AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT
FOR THE HALF YEAR ENDING 31 DECEMBER 2006

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2006 with the corresponding period being the half year ended 31 December 2005.

Results for announcement to the market

- Revenue from ordinary activities was $16 million, 25% up from the prior period.
- Operating Profit after tax and before net realised gains on the investment portfolio was $13.7 million, up 24% from the prior period.
- Net realised gains on the investment portfolio after tax were $10.5 million, up 87% from the prior period.
- The total net profits for the period were $24.2 million, 45% up from the prior period.
- In the current period special dividends and distributions of $1,274,375 after tax were received. In the previous corresponding period special dividends of $1,276,154 after tax were received
- The interim dividend for the half year is 10.5 cents per share (8.5 cents previous period) fully franked payable on 12 April 2007. The record date for determining entitlement to the interim dividend is 22 March 2007.

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

15 February 2007

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 2006

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 2006 was $13,692,373 (previous corresponding period: $11,060,559). Operating profit includes special dividends and distributions received of $1,274,375 (previously $1,276,154).

Net realised gains on the investment portfolio after tax were $10,473,142 (previously $5,587,085). In accordance with accounting standards, these gains include the non-cash, scrip based deemed sales arising from the scheme of arrangement affecting our holdings in Alinta Limited and Australian Gas Light Company and the takeover of Unitab by Tattersalls.

Operating expenses (excluding interest) for the half year were 0.05% of the average market value of the portfolio (previously 0.06%).

Earnings Per Share

The operating earnings per share based on the weighted average number of shares on issue for the half year was 16.1 cents per share (14.6 cents excluding the special dividends) compared to 13.2 cents for the half year to 31 December 2005 (11.7 cents excluding special dividends).

Including realised capital gains and special dividends, earnings per share were 28.5 cents (previously 19.9 cents).

Dividends

The Directors also announce an interim dividend of 10.5 cents per share fully franked to shareholders registered on 22 March 2007, to be paid on 12 April 2007. The comparable 2006 interim dividend was 8.5 cents per share fully franked. The dividend contains no Listed Investment Company capital gains.

Dividend Reinvestment Plan

The last date for receipt of election notices under the Dividend Reinvestment Plan is 22 March 2007. 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 $8.21 at 31 December 2006 and $8.42 at 31 January 2007. 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 $6.71 at 31 December 2006 and $6.86 at 31 January 2007.

Investment Portfolio

As at 31 December 2006 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	50,600	6.5%
2.	ANZ Banking Group Ltd	49,368	6.3%
3.	Rio Tinto Ltd	44,580	5.7%
4.	Diversified United Investment Ltd	42,600	5.5%
5.	National Australia Bank Ltd	40,400	5.2%
6.	Woodside Petroleum Ltd	38,110	4.9%
7.	Westpac Banking Corporation Ltd	32,724	4.2%
8.	Alumina Ltd	27,579	3.5%
9.	Tabcorp Holdings Ltd	26,960	3.5%
10.	Woolworths Ltd	23,900	3.1%
11.	Brambles Ltd	23,094	3.0%
12.	Wesfarmers Ltd	22,524	2.9%
13.	Commonwealth Bank Ltd	22,266	2.8%
14.	Westfield Group	20,990	2.7%
15.	QBE Insurance Group Ltd	20,195	2.6%
16.	AXA Asia Pacific Holdings Ltd	18,225	2.3%
17.	Orica Ltd	18,225	2.3%
18.	Suncorp Metway Ltd	16,280	2.1%
19.	Southern Cross Broadcasting (Aust) Ltd	15,980	2.0%
20.	Perpetual Trustees Australia Ltd	15,642	2.0%
21.	Alesco Corporation Ltd	15,233	1.9%
22.	St George Bank Ltd	14,850	1.9%
23.	Bluescope Steel Ltd	10,344	1.3%
24.	Iluka Resources Ltd	9,975	1.3%
25.	Alinta Ltd	9,664	1.2%
		630,308	80.7%
	Total Investments at Market Value and Cash	780,755	

Yours faithfully

A J Hancock
Company Secretary

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

(ABN 37 004 268 679)

