AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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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 2014** with the prior corresponding period being the half year ended 31 December 2013.

Results for announcement to the market

- Revenue from ordinary activities was $24.5 million, up 3% from the prior corresponding period.
- Profit after tax was $21.3 million, up 2% from the prior corresponding period.
- This period special dividends of $507,500 after tax were received (prior corresponding period $1,190,550).
- Excluding special dividends received, Profit after tax rose 5.4%*.
- Earnings per share were 19.5 cents, an increase of 0.5% from the prior corresponding period. Excluding special dividends received, earnings per share rose 3.8%* to 19.0* cents.
- The interim dividend for the half year is 15.5 cents per share (14.5 cents prior corresponding period) fully franked payable on 17 March 2015. The dividend record date for determining entitlement to the interim dividend is 26 February 2015.
- 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 $8.48 at 31 December 2014, compared to $8.53 at the end of the prior corresponding period. These calculations are after tax on realised gains, before any future tax benefit of realised losses, 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 volume weighted average selling price of shares traded on the Australian Securities Exchange in the five trading days commencing from the day the shares start trading on an ex dividend basis, without any discount. The last day for the receipt of an election notice for participation in the plan is 27 February 2015.

* Additional non IFRS information, not subject to external review.

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

17 February 2015

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 2014

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 2014 was $21,261,828 (previous corresponding period: $20,885,039). The Profit includes special dividends received after tax of $507,500 (previously: $1,190,550).

Excluding special and demerger dividends Profit after tax rose 5.4%*.

Net realised losses on the investment portfolio after tax were $1,569,404 (previous corresponding period gains of $1,966,597), 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 0.05% of the average market value of the portfolio (previous corresponding period 0.05%).

Earnings Per Share

The earnings per share based on the weighted average number of shares on issue for the half year were 19.0* cents per share (excluding special dividends) compared to 18.3* for the previous corresponding period, a rise of 3.8%. The weighted average number of ordinary shares for the period was 109,198,000 against 107,770,055 in the previous corresponding period, an increase of 1.3%.

Dividends

The Directors have declared an interim dividend of 15.5 cents per share fully franked to shareholders registered on 26 February 2015, to be paid on 17 March 2015. The comparable 2014 interim dividend was 14.5 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 volume weighted average selling price of shares traded on the Australian Securities Exchange in the five trading days beginning from the day the shares start trading on an ex dividend basis, without any discount. The last day for the receipt of an election notice for participation in the plan is 27 February 2015.

* Additional non IFRS information, not subject to external review.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was $8.48 at 31 December 2014 and $8.65 at 31 January 2015. These calculations are after tax on realised gains, before any future tax benefit of realised losses, before estimated tax on net 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 $7.31 at 31 December 2014 and $7.43 at 31 January 2015.

Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2014 (assuming all dividends were reinvested) was a rise of 1%, compared to the rise of 2.4% in the S&P ASX 300 Accumulation index. 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 index.

Investment Portfolio

	Company	Market Value $'000	% of Market Value of Total Investments
1.	Australian & New Zealand Banking Group Ltd	88,248	8.4%
2.	Commonwealth Bank Ltd	85,650	8.2%
3.	Westpac Banking Corporation Ltd	77,926	7.5%
4.	National Australia Bank Ltd	70,560	6.7%
5.	BHP Billiton Ltd	69,020	6.6%
6.	Wesfarmers Ltd	59,447	5.7%
7.	Rio Tinto Ltd	55,100	5.3%
8.	Diversified United Investment Ltd	48,744	4.7%
9.	Woodside Petroleum Ltd	47,512	4.5%
10.	Woolworths Ltd	36,816	3.5%
11.	Transurban Group Ltd	30,030	2.9%
12.	CSL Ltd	26,004	2.5%
13.	Medibank Private Ltd	24,100	2.3%
14.	Brambles Ltd	22,323	2.1%
15.	Orica Ltd	18,950	1.8%
16.	Telstra Corporation Ltd	17,910	1.7%
17.	Origin Energy Ltd	17,505	1.7%
18.	Oil Search Ltd	17,358	1.7%
19.	Amalgamated Holdings Ltd	16,080	1.5%
20.	Sonic Healthcare Ltd	15,725	1.5%
21.	Ramsay Health Care Ltd	15,702	1.5%
22.	AMP Ltd	13,750	1.3%
23.	Washington H Soul Pattinson	13,680	1.3%
24.	Mystate Ltd	12,350	1.2%
25.	Invocare Ltd	12,100	1.2%
		912,590	87.3%

***Total Investments at Market Value, Short Term Receivables and Cash**	1,045,601

*Note: At 31 December 2014 bank borrowings were $120M, and cash and short term receivables (included in the above figures) were $24M.

