

# AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

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## HALF YEARLY REPORT TO SHAREHOLDERS

### HALF YEAR ENDED 31 DECEMBER 2002

Dear Shareholder,

On 18 February 2003 the Directors made the following report to the Australian Stock Exchange concerning the company's performance and the interim dividend: -

#### Net Profit

The Directors of Australian United Investment Company Limited announce that the net operating profit after income tax for the half year ended 31 December 2002 was \$6,405,991 compared to \$4,563,858 for the previous corresponding period, an increase of \$1,842,133. The increase in operating profit is primarily a result of the investment of the proceeds of the June 2002 rights issue and lower dividend income in the 2001 half year when some companies in which the Company holds investments paid final dividends before 30 June 2001. The result does not include the notional, non-cash, non-taxable dividend forming part of the WMC demerger Scheme of Arrangement implemented in December 2002.

Operating expenses (excluding interest) were 0.09% of the average market value of the portfolio (2001: 0.07%).

The earnings per share were 7.99 cents for the half year to 31 December 2002 compared to 6.71 cents for the half year to 31 December 2001.

#### Interim Dividend

The directors also announce an interim dividend of 6 cents per share fully franked to shareholders registered on 28 March 2003, to be paid on 11 April 2003. The comparable 2002 interim dividend was 5.5 cents per share fully franked.

#### Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$3.94 at 31 December 2002 and \$3.87 at 31 January 2003. These calculations are after provision for tax on net realised gains, before tax on unrealised gains and before provision for the interim dividend.

The Company is a long term investor and does not intend disposing of its total portfolio. If estimated tax on unrealised portfolio gains were to be deducted, the above figures would be \$3.59 at 31 December 2002 and \$3.54 at 31 January 2003.

## Investment Portfolio

As at 31 December 2002 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. National Australia Bank Ltd	31,750	9.2%
2. ANZ Banking Group Ltd	25,158	7.3%
3. Wesfarmers Ltd	18,620	5.4%
4. Westpac Banking Corporation Ltd	16,500	4.8%
5. Rio Tinto Ltd	15,278	4.4%
6. Tabcorp Holdings Ltd	11,715	3.4%
7. Alumina Ltd	11,515	3.3%
8. WMC Resources Ltd	9,917	2.9%
9. Woodside Petroleum Ltd	9,656	2.8%
10. Commonwealth Bank Ltd	9,450	2.7%
11. BHP Billiton Ltd	8,120	2.3%
12. Mayne Group Ltd	7,641	2.2%
13. Southern Cross Broadcasting (Aust) Ltd	7,440	2.2%
14. Orica Ltd	7,350	2.1%
15. Diversified United Investment Ltd	7,318	2.1%
16. Woolworths Ltd	6,840	2.0%
17. AMP Ltd		
- Ordinary	5,590	1.6%
- Reset Preference Shares	1,040	0.3%
18. Perpetual Trustees Australia Ltd	6,456	1.9%
19. Foodland Associated Ltd	6,213	1.8%
20. TAB Ltd	6,060	1.8%
21. The News Corporation Ltd	6,027	1.7%
22. Telstra Corporation Ltd	5,954	1.7%
23. Australian Gas Light Company Ltd	5,797	1.7%
24. Amcor Ltd	5,519	1.5%
25. Suncorp Metway Ltd	4,739	1.4%
	<hr/> 257,663 <hr/>	<hr/> 74.5% <hr/>

**Total Investments at Market Value and  
Cash**

346,071

Yours faithfully



**Charles Goode**  
Chairman