AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT
FOR THE HALF YEAR ENDING 31 DECEMBER 2011

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- Results for announcement to the market
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2011 with the prior corresponding period being the half year ended 31 December 2010.

Results for announcement to the market

- Revenue from ordinary activities was $20.9 million, down 2% from the prior period.
- Profit after tax was $17.4 million, down 2% from the prior period.
- This period special and additional dividends of $401,874 after tax were received. In the prior period special dividends of $2,021,500 after tax were received.
- Excluding special and additional dividends received, Profit after tax rose 8%*.
- Earnings per share were 16.6 cents, a decrease of 3% from the prior period. Excluding special and additional dividends received earnings per share rose 6%* to 16.2* cents.
- Total net profit for the period of $17.4M excludes net realised gains or losses which are transferred directly to the Asset Revaluation Reserve. This period net realised losses on the investment portfolio after tax were $5.5 million (prior period net realised losses of $2.2 million).
- The interim dividend for the half year is 13.0 cents per share (12.0 cents prior period) fully franked payable on 15 March 2012. The record date for determining entitlement to the interim dividend is 28 February 2012.
- The interim dividend will not include any Listed Investment Company capital gain dividend.
- The net tangible asset backing per share based on the market valuation of investments was $6.17 at 31 December 2011, compared to $7.39 at the end of the prior period. These calculations are after the tax effect of net realised gains, before estimated tax on net unrealised gains/losses, and before provision for the interim dividend.
- 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 days commencing from the day the shares start trading on an ex dividend basis. The last day for the receipt of an election notice for participation in the plan is 28 February 2012.

* Additional non IFRS information, unaudited.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED
ABN 37 004 268 679

LEVEL 20
101 COLLINS STREET
MELBOURNE VIC 3000
AUSTRALIA

TEL (613) 9654 0499
FAX (613) 9654 3499

15 February 2012

The General Manager
Australian Securities Exchange
P O Box H224
Australia Square
Sydney NSW 2000

Dear Sir,

FINANCIAL REPORT AND DIVIDEND ANNOUNCEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2011

The Directors make the following report concerning the company's performance and interim dividend:-

Profit and Realised Capital Gains/Losses

Profit after income tax for the half year ended 31 December 2011 was $17,414,378 (previous corresponding period: $17,803,943). The Profit includes special and additional dividends of $401,874 after tax, comprising special dividends of $37,874 and an additional second dividend of $364,000 after tax received from Mystate Ltd, being the 2012 interim dividend paid early. In the previous corresponding period special dividends of $2,021,500 were received.

Excluding special and additional dividends Profit after tax rose 8%*.

Net realised losses on the investment portfolio after tax were $5,522,528 (previously losses of $2,230,605), 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 0.06% of the average market value of the portfolio (previously 0.07%).

Earnings Per Share

The earnings per share based on the weighted average number of shares on issue for the half year were 16.6 cents per share (16.2* cents excluding special and additional dividends) compared to 17.2 cents (15.3* cents excluding special dividends) for the period to 31 December 2010. The weighted average number of ordinary shares for the period was 104,967,037 against 103,388,144 in the previous period, an increase of 1.4%.

Dividends

The Directors have declared an interim dividend of 13.0 cents per share fully franked to shareholders registered on 28 February 2012, to be paid on 15 March 2012. The comparable 2011 interim dividend was 12 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 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 28 February 2012.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was $6.17 at 31 December 2011 and $6.50 at 31 January 2012. 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 $5.62 at 31 December 2011 and $5.85 at 31 January 2012.

Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2011 (assuming all dividends were reinvested) was a fall of 12.9%, compared to falls of 9.7% and 9.8% respectively in the S&P ASX 200 and 300 Accumulation indices. 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 indices.