A J Hancock
Company Secretary

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

(ABN 37 004 268 679)

INTERIM FINANCIAL REPORT
31 DECEMBER 2014

Directors
C B Goode AC - Chairman
P J Wetherall
J S Craig
F S Grimwade

Company Secretary
Andrew J Hancock FCA

Registered Office
Level 20
101 Collins 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

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 2014 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 (Retired October 2014)
Peter Wetherall	Director since 2001
Jim Craig	Director since 2009
Fred Grimwade	Director since March 2014

Review of Operations

Operating profit after income tax was $21,261,828 for the six months ended 31 December 2014 (previous corresponding period: $20,885,039). Special dividends received during this period were $507,500 (previous corresponding period: $1,190,550).

Operating expenses (excluding finance expenses) were 0.05% of the average market value of the portfolio (previous corresponding period: 0.05%).

Dividends

The board has declared an interim dividend of 15.5 cents per share fully franked (previous corresponding period: 14.5 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 2014.

Dated at Melbourne this 17th day of February 2015.

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 2014 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

Michelle Hinchliffe
Partner

Melbourne

17 February 2015

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Liability limited by a scheme approved under Professional Standards Legislation.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 31 December 2014

	Note	*31 December 2014 $*	*31 December 2013 $*
Revenue from investment portfolio		24,526,564	23,807,029
Administration and other expenses		(570,291)	(523,630)
Finance expenses		(2,460,084)	(2,523,513)
Operating profit before income tax		21,496,189	20,759,886
Income tax (expense)/benefit		(234,361)	125,153
Profit for the period		21,261,828	20,885,039
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Revaluation of investment portfolio for the period		(12,012,815)	109,689,476
Provision for tax benefit/(expense) on revaluation of investment portfolio for the period		3,538,299	(33,171,300)
Other comprehensive income net of income tax		(8,474,516)	76,518,176
Total comprehensive income		12,787,312	97,403,215
Basic and diluted earnings per share (cents)	4	19.5	19.4

The Statement of Profit or Loss and Other Comprehensive Income 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

Balance Sheet as at 31 December 2014

	Note	*31 December 2014* $	*30 June 2014* $
ASSETS			
Cash assets		23,179,014	60,074,562
Receivables		685,048	10,552,362
Other		64,021	49,772
TOTAL CURRENT ASSETS		23,928,083	70,676,696
Investment portfolio	7	1,021,739,941	969,669,280
TOTAL NON-CURRENT ASSETS		1,021,739,941	969,669,280
TOTAL ASSETS		1,045,668,024	1,040,345,976
LIABILITIES			
Payables		214,684	6,157,520
Borrowings – interest bearing		19,742,554	-
TOTAL CURRENT LIABILITIES		19,957,238	6,157,520
Provision for Long Service Leave		18,000	-
Borrowings – interest bearing	9	99,300,081	99,180,604
Deferred tax liability	8	127,934,487	131,238,424
TOTAL NON-CURRENT LIABILITIES		227,252,568	230,419,028
TOTAL LIABILITIES		247,209,806	236,576,548
NET ASSETS		798,458,218	803,769,428
EQUITY			
Issued capital	6	345,873,169	344,873,227
Reserves		452,585,049	458,896,201
TOTAL EQUITY		798,458,218	803,769,428

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

Statement of Changes in Equity for the Six Months ended 31 December 2014

	Issued Capital	*Revaluation Reserve*	*Realisation Reserve*	*Retained Earnings*	*Total*
	$	*$*	*$*	*$*	*$*
As at 1 July 2013	330,189,974	259,472,028	12,843,880	102,524,868	705,030,750
Comprehensive Income					
Revaluation of investment portfolio	-	109,689,476	-	-	109,689,476
Tax expense on revaluation	-	(33,171,300)	-	-	(33,171,300)
Net realised gains and losses on investment portfolio	-	(3,207,635)	3,207,635	-	-
Tax expense on net realised gains and losses	-	1,241,038	(1,241,038)	-	-
Net operating profit for the period	-	-	-	20,885,039	20,885,039
	-	74,551,579	1,966,597	20,885,039	97,403,215
Transactions with shareholders					
Dividend reinvestment plan	7,440,969	-	-	-	7,440,969
Dividends	-	-	-	(17,159,127)	(17,159,127)
	7,440,969	-	-	(17,159,127)	(9,718,158)
As at 31 December 2013	337,630,943	334,023,607	14,810,477	106,250,780	792,715,807
As at 1 July 2014	344,873,227	331,463,930	17,444,933	109,987,338	803,769,428
Comprehensive Income					
Revaluation of investment portfolio	-	(12,012,815)	-	-	(12,012,815)
Tax benefit on revaluation	-	3,538,299	-	-	3,538,299
Net realised gains and losses on investment portfolio	-	2,298,343	(2,298,343)	-	-
Tax benefit on net realised gains and losses	-	(728,939)	728,939	-	-
Net operating profit for the period	-	-	-	21,261,828	21,261,828
	-	(6,905,112)	(1,569,404)	21,261,828	12,787,312
Transactions with shareholders					
Dividend reinvestment plan	999,942	-	-	-	999,942
Dividends	-	-	-	(19,098,464)	(19,098,464)
	999,942	-	-	(19,098,464)	(18,098,522)
As at 31 December 2014	345,873,169	324,558,818	15,875,529	112,150,702	798,458,218

