

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2010

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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 2010 with the corresponding period being the half year ended 31 December 2009.

Results for announcement to the market

- Revenue from ordinary activities was \$21.4 million, up 46% from the prior period.
- Operating Profit after tax and before net realised gains on the investment portfolio was \$17.8 million, up 48% from the prior period.
- Total net profit for the period of \$17.8M excludes net realised gains and losses which are transferred directly to the Asset Revaluation Reserve under revised accounting standards. The prior period total net profit of \$12.8M included \$749,927 net realised gains after tax up to the date of adoption of the new standards on 7 December 2009.
- Earnings per share based on net operating profit after tax were 17.2 cents, an increase of 40% from the prior period. Excluding special dividends received, earnings per share rose 24% to 15.3 cents. The weighted average number of ordinary shares for the period was 103,388,144 as against 97,829,793 in the previous period, an increase of 5.7%.
- In the latest period special dividends and distributions of \$2,021,500 after tax were received. There were no special dividends and distributions received in the previous period.
- The interim dividend for the half year is 12.0 cents per share (11.5 cents previous period) fully franked payable on 15 March 2011. The record date for determining entitlement to the interim dividend is 28 February 2011.
- The net tangible asset backing per share based on the market valuation of investments was \$7.39 at 31 December 2010, compared to \$7.63 at the end of the previous corresponding period. 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 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 a 2.5% discount to the average selling price 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 2011.

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 2011

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 2010**

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

Operating Profit and Realised Capital Gains/Losses

Operating profit after income tax and before net realised and unrealised losses on the investment portfolio for the half year ended 31 December 2010 was \$17,803,943 (previous corresponding period: \$12,048,460). Operating profit includes special dividends and distributions of \$2,021,500. There were no special dividends or distributions received in the prior period.

Operating expenses (excluding interest) for the half year were 0.07% of the average market value of the portfolio (previously 0.07%).

Net realised losses on the investment portfolio after tax were \$2,230,605 (previously gains of \$1,149,652).

Earnings Per Share

The operating earnings per share based on the weighted average number of shares on issue for the half year were 17.2 cents per share (15.3 cents excluding special dividends) compared to 12.3 cents for the period to 31 December 2009. The weighted average number of ordinary shares for the period was 103,388,144 against 97,829,793 in the previous period, an increase of 5.7%.

Dividends

The Directors have declared an interim dividend of 12.0 cents per share fully franked to shareholders registered on 28 February 2011, to be paid on 15 March 2011. The comparable 2010 interim dividend was 11.5 cents per share fully franked. The dividend contains no Listed Investment Company capital gains.

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 a 2.5% discount to the average selling price 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 2011.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$7.39 at 31 December 2010 and \$7.43 at 31 January 2011. 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 \$6.46 at 31 December 2010 and \$6.48 at 31 January 2011.

Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2010 (assuming all dividends were reinvested) was a rise of 12.9%, compared to increases of 12.8% and 13.4% respectively in the S&P ASX 200 and 300 Accumulation indices. The Company's returns are after tax and expenses for which no allowance is made in the indices.

During the period the performance of the indices was supported by an increase of 23.5% in the S&P ASX 200 Resources Accumulation index which includes many of the smaller resources companies which do not pay a dividend, and in which the Company does not invest.

Investment Portfolio

As at 31 December 2010 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	95,025	10.9%
2. Rio Tinto Ltd	78,205	8.9%
3. ANZ Banking Group Ltd	61,878	7.1%
4. Woodside Petroleum Ltd	53,200	6.1%
5. Commonwealth Bank Ltd	50,770	5.8%
6. Westpac Banking Corporation Ltd	48,862	5.6%
7. National Australia Bank Ltd	47,400	5.4%
8. Wesfarmers Ltd PPS & Ordinary	46,430	5.3%
9. Diversified United Investment Ltd	34,920	4.0%
10. Woolworths Ltd	32,364	3.7%
11. QBE Insurance Group Ltd	25,410	2.9%
12. Orica Ltd	24,900	2.9%
13. Alumina Ltd	24,031	2.8%
14. AXA Asia Pacific Holdings Ltd	18,930	2.2%
15. Origin Energy Ltd	16,660	1.9%
16. AGL Energy Ltd	15,230	1.7%
17. Tabcorp Holdings Ltd	14,021	1.6%
18. Santos Ltd	13,150	1.5%
19. Brambles Ltd	12,816	1.5%
20. Westfield Group	11,496	1.3%
21. Perpetual Ltd	10,923	1.2%
22. CSL Ltd	10,887	1.2%
23. Mystate Ltd	9,672	1.1%
24. Consolidated Media Holdings Ltd	9,360	1.1%
25. Transurban Group Ltd	8,704	1.0%
	<hr/>	<hr/>
	775,244	88.7%
	<hr/>	<hr/>
Total Investments at Market Value and Cash	874,470	

Yours faithfully,

A J Hancock
Company Secretary

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

INTERIM FINANCIAL REPORT
31 DECEMBER 2010

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors

C B Goode AC - Chairman

P J Rose AO

P J Wetherall

R R Dewhurst

J S Craig

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@au.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

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 2010 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
Graeme Moir	Director since 1976 - retired in October 2010
John Rose AO	Director since 2000
Peter Wetherall	Director since 2001
Ronald Dewhurst	Director since 2005
Jim Craig	Director since 2009

Review of Operations

Operating profit (excluding net gains or losses on investment portfolio) after income tax was \$17,803,943 for the six months ended 31 December 2010 (previous corresponding period: \$12,048,460). Special dividends received during this period were \$2,021,500 (previous corresponding period: nil).