INTERIM FINANCIAL REPORT
31 DECEMBER 2006

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors
C B Goode AC - Chairman
G E Moir
P J B Rose AO
P J Wetherall
R R Dewhurst

Company Secretary
Andrew Justin Hancock FCA

Principal Office
Level 4
45 Exhibition Street
Melbourne Vic 3000
Tel: (613) 9654 0499
Fax: (613) 9654 3499
Email: info@aui.com.au
Website: www.aui.com.au

Registered Office
Australian United Investment Company Limited
C/- KPMG
147 Collins Street
Melbourne Vic 3000

Bankers
National Australia Bank Limited

Auditors
KPMG
Chartered Accountants

Share Registry
Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067
Tel: 1300 850 505 or (613) 9415 5000
Fax: (613) 9473 2500
Website: www.computershare.com

Stock Exchange
The Company is listed on the Australian Securities Exchange Ltd.

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 2006 and the auditors' review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Name	*Period of Directorship*
Charles B. Goode AC Chairman	Director since 1990 Appointed Chairman 1994
Graeme E. Moir	Director since 1976
Dr P John B Rose AO	Director since 2000
Peter J. Wetherall	Director since 2001
Ronald R. Dewhurst	Director since 2005

Review of Operations

The operating profit (excluding net realised gains) after income tax was $13,692,373 for the half-year ended 31 December 2006 compared to $11,060,559 for the half-year ended 31 December 2005. Operating profit including net realised gains after income tax for the half-year ended 31 December 2006 was $24,165,515 (previous corresponding period: $16,647,644). The operating profit after tax includes $1,274,375 of special dividends received. The 2005 half-year operating profit after tax included special dividends of $1,276,154.

Operating expenses (excluding interest) were 0.05% of the average market value of the portfolio (2005: 0.06%).

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the half-year ended 31 December 2006.

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

Melbourne, 15th February 2007

C B Goode
Director

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Australian United Investment Company Limited

I declare that, to the best of my knowledge and belief in relation to the review for the half-year ended 31 December 2006 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

MSomerville

Michelle Somerville
Partner

Melbourne

15 February 2007

KPMG, an Australian partnership, is part of the KPMG International network. KPMG International is a Swiss cooperative.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Income Statement for the Six Months Ended 31 December 2006

	31 December 2006 $	*31 December 2005 $*
Revenue from investment portfolio	16,037,300	12,844,372
Administration and other expenses	(381,627)	(377,805)
Finance expenses	(2,239,260)	(1,429,334)
Operating profit before income tax expense and net realised gains on investment portfolio	13,416,413	11,037,233
Income tax benefit *	275,960	23,326
Net operating profit before net realised gains on investment portfolio	13,692,373	11,060,559
Net realised gains on investment portfolio transferred from revaluation reserve	15,121,672	8,957,029
Income tax expense thereon *	(4,648,530)	(3,369,944)
	10,473,142	5,587,085
Profit for the period	24,165,515	16,647,644
Basic and diluted earnings per share (cents)	28.5	19.9
Basic and diluted operating earnings per share (cents) before net realised gains on investment portfolio are shown in Note 4.		
* Total tax expense	(4,372,570)	(3,346,618)

The income statement is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Balance Sheet as at 31 December 2006

	Note	*31 December 2006* $	*30 June 2006* $
CURRENT ASSETS			
Cash assets		4,793,958	1,536,001
Receivables		548,453	3,825,670
Other		36,626	37,341
TOTAL CURRENT ASSETS		5,379,037	5,399,012
NON CURRENT ASSETS			
Investment portfolio		775,412,849	691,216,729
Deferred tax assets		227,114	169,830
TOTAL NON CURRENT ASSETS		775,639,963	691,386,559
TOTAL ASSETS		781,019,000	696,785,571
CURRENT LIABILITIES			
Payables		117,477	75,785
Employee benefits		461,766	-
Current tax liability		-	2,759,201
TOTAL CURRENT LIABILITIES		579,243	2,834,986
NON CURRENT LIABILITIES			
Borrowings – interest bearing		81,808,959	64,002,605
Employee benefits		-	566,100
Deferred tax liability		127,644,259	109,522,673
TOTAL NON CURRENT LIABILITIES		209,453,218	174,091,378
TOTAL LIABILITIES		210,032,461	176,926,364
NET ASSETS		570,986,539	519,859,207
EQUITY			
Issued capital	6a	170,745,273	166,690,421
Revaluation reserve	6b	298,909,439	263,164,416
Realisation reserve	6b	49,006,355	49,256,496
Retained earnings	6b	52,325,472	40,747,874
TOTAL EQUITY		570,986,539	519,859,207