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

Statement of Cash Flows
for the Six Months Ended 31 December 2014

	31 December 2014 $	*31 December 2013 $*
Cash flows from operating activities		
Interest received	718,235	548,325
Dividends & trust distributions received	30,106,270	28,614,005
Option premium income received	738,087	506,983
Finance costs paid	(2,598,053)	(2,451,852)
Administration and other expenses paid	(496,124)	(422,945)
Net cash flow from operating activities	28,468,415	26,794,516
Cash flows from investing activities		
Proceeds from sale of investments	17,678,664	30,744,827
Purchases of investments	(84,944,105)	(31,049,854)
Net cash flow used in investing activities	(67,265,441)	(305,027)
Cash flows from financing activities		
Dividends paid (net of dividend reinvestment plan)	(18,098,522)	(9,718,158)
Borrowings	20,000,000	-
Net cash flow from/(used in) financing activities	1,901,478	(9,718,158)
Net (decrease)/increase in cash held	(36,895,548)	16,771,331
Cash and cash equivalents at 1 July	60,074,562	30,028,183
Cash and cash equivalents at 31 December	23,179,014	46,799,514

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.

Condensed Notes to the Interim Financial Report
for the Six Months Ended 31 December 2014

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 2014 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 2014.

This interim financial report was approved by the Board of Directors on 17 February 2015.

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 2014.

4. *Earnings per share*

	31 December 2014 Cents	*31 December 2013 Cents*
Basic earnings per share	19.5	19.4
Earnings per share excluding special and additional dividends	19.0	18.3

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 109,198,000 taking into account the shares issued in the dividend re-investment program. The 2013 figure is based on a weighted average number of ordinary shares of 107,770,055.

		31 December 2014 $	*31 December 2013 $*
5. *Dividends*			
Dividends recognised in the current period by the Company are:			
Final fully franked dividend of 17.5 cents per share paid on 25 September 2014 (previous corresponding period: 16.0 cents per share fully franked)		19,098,464	17,159,127
Subsequent to reporting date:			
Since 31 December 2014, the directors have declared the following dividend payable on 17 March 2015:			
- Interim dividend of 15.5 cents per share fully franked (previous corresponding period: 14.5 cents per share fully franked)		16,933,845	15,693,062
The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 31 December 2014.			

		31 December 2014 $	*30 June 2014 $*
6. *Issued Capital*			
109,250,613 ordinary shares, fully paid (30 June 2014: 109,138,045)		345,873,169	344,873,227
Movements in issued capital			
Balance at beginning of period		344,873,227	330,189,974
Shares Issued			
- Dividend re-investment plan	(i)	999,942	14,683,253
		345,873,169	344,873,227

(i) In respect of the 2014 final dividend paid 25 September 2014 112,568 shares were issued at $8.883 each under the dividend re-investment plan.

7. *Net Fair Values of Financial Assets and Liabilities*

Valuation Approach

Net fair values of financial assets and liabilities are determined by the Company on the following basis:

Recognised Financial Instruments

Listed securities included in "Investments" are readily traded on organised markets in a standardised form. The net fair value of listed securities is determined by valuing them at the last quoted market price as at balance date. In accordance with Australian Accounting Standards, this is considered "level 1" under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

For all other financial assets and liabilities, the carrying amount closely approximates its fair value.

8. *Deferred Tax Assets and Liabilities*

	31 December 2014 $	*30 June 2014 $*
Revaluation reserve – Provision for tax on unrealised gains on the equity investment portfolio	139,400,193	142,258,409
Other	-	103,200
Tax benefit of capital losses carried forward	(10,601,733)	(9,921,651)
Tax benefit of excess franking credits carried forward	(863,973)	(1,201,534)
Net deferred tax liabilities	127,934,487	131,238,424

9. *Borrowings*

	31 December 2014 $	*30 June 2014 $*
Current		
Loan Facility – Secured	19,742,554	-
Non-Current		
Loan Facility – Secured	99,300,081	99,180,604
	119,042,635	99,180,604

During the six months ended 31 December 2014, an additional $20 milion of secured bank bills were drawn down as follows:

Amount	Maturity
$10,000,000	31 December 2018
$10,000,000	31 December 2019

The total face value of the drawn facility as at period end was $120 million (30 June 2014: $100 million). The liabilities are recorded at issue price plus accrued interest.

At 31 December 2014 the market value of investments secured against the loan facilities was $327 million.

10. Segment Reporting

The Company's only segment of operation is as an investment company in Australia

11. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2014.

12. Related Parties

All arrangements with related parties are consistent with those disclosed in the 30 June 2014 annual financial report.

13. 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 interim 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 2014 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 17h day of February 2015.

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

We have reviewed the accompanying interim financial report of Australian United Investment Company Limited, which comprises the balance sheet as at 31 December 2014, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the interim period ended on that date, notes 1 to 13 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 internal 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 2014 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*.

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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 2014 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

Michelle Hinchliffe
Partner

Melbourne

17 February 2015