

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

ABN 37 004 268 679

APPENDIX 4D STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the **half year ended 31 December 2015** with the prior corresponding period being the half year ended 31 December 2014.

Results for announcement to the market

- Revenue from ordinary activities was \$25.6 million, up 4.4% from the prior corresponding period.
- Profit after tax was \$22.5 million, up 5.7% from the prior corresponding period.
- Total net profit for the period of \$22.5 million excludes net realised gains and losses which are transferred directly to the Asset Revaluation Reserve under the accounting standards.
- This period special dividends of \$163,700 after tax were received (prior corresponding period \$507,500).
- Excluding special dividends received, Profit after tax rose 7.5%*.
- Earnings per share based on profit after tax were 19.5 cents, an increase of 2.1% from the prior corresponding period having adjusted for the bonus element in the November 2015 one for eight renounceable rights issue. Excluding special dividends received, earnings per share rose 3.7%* to 19.4* cents.
- The interim dividend for the half year is 15.5 cents per share (15.5 cents prior corresponding period) fully franked payable to holders of AUI Ordinary shares (ASX code: AUI) on 15 March 2016. Holders of AUI New shares (ASX code: AUIN) are not entitled to the interim dividend. The record date for determining entitlement to the interim dividend is 25 February 2016.
- 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 \$7.83 at 31 December 2015, compared to \$8.34 (adjusted for the bonus element in the rights issue) 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 26 February 2016.

* 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 2016

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 2015

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 2015 was \$22,466,154 (previous corresponding period: \$21,261,828). The Profit includes special dividends received after tax of \$163,700 (previously: \$507,500).

Excluding special dividends Profit after tax rose 7.5%*.

Net realised gains on the investment portfolio after tax were \$252,321 (previous corresponding period losses of \$1,569,404), 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

After adjusting for the effect of the one for eight rights issue during the period, earnings per share based on the weighted average number of shares on issue for the half year were 19.5 cents per share compared to 19.1 cents for the prior corresponding period. Excluding the special dividends, earnings per share rose 3.7%* to 19.4 cents.

The weighted average number of ordinary shares for the period was 115,101,466 against 111,041,285 previously, after taking into account the shares issued in the dividend reinvestment plan and having adjusted for the bonus element in the one for eight renounceable rights issue, an increase of 3.7%.

Rights Issue

During the period the Company raised \$89,004,136 in the one for eight rights issue at \$6.50 per share. The purpose of the issue was to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Company has been investing the proceeds of the issue gradually and at 16 February 2016 had invested \$54M of the \$89M raised.

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

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Dividends

The Directors have declared an interim dividend of 15.5 cents per share fully franked to AUI Ordinary (ASX Code: AUI) shareholders registered on 25 February 2016, to be paid on 15 March 2016. The comparable 2014 interim dividend was 15.5 cents per share fully franked. Holders of AUI New shares (ASX Code: AUIN) are not entitled to the interim dividend.

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 26 February 2016.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$7.83 at 31 December 2015 and \$7.32 at 31 January 2016. 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 \$6.93 at 31 December 2015 and \$6.58 at 31 January 2016.

Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2015 (assuming all dividends were reinvested) was a fall of 3.1%, compared to the fall of 0.5% in the S&P ASX 200 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. The underperformance was due in part to the Company's holdings in energy companies which have been adversely affected by the pronounced fall in the oil price. The oil market is currently over-supplied but the substantial cuts in exploration and capital investment programs that oil companies have announced should bring the market back into balance over time, with an associated recovery in price. In the meantime the Company is deploying the \$89M raised in the November rights issue into quality companies outside the banking, resource and energy sectors.

Outlook

Rio Tinto has announced it is abandoning its progressive dividend policy, which meant dividends would not be reduced during profit downturns, and replacing it with a policy of paying out between 40% and 60% of underlying profits as dividends. As a transition to this new policy the company has announced that the dividend for the year to December 2016 will be not less than US\$1.10, compared with US\$2.15 in 2015. BHP Billiton has not yet released its half year results but is widely expected also to change its progressive dividend policy. Both Rio Tinto and BHP Billiton are large investments in the Company's portfolio and reductions in their dividends will have a negative impact on the Company's revenue. However, in the absence of unforeseen events, Directors reiterate the guidance provided at the time of the rights issue that the final dividend for the current year (for which the new shares will rank pari passu) will not be less than the 18.5¢ final dividend paid for the 2015 financial year.

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Investment Portfolio

As at 31 December 2015 the twenty-five largest shareholdings of the Company, at market value, were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. Commonwealth Bank Ltd	100,498	9.3%
2. Westpac Banking Corporation Ltd	83,900	7.7%
3. Australian & New Zealand Banking Group Ltd	78,902	7.3%
4. National Australia Bank Ltd	67,950	6.3%
5. Wesfarmers Ltd	58,254	5.4%
6. Diversified United Investment Ltd	49,104	4.5%
7. Transurban Group Ltd	44,451	4.1%
8. Rio Tinto Ltd	42,474	3.9%
9. BHP Billiton Ltd	41,971	3.9%
10. CSL Ltd	36,858	3.4%
11. Woodside Petroleum Ltd	35,900	3.3%
12. Woolworths Ltd	29,400	2.7%
13. Brambles Ltd	24,297	2.2%
14. Event Hospitality and Entertainment Ltd	24,015	2.2%
15. Ramsay Health Care Ltd	18,683	1.7%
16. Sonic Healthcare Ltd	17,870	1.6%
17. Washington H Soul Pattinson	17,480	1.6%
18. Telstra Corporation Ltd	16,830	1.6%
19. BT Investment Management Ltd	16,718	1.5%
20. Orica Ltd	15,500	1.4%
21. Oil Search Ltd	14,740	1.4%
22. AMP Ltd	14,575	1.3%
23. Tatts Group Ltd	13,170	1.2%
24. Invocare Ltd	12,011	1.1%
25. Resmed Inc.	11,160	1.0%
	<hr/>	
	886,711	81.6%
	<hr/>	

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

1,086,068

*Note: At 31 December 2015 bank borrowings were \$122M, and cash and short term receivables (included in the above figures) were \$60M.

