash Flows from Investing Activities			
Net proceeds from bank bill maturities		-	30,000,000
Proceeds from sale of investments		23,337,369	4,025,100
Payments for investments		(31,639,620)	(34,414,241)
		(8,302,251)	(389,141)
Cash Flows from Financing Activities			
Dividends paid (excluding dividend re-investment plan)		(3,754,150)	(5,133,382)
		(3,754,150)	(5,133,382)
Net increase/(decrease) in cash held		(1,243,781)	2,837,645
Cash at the beginning of the financial period		6,251,620	8,159,459
Cash at the end of the financial period		5,007,839	10,997,104

The statement of cash flows is to be read in conjunction with the notes to the half year financial statements set out on pages 7 to 9.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the Half Year Ended 31 December 2003

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 2003 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 2003 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 2003.

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.

(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 2003

4. *Dividends*

	<i>31 December 2003</i>	<i>31 December 2002</i>
	\$	\$
During the period, Australian United Investment Company Ltd has paid or provided for dividends not previously recognised in retained profits as follows:		
Final dividend paid on 9 October 2002	-	5,133,382
Final dividend paid on 9 October 2003	6,419,588	-
	6,419,588	5,133,382

Subsequent to reporting date:

Since 31 December 2003, the directors have declared the following dividend payable on 13 April 2004:

- Interim dividend of 6.50 cents per share	\$ 5,258,334
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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 2003.

5. *Contributed Equity*

Issued and Paid-Up Capital

80,897,439 ordinary shares, fully paid (2003: 80,247,332)

	<i>31 December 2003</i>	<i>30 June 2003</i>
	\$	\$
	147,097,587	144,432,148
Movements in ordinary share capital		
Balance at beginning of period	144,432,148	144,284,817
Shares Issued		
- Dividend re-investment plan (i)	2,665,439	147,331
	147,097,587	144,432,148

- (i) In respect of the 2003 final dividend 650,107 shares were issued at \$4.10 (2003 Interim 38,070 shares issued at \$3.87) each under the dividend re-investment plan.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Notes to the Financial Statements for the Half Year Ended 31 December 2003 (Continued)

	<i>Note</i>	<i>31 December 2003</i>	<i>31 December 2002</i>
		\$	\$
6. <i>Retained Profits</i>			
Retained profits at the beginning of the half-year		22,449,054	19,505,818
Net profit		9,215,578	6,405,991
Dividends		<u>(6,419,588)</u>	<u>(5,133,382)</u>
Retained profits at the end of the half-year		<u>25,245,044</u>	<u>20,778,427</u>
7. <i>Total Equity Reconciliation</i>			
Total equity at the beginning of the half-year		316,605,286	342,045,562
Total changes in equity recognised in the statement of financial performance		47,990,781	(20,913,507)
Transactions with owners as owners			
Dividends		(6,419,588)	(5,133,382)
Shares issued under dividend re-investment plan		<u>2,665,439</u>	<u>-</u>
Total equity at the end of the half-year		<u>360,841,918</u>	<u>315,998,673</u>

8. *Contingent Liabilities, Capital Commitments and Subsequent Events*

There were no contingent liabilities or capital commitments as at 31 December 2003. There have been no significant events from 31 December 2003 to the date of this report.

9. *Segment Reporting*

The Company operates as an investment company in Australia.

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 4 to 9 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 2003 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, 2004

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 for the half year ended 31 December 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 9 and the directors' declaration set out on pages 4 to 10. 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 procedures described, anything has come to our attention that would indicate that the half year financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", and other mandatory professional reporting requirements and statutory requirements in Australia 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 the 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 the Australian Auditing Standards applicable to review engagements. The 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 provided 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 2003 and its performance for the half year ended on that date; and
 - ii) complying with Accounting Standard AASB 1029 " Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

KPMG

D Pasquariello
Partner
Melbourne
February 2004