Investment Portfolio

As at 31 December 2011 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	72,282	9.7%
2.	Rio Tinto Ltd	55,175	7.4%
3.	ANZ Banking Group Ltd	54,404	7.3%
4.	Commonwealth Bank Ltd	49,220	6.6%
5.	National Australia Bank Ltd	46,720	6.3%
6.	Westpac Banking Corporation Ltd	44,000	5.9%
7.	Wesfarmers Ltd PPS & Ordinary	42,800	5.7%
8.	Woodside Petroleum Ltd	38,275	5.1%
9.	Woolworths Ltd	30,120	4.0%
10.	Diversified United Investment Ltd	27,480	3.7%
11.	Orica Ltd	24,240	3.3%
12.	QBE Insurance Group Ltd	18,130	2.4%
13.	Origin Energy Ltd	16,008	2.1%
14.	AGL Energy Ltd	14,330	1.9%
15.	Brambles Ltd	14,320	1.9%
16.	AMP Ltd	13,024	1.7%
17.	Santos Ltd	12,240	1.6%
18.	Transurban Group	11,802	1.6%
19.	Alumina Ltd	10,804	1.4%
20.	Telstra Corporation Ltd	9,990	1.3%
21.	CSL Ltd	9,600	1.3%
22.	SP AusNet	9,400	1.3%
23.	Westfield Group	9,372	1.3%
24.	Newcrest Mining Ltd	8,880	1.2%
25.	Mystate Ltd	8,736	1.2%
		651,352	87.2%

Total Investments at Market Value, Short Term Receivables and Cash	746,762

Yours faithfully,

A J Hancock
Company Secretary

* Additional non IFRS information, unaudited.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

(ABN 37 004 268 679)

INTERIM FINANCIAL REPORT
31 DECEMBER 2011

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors
C B Goode AC - Chairman
P J Rose AO
P J Wetherall
J S Craig
G Roux

Company Secretary
Andrew J Hancock FCA

Registered Office
Level 20
101 Exhibition Street
Melbourne Vic 3000
Tel: (613) 9654 0499
Fax: (613) 9654 3499
Email: info@aui.com.au
Website: www.aui.com.au

Bankers
ANZ Banking Group Limited
National Australia Bank Limited

Auditors
KPMG
Chartered Accountants

Share Registry
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Tel: (612) 8280 7644
Fax: (612) 9287 0303
Email: registrars@linkmarketservices.com.au
Web: www.linkmarketservices.com.au

Securities Exchange
The Company is listed on the Australian Securities Exchange Ltd.
ASX Code: AUI

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 six months ended 31 December 2011 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 Goode AC (Chairman)	Director since 1990
John Rose AO	Director since 2000
Peter Wetherall	Director since 2001
Jim Craig	Director since 2009
Giselle Roux	Director - Appointed 1 September 2011

Review of Operations

Operating profit (excluding net gains or losses on investment portfolio) after income tax was $17,414,378 for the six months ended 31 December 2011 (previous corresponding period: $17,803,943). Special dividends received during this period were $37,874 (previous corresponding period: $2,021,500). The result also includes an additional dividend from Mystate Ltd of $364,000, being the 2012 interim dividend paid early.

Operating expenses (excluding finance expenses) were 0.06% of the average market value of the portfolio (previous corresponding period: 0.07%).

Dividends

The board has declared an interim dividend of 13 cents per share fully franked (previous corresponding period: 12 cents per share fully franked).

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the six months ended 31 December 2011.

Dated at Melbourne this 15th day of February 2012.

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

Charles 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 2011, 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

A J Waters
Partner

Melbourne

15 February 2012

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Income Statement for the Six Months Ended 31 December 2011

	Note	*31 December 2011* $	*31 December 2010* $
Revenue from investment portfolio		20,892,318	21,350,591
Administration and other expenses		(508,726)	(549,500)
Finance expenses		(3,303,157)	(3,271,940)
Operating profit before income tax expense		17,080,435	17,529,151
Income tax benefit		333,943	274,792
Profit for the period		17,414,378	17,803,943
Basic and diluted earnings per share (cents)	4	16.6	17.2

The Interim Income Statement is to be read in conjunction with the Condensed Notes to the Interim Financial Report set out on pages 10 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Statement of Comprehensive Income for the Six Months Ended 31 December 2011

	31 December 2011 $	*31 December 2010 $*
Profit for the period	17,414,378	17,803,943
Other comprehensive income		
Revaluation of investment portfolio for the period	(114,516,381)	75,405,153
Provision for tax benefit/(expense) on investment portfolio for the period	34,397,452	(23,189,904)
Other comprehensive income net of income tax	(80,118,929)	52,215,249
Total comprehensive income [1]	(62,704,551)	70,019,192

[1] This is the Company's total net return for the half-year, which includes the net operating profit plus the net realised and unrealised gains and losses on the Company's investment portfolio.