Yours faithfully,

A J Hancock
Company Secretary

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

INTERIM FINANCIAL REPORT
31 DECEMBER 2015

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

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@au.com.au

Website: www.au.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: AU1

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Directors' Report

The directors of Australian United Investment Company Limited present their Directors' report together with the financial report for the six months ended 31 December 2015 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:

<i>Name</i>	<i>Period of Directorship</i>
Charles Goode AC (Chairman)	Director since 1990
Peter Wetherall	Director since 2001
James Craig	Director since 2009
Fred Grimwade	Director since 2014

Review of Operations

Profit after income tax was \$22,466,154 for the six months ended 31 December 2015 (previous corresponding period: \$21,261,828). Special dividends received during this period were \$163,700 (previous corresponding period: \$507,500).

In November 2015 the Company issued 13,692,944 new shares at \$6.50 per share in a one for eight renounceable rights issue.

Earnings per share based on profit after tax was 19.5 cents, an increase of 2% from the prior corresponding period having adjusted for the bonus element in the November 2015 one for eight renounceable rights issue. Excluding special dividends received, earnings per share rose 4% to 19.4 cents per share.

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: 15.5 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 2015.

Dated at Melbourne this 17th day of February 2016.

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 2015 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

Maria Trinci

Maria Trinci
Partner

Melbourne

17 February 2016

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 31 December 2015

	<i>Note</i>	<i>31 December 2015 \$</i>	<i>31 December 2014 \$</i>
Revenue from investment portfolio		25,615,110	24,526,564
Administration and other expenses		(544,606)	(570,291)
Finance expenses		(2,554,530)	(2,460,084)
Profit before income tax		22,515,974	21,496,189
Income tax expense		(49,820)	(234,361)
Profit for the period		22,466,154	21,261,828
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Revaluation of investment portfolio for the period		(48,051,168)	(12,012,815)
Provision for tax benefit on revaluation of investment portfolio for the period		14,386,410	3,538,299
Other comprehensive income/(loss) net of income tax		(33,664,758)	(8,474,516)
Total comprehensive income/(loss)		(11,198,604)	12,787,312
Basic and diluted earnings per share (cents)	4	19.5	19.1

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 2015

	Note	31 December 2015 \$	30 June 2015 \$
ASSETS			
Cash assets		59,398,634	9,914,149
Receivables		1,036,250	8,436,854
Other		84,796	46,419
TOTAL CURRENT ASSETS		<u>60,519,680</u>	<u>18,397,422</u>
Investment portfolio	7	1,025,632,869	1,029,619,289
TOTAL NON-CURRENT ASSETS		<u>1,025,632,869</u>	<u>1,029,619,289</u>
TOTAL ASSETS		<u>1,086,152,549</u>	<u>1,048,016,711</u>
LIABILITIES			
Payables		223,829	8,432,484
Borrowings – interest bearing	9	19,814,713	-
TOTAL CURRENT LIABILITIES		<u>20,038,542</u>	<u>8,432,484</u>
Provision for Long Service Leave		28,409	18,864
Borrowings – interest bearing	9	101,348,600	119,087,802
Deferred tax liability	8	110,245,004	124,581,594
TOTAL NON-CURRENT LIABILITIES		<u>211,622,013</u>	<u>243,688,260</u>
TOTAL LIABILITIES		<u>231,660,555</u>	<u>252,120,744</u>
NET ASSETS		<u>854,491,994</u>	<u>795,895,967</u>
EQUITY			
Issued capital	6	436,956,833	346,928,075
Reserves		417,535,161	448,967,892
TOTAL EQUITY		<u>854,491,994</u>	<u>795,895,967</u>

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 2015

	<i>Issued Capital</i>	<i>Revaluation Reserve</i>	<i>Realisation Reserve</i>	<i>Retained Earnings</i>	<i>Total</i>
	\$	\$	\$	\$	\$
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	-	-
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 paid	-	-	-	(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
As at 1 July 2015	346,928,075	308,657,044	18,575,249	121,735,599	795,895,967
Comprehensive Income					
Revaluation of investment portfolio	-	(48,051,168)	-	-	(48,051,168)
Tax benefit on revaluation	-	14,386,410	-	-	14,386,410
Net realised gains and losses on investment portfolio	-	(360,459)	360,459	-	-
Tax expense on net realised gains and losses	-	108,138	(108,138)	-	-
Profit for the period	-	-	-	22,466,154	22,466,154
	-	(33,917,079)	252,321	22,466,154	(11,198,604)
Transactions with shareholders					
Renounceable Rights Issue	88,785,907	-	-	-	88,785,907
Dividend reinvestment plan	1,242,851	-	-	-	1,242,851
Dividends paid	-	-	-	(20,234,127)	(20,234,127)
	90,028,758	-	-	(20,234,127)	69,794,631
As at 31 December 2015	436,956,833	274,739,965	18,827,570	123,967,626	854,491,994

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 2015

	<i>31 December 2015 \$</i>	<i>31 December 2014 \$</i>
Cash flows from operating activities		
Interest received	