The balance sheet is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Statement of Changes in Equity for the Six Months ended 31 December 2006

	Note	*31 December 2006* *$*	*31 December 2005* *$*
Total equity at the beginning of the period	6b	519,859,207	424,272,319
Direct equity adjustments			
Revaluation of investment portfolio		61,093,265	75,434,637
Net realised gains on investment portfolio after tax transferred to income statement		(10,473,142)	(5,587,085)
Provision for tax on unrealised gains		(18,407,559)	(23,693,076)
Total direct equity adjustments		32,212,564	46,154,476
Profit for the period		24,165,515	16,647,644
Total direct equity adjustments and profit for the period		56,378,079	62,802,120
Transactions with shareholders			
Dividend reinvestment plan		4,054,852	4,737,618
Dividends paid from retained earnings		(2,114,775)	(6,250,390)
Dividends paid from realisation reserve		(7,190,824)	(1,250,120)
Total transactions with shareholders		(5,250,747)	(2,762,892)
Total equity at the end of the period	6b	570,986,539	484,311,547

The statement of changes in equity is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Statement of Cash Flows
for the Six Months Ended 31 December 2006

	31 December 2006 $	*31 December 2005 $*
Cash flows from operating activities		
Interest received	88,430	315,433
Dividends & trust distributions received	19,194,370	15,619,064
Finance costs paid	(2,432,906)	(1,555,165)
Administration and other expenses paid	(444,348)	(379,467)
Income taxes paid	(2,826,497)	-
Net cash flow from operating activities	13,579,049	13,999,865
Cash flows from investing activities		
Proceeds from sale of investments	7,859,471	28,988,700
Purchases of investments	(30,929,816)	(41,970,740)
Net cash flow from investing activities	(23,070,345)	(12,982,040)
Cash flows from financing activities		
Dividends paid	(5,250,747)	(2,762,892)
Borrowings	18,000,000	-
Net cash flow from financing activities	12,749,253	(2,762,892)
Net increase/(decrease) in cash held	3,257,957	(1,745,067)
Cash and cash equivalents at 1 July	1,536,001	3,399,858
Cash and cash equivalents at 31 December	4,793,958	1,654,791

The statement of cash flows is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report
for the Six Months Ended 31 December 2006

1. Reporting Entity

Australian United Investment Company Limited (the 'Company') is a company domiciled in Australia.

The annual financial report of the Company at 30 June 2006 is available on request from the Company's office at Level 4, 45 Exhibition Street Melbourne Vic 3000 or at www.aui.com.au.

2. Statement of compliance

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134: Interim Financial Reporting, IAS 34: Interim Financial Reporting and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company at 30 June 2006.

This interim financial report was approved by the Board of Directors on 15 February 2007.

3. Significant Accounting Policies

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in the financial report at 30 June 2006.

4. Earnings per share

	31 December 2006 Cents	*31 December 2005 Cents*
Basic earnings per share	28.5	19.9
Basic earnings per share before net realised gains on investment portfolio	16.1	13.2
Basic earnings per share before special dividends and net realised gains on investment portfolio	14.6	11.7

There were no factors which cause diluted earnings to be different from basic earnings per share.

The basic earnings per share for the half-year is calculated on a weighted average adjusted number of ordinary shares of 84,825,489 taking into account the shares issued in the dividend re-investment program. The 2005 figure is based on a weighted average number of ordinary shares of 83,694,817.

		31 December 2006 $	*31 December 2005* $
5. Dividends			
Dividends recognised in the current period by the Company are:			
Final fully franked dividend paid on 16 October 2006		9,305,599	7,500,510
Subsequent to reporting date:			
Since 31 December 2006, the directors have declared the following dividend payable on 12 April 2007:			
- Interim dividend of 10.5 cents per share fully franked		8,940,631	
The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 31 December 2006.			