The Interim Statement of Comprehensive Income is to be read in conjunction with the Condensed Notes to the Interim Financial Report set out on pages 10 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Balance Sheet as at 31 December 2011

	Note	*31 December 2011* $	*30 June 2011* $
ASSETS			
Cash assets		7,693,961	16,803,309
Receivables		329,790	5,664,405
Other		46,956	6,312
TOTAL CURRENT ASSETS		8,070,707	22,474,026
Investment portfolio		738,680,036	837,266,750
Other		11,125	12,389
TOTAL NON-CURRENT ASSETS		738,691,161	837,279,139
TOTAL ASSETS		746,761,868	859,753,165
LIABILITIES			
Payables		172,500	1,868,570
Borrowings – interest bearing		19,711,497	-
TOTAL CURRENT LIABILITIES		19,883,997	1,868,570
Borrowings – interest bearing		78,990,097	98,569,791
Deferred tax liability	7	57,756,963	92,488,358
TOTAL NON-CURRENT LIABILITIES		136,747,060	191,058,149
TOTAL LIABILITIES		156,631,057	192,926,719
NET ASSETS		590,130,811	666,826,446
EQUITY			
Issued capital	6	316,237,411	315,025,519
Reserves		273,893,400	351,800,927
TOTAL EQUITY		590,130,811	666,826,446

The Interim Balance Sheet is to be read in conjunction with the Condensed Notes to the Interim Financial Report set out on pages 10 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Statement of Changes in Equity for the Six Months ended 31 December 2011

	Issued Capital $	*Revaluation Reserve* $	*Realisation Reserve* $	*Retained Earnings* $	*Total* $
As at 1 July 2010	297,392,610	177,905,244	41,003,049	87,634,654	603,935,557
Comprehensive Income					
Revaluation of investment portfolio	-	75,405,153	-	-	75,405,153
Tax expense on revaluation	-	(23,189,904)	-	-	(23,189,904)
Net realised gains and losses on investment portfolio	-	2,452,919	(2,452,919)	-	-
Income tax on net realised gains and losses	-	(222,314)	222,314	-	-
Net operating profit before net gains/(losses) on investment portfolio	-	-	-	17,803,943	17,803,943
	-	54,445,854	(2,230,605)	17,803,943	70,019,192
Transactions with shareholders					
Dividend reinvestment plan	1,105,765	-	-	-	1,105,765
Dividends paid	-	-	-	(14,293,007)	(14,293,007)
Share Purchase Plan	15,522,415	-	-	-	15,522,415
	16,628,180	-	-	(14,293,007)	2,335,173
As at 31 December 2010	314,020,790	232,351,098	38,772,444	91,145,590	676,289,922
As at 1 July 2011	315,025,519	215,700,217	42,619,301	93,481,409	666,826,446
Comprehensive Income					
Revaluation of investment portfolio	-	(114,516,381)	-	-	(114,516,381)
Tax benefit on revaluation	-	34,397,452	-	-	34,397,452
Net realised gains and losses on investment portfolio	-	7,699,557	(7,699,557)	-	-
Income tax on net gains and losses	-	(2,177,029)	2,177,029	-	-
Net operating profit before net gains/(losses) on investment portfolio	-	-	-	17,414,378	17,414,378
	-	(74,596,401)	(5,522,528)	17,414,378	(62,704,551)
Transactions with shareholders					
Dividend reinvestment plan	1,211,892	-	-	-	1,211,892
Dividends paid	-	-	-	(15,202,976)	(15,202,976)
	1,211,892	-	-	(15,202,976)	(13,991,084)
As at 31 December 2011	316,237,411	141,103,816	37,096,773	95,692,811	590,130,811

The Interim Statement of Changes in Equity is to be read in conjunction with the Condensed Notes to the Interim Financial Report set out on pages 10 to 12.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Statement of Cash Flows
for the Six Months Ended 31 December 2011