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

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 2010.

Dated at Melbourne this 17th day of February 2011.

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 2010 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.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'Msomerville'.

Michelle Somerville
Partner

Melbourne

17 February 2011

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Interim Income Statement for the Six Months Ended 31 December 2010

	31 December 2010 \$	31 December 2009 \$
Revenue from investment portfolio	21,350,591	14,595,869
Administration and other expenses	(549,500)	(547,891)
Finance expenses	(3,271,940)	(2,343,949)
Operating profit before income tax expense and net gains / (losses) on investment portfolio	17,529,151	11,704,029
Income tax (expense) / benefit ¹	274,792	344,431
Net operating profit before net gains / (losses) on investment portfolio	17,803,943	12,048,460
Net realised gains on investment portfolio ²	-	1,071,326
Income tax (expense) thereon ¹	-	(321,399)
	-	749,927
Profit for the period	17,803,943	12,798,387
¹ Total tax benefit	274,792	23,032
² Up to date of adoption of AASB 9 on 7 December 2009		
Basic and diluted earnings per share (cents)	17.2	13.1

Basic and diluted operating earnings per share (cents) before net realised gains on investment portfolio are shown in Note 4.

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 2010

	<i>31 December 2010</i>	<i>31 December 2009</i>
	\$	\$
Profit for the period	17,803,943	12,798,387
Other comprehensive income		
Revaluation of investment portfolio for the period	75,405,153	159,838,818
Provision for tax expense on investment portfolio for the period	(23,189,904)	(48,237,277)
Net realised gains on investments transferred to the income statement from the asset revaluation reserve ²	-	(749,927)
	<hr/>	<hr/>
Other comprehensive income net of income tax	52,215,249	110,851,614
	<hr/>	<hr/>
Total comprehensive income ¹	<u>70,019,192</u>	<u>123,650,001</u>

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.

² Up to date of adoption AASB 9 on 7 December 2009

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 2010

	Note	31 December 2010 \$	30 June 2010 \$
ASSETS			
Cash assets		13,958,216	7,260,830
Term Deposits		15,000,000	-
Receivables		264,589	4,979,230
Other		50,157	51,219
Current Tax		-	137,906
TOTAL CURRENT ASSETS		<u>29,272,962</u>	<u>12,429,185</u>
Investment portfolio		845,183,819	762,060,330
Other		13,633	13,345
TOTAL NON-CURRENT ASSETS		<u>845,197,452</u>	<u>762,073,675</u>
TOTAL ASSETS		<u>874,470,414</u>	<u>774,502,860</u>
LIABILITIES			
Payables		1,873,099	223,001
Borrowings – interest bearing		16,780,527	16,740,136
TOTAL CURRENT LIABILITIES		<u>18,653,626</u>	<u>16,963,137</u>
Borrowings – interest bearing		81,844,797	78,837,209
Deferred tax liability	7	97,682,069	74,766,957
TOTAL NON-CURRENT LIABILITIES		<u>179,526,866</u>	<u>153,604,166</u>
TOTAL LIABILITIES		<u>198,180,492</u>	<u>170,567,303</u>
NET ASSETS		<u>676,289,922</u>	<u>603,935,557</u>
EQUITY			
Issued capital	6	314,020,790	297,392,610
Reserves		362,269,132	306,542,947
TOTAL EQUITY		<u>676,289,922</u>	<u>603,935,557</u>

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 2010

	Issued Capital \$	Revaluation Reserve \$	Realisation Reserve \$	Impairment Reserve \$	Retained Earnings \$	Total \$
As at 1 July 2009 (As reported)	263,936,920	145,412,350	39,346,034	(7,786,753)	84,468,968	525,377,519
Adoption of AASB 9	-	(7,279,960)	-	7,279,960	-	-
As at 1 July 2009 (Restated)	263,936,920	138,132,390	39,346,034	(506,793)	84,468,968	525,377,519
Comprehensive Income						
Revaluation of investment portfolio	-	159,838,818	-	-	-	159,838,818
Tax expense on revaluation	-	(48,237,277)	-	-	-	(48,237,277)
Net realised gains and losses on investment portfolio	-	(1,642,362)	571,036 ¹	-	1,071,326 ²	-
Income tax on net realised gains and losses	-	492,710	(171,311) ¹	-	(321,399) ²	-
Net operating profit before net gains/(losses) on investment portfolio	-	-	-	-	12,048,460	12,048,460
Realised gains transferred after tax	-	-	243,134	506,793 ³	(749,927)	-
	-	110,451,889	642,859	506,793	12,048,460	123,650,001
Transactions with shareholders						
Dividend reinvestment plan	5,797,655	-	-	-	-	5,797,655
Dividends paid	-	-	(973,599) ⁴	-	(12,167,345)	(13,140,944)
	5,797,655	-	(973,599)	-	(12,167,345)	(7,343,289)
As at 31 December 2009	269,734,575	248,584,279	39,015,294	-	84,350,083	641,684,231
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 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