		31 December 2006 $	*30 June 2006* $
6. Capital and Reserves			
(a) Issued Capital			
85,148,862 ordinary shares, fully paid (30 June 2006: 84,597,931)		170,745,273	166,690,421
Movements in issued capital			
Balance at beginning of period		166,690,421	158,664,087
Shares Issued			
- Dividend re-investment plan	(i)	4,054,852	8,026,334
		170,745,273	166,690,421

(i) In respect of the 2006 final dividend paid 16 October 2006, 550,931 shares were issued at $7.36 each under the dividend re-investment plan.

6. Capital and Reserves (Cont.)

b) Reconciliation of movements in capital and reserves

	Issued Capital	Revaluation Reserve	Realisation Reserve	Retained Earnings	Total
	$	$	$	$	$
As at 1 July 2005	158,664,087	190,040,569	43,502,665	32,064,998	424,272,319
Revaluation of investment portfolio	-	75,434,637	-	-	75,434,637
Provision for tax on unrealised gains	-	(23,693,076)	-	-	(23,693,076)
Net realised gains on investment portfolio	-	(8,957,029)	-	8,957,029	-
Income tax on net realised gains	-	3,369,944	-	(3,369,944)	-
Net operating profit for the period	-	-	-	11,060,559	11,060,559
Dividend reinvestment plan	4,737,618	-	-	-	4,737,618
Dividends paid	-	-	(1,250,120)	(6,250,390)	(7,500,510)
Realised gains transferred after tax	-	-	5,587,085	(5,587,085)	-
As at 31 December 2005	163,401,705	236,195,045	47,839,630	36,875,167	484,311,547
As at 1 July 2006	166,690,421	263,164,416	49,256,496	40,747,874	519,859,207
Revaluation of investment portfolio	-	61,093,265	-	-	61,093,265
Provision for tax on unrealised gains	-	(18,407,559)	-	-	(18,407,559)
Net realised gains on investment portfolio	-	(15,121,672)	-	15,121,672	-
Income tax on net realised gains	-	4,648,530	-	(4,648,530)	-
Transfer of tax relating to previously recognised gains	-	3,532,459	(3,532,459)	-	-
Net operating profit for the period	-	-	-	13,692,373	13,692,373
Dividend reinvestment plan	4,054,852	-	-	-	4,054,852
Dividends paid	-	-	(7,190,824)	(2,114,775)	(9,305,599)
Realised gains transferred after tax	-	-	10,473,142	(10,473,142)	-
As at 31 December 2006	170,745,273	298,909,439	49,006,355	52,325,472	570,986,539

7. Related Parties

In accordance with the restructure of Directors' remuneration which was approved at the Company's annual general meeting on 12 October 2006, the following shares have been purchased for the Directors:

Charles B Goode	33,583
Graeme E Moir	16,792
P John Rose	10,915
Peter J Wetherall	8,256

All other arrangements with related parties are consistent with those disclosed in the 30 June 2006 annual financial report.

8. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2006, with the exception of a final call payable on the Telstra Corporation Limited Instalment Receipts. Based on the Company's current holding of 3,000,000 instalment receipts, the Company expects to pay $4,800,000 in May 2008 if the shares are held at that time.

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 ("the Company"):

1. The financial statements and notes, as set out on pages 5 to 12, 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 2006 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date; and

    (b) complying with Australian Accounting Standard AASB 134 "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 15th day of February, 2007

Signed in accordance with a resolution of the Directors:

C B Goode
Director

KPMG

Independent auditor's review report to the members of Australian United Investment Company Limited

Report on the Financial Report

We have reviewed the accompanying interim financial report of Australian United Investment Company Limited ("the Company"), which comprises the balance sheet as at 31 December 2006, and the interim income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies, other explanatory notes 1 to 9 and the directors' declaration set out on pages 5 to 13 of the company.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2006 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Australian United Investment Company Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit, conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Australian United Investment Company Limited is not in accordance with the *Corporations Act 2001*, including:

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(a) giving a true and fair view of the Company's financial position as at 31 December 2006 and of their performance for the interim period ended on that date; and

(b) complying with Australian Accounting AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

KPMG

KPMG

MSomerville

Michelle Somerville
Partner

Melbourne
15 February 2007

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