	31 December 2011 $	*31 December 2010 $*
Cash flows from operating activities		
Interest received	263,589	394,112
Dividends & trust distributions received	25,903,027	23,555,088
Option premium income received	-	125,595
Sub-underwriting fee received	77,200	-
Finance costs paid	(3,191,361)	(3,223,962)
Administration and other expenses paid	(487,204)	(602,537)
Income tax refunded/(paid)	-	137,906
Net cash flow from operating activities	22,565,251	20,386,202
Cash flows from investing activities		
Proceeds from sale of investments	11,862,787	749,459
Purchases of investments	(29,546,302)	(4,773,448)
Net cash flow used in investing activities	(17,683,515)	(4,023,989)
Cash flows from financing activities		
Dividends paid	(13,991,084)	(13,187,242)
Proceeds on borrowings	-	3,000,000
Proceeds from share purchase plan net of costs	-	15,522,415
Net cash flow from financing activities	(13,991,084)	5,335,173
Net increase/(decrease) in cash held	(9,109,348)	21,697,386
Cash and cash equivalents at 1 July	16,803,309	7,260,830
Cash and cash equivalents at 31 December *	7,693,961	28,958,216

* Comprising cash and term deposits

The Interim Statement of Cash Flows is to be read in conjunction with the Condensed Notes to the Interim Financial Report set out on pages 10 to 12.

Condensed Notes to the Interim Financial Report
for the Six Months Ended 31 December 2011

1. Reporting Entity

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

The annual financial report of the Company as at and for the year ended 30 June 2011 is available on request from the Company's office at Level 20, 101 Collins 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* 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 2011.

This interim financial report was approved by the Board of Directors on 15 February 2012.

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 2011.

4. Earnings per share

	31 December 2011 Cents	*31 December 2010 Cents*
Basic earnings per share	16.6	17.2

There are no factors which cause diluted earnings per share 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 104,967,037 taking into account the shares issued in the dividend re-investment program. The 2010 figure is based on a weighted average number of ordinary shares of 103,388,144.

		31 December 2011 $	*31 December 2010 $*
5. Dividends			
Dividends recognised in the current period by the Company are:			
Final fully franked dividend of 14.5 cents per share paid on 20 September 2011		15,202,976	14,293,007
Subsequent to reporting date:			
Since 31 December 2011, the directors have declared the following dividend payable on 15 March 2012:			
- Interim dividend of 13.0 cents per share fully franked (previous corresponding period: 12.0 cents per share fully franked)		13,658,172	12,563,831
The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 31 December 2011.			

		31 December 2011 $	*30 June 2011 $*
6. Issued Capital			
105,062,865 ordinary shares, fully paid (30 June 2011: 104,847,838)		316,237,377	315,025,519
Movements in issued capital			
Balance at beginning of period		315,025,519	297,392,610
Shares Issued			
- Dividend re-investment plan	(i)	1,211,892	2,110,494
- Share Purchase Plan (net of costs)	(ii)	-	15,522,415
		316,237,411	315,025,519

(i) In respect of the 2011 final dividend paid 20 September 2011, 215,027 shares were issued at $5.6360 each under the dividend re-investment plan.

(ii) On 4 October 2010, the Company issued 2,426,619 fully paid ordinary shares in accordance with a share purchase plan announced on 7 September 2010. The issue raised $15,575,000 (before costs) at the purchase plan price of $6.42 per share.

	31 December 2011 $	*30 June 2011* $

7. Deferred Tax Assets and Liabilities

Revaluation reserve – Provision for tax on unrealised gains on investment portfolio	(63,571,781)	(95,792,205)
Other	-	(56,610)
Tax benefit of capital losses carried forward	5,036,924	2,859,896
Tax benefit of excess franking credits carried forward	777,894	500,561
Net tax liabilities	(57,756,963)	(92,488,358)

8. Segment Reporting

The Company operates as an investment company in Australia.

9. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2011.

10. Related Parties

All arrangements with related parties are consistent with those disclosed in the 30 June 2011 annual financial report.

11. Events Subsequent to Balance Date

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature, likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.

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 2011 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 2012.

Signed in accordance with a resolution of the directors.

Charles Goode AC
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, which comprises the balance sheet as at 31 December 2011, income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the interim period ended on that date, notes 1 to 11 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion 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 a 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 2011 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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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:

(a) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the interim period ended on that date; and

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

KPMG

KPMG

A J Waters
Partner

Melbourne

15 February 2012