(1) Net realised gains / (losses) after 7 December 2009 and tax thereon transferred directly to realisation reserve

(2) Net realised gains / (losses) before 7 December 2009 and tax thereon

(3) Impairment realised on investments sold in the period prior to 7 December 2009

(4) LIC Dividend

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 2010

	<i>31 December 2010</i>	<i>31 December 2009</i>
	\$	\$
Cash flows from operating activities		
Interest received	394,112	553,929
Dividends & trust distributions received	23,555,088	18,356,269
Option premium income received	125,595	697,179
Finance costs paid	(3,223,962)	(2,610,477)
Administration and other expenses paid	(602,537)	(438,081)
Income tax refunded/(paid)	137,906	(426,964)
	<hr/>	<hr/>
Net cash flow from operating activities	20,386,202	16,131,855
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of investments	749,459	7,618,384
Purchases of investments	(4,773,448)	(58,841,270)
	<hr/>	<hr/>
Net cash flows from investing activities	(4,023,989)	(51,222,886)
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid	(13,187,242)	(7,343,289)
Proceeds on borrowings	3,000,000	5,999,975
Proceeds from share purchase plan net of costs	15,522,415	-
	<hr/>	<hr/>
Net cash flow from financing activities	5,335,173	(1,343,314)
	<hr/>	<hr/>
Net increase/(decrease) in cash held	21,697,386	(36,434,345)
Cash and cash equivalents at 1 July	7,260,830	37,267,330
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Cash and cash equivalents at 31 December *	28,958,216	832,985
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* 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.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2010

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 2010 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 2010.

This interim financial report was approved by the Board of Directors on 17th February 2011.

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 2010.

4. Earnings per share

	<i>31 December 2010 Cents</i>	<i>31 December 2009 Cents</i>
Basic earnings per share	17.2	13.1
Basic earnings per share before net realised and unrealised gains and losses on investment portfolio	17.2	12.3
Basic earnings per share before special dividends and net realised and unrealised losses and gains on investment portfolio	15.3	12.3

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 103,388,144 taking into account the shares issued in the dividend re-investment program and the share purchase plan. The 2009 figure is based on a weighted average number of ordinary shares of 97,829,793.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2010

	31 December 2010	31 December 2009
	\$	\$

5. Dividends

Dividends recognised in the current period by the Company are:

Final fully franked dividend of 14 cents per share paid on 24 September 2010

14,293,007	13,140,944
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Subsequent to reporting date:

Since 31 December 2010, the directors have declared the following dividend payable on 15 March 2011:

- Interim dividend of 12.0 cents per share fully franked

12,563,610

The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 31 December 2010.

	31 December 2010	30 June 2010
	\$	\$

6. Issued Capital

104,696,751 ordinary shares, fully paid (30 June 2010: 102,098,563)

314,020,790	297,392,610
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Movements in issued capital

Balance at beginning of period

297,392,610	263,936,920
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Shares Issued

- Capital Raising (net of costs)

(i)	-	20,593,884
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- Dividend re-investment plan

(ii)	1,105,765	12,861,806
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- Share Purchase Plan (net of costs)

(iii)	15,522,415	-
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314,020,790	297,392,610
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- (i) On 8 April 2010, the Company issued 2,833,565 fully paid ordinary shares in accordance with a placement announced on 29 March 2010 at the placement price of \$7.28 per share.
- (ii) In respect of the 2010 final dividend paid 24 September 2010, 171,569 shares were issued at \$6.45 each under the dividend re-investment plan.
- (iii) On 4 October 2010, the Company issued 2,426,619 fully paid ordinary shares in accordance with a share purchase plan announced on 6 September 2010 at the placement price of \$6.42 per share.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2010

	<i>31 December</i>	<i>30 June</i>
	<i>2010</i>	<i>2010</i>
	\$	\$

7. *Deferred Tax Assets and Liabilities*

Revaluation reserve – Provision for tax on unrealised gains on investment portfolio	(101,764,660	(78,352,442)
)	
Other	-	(75,030)
Tax benefit of capital losses carried forward	4,082,591	3,660,515
Net tax liabilities	<u>(97,682,069)</u>	<u>(74,766,957)</u>

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 2010.

10. *Related Parties*

All arrangements with related parties are consistent with those disclosed in the 30 June 2010 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 2010 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 17th day of February 2011.

Signed in accordance with a resolution of the directors.

Charles Goode AC
Director



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 2010, 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 2010 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*.



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 2010 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*.

A handwritten signature in black ink that reads 'KPMG'.

KPMG

A handwritten signature in black ink that reads 'MSomerville'.

Michelle Somerville
Partner

Melbourne

17 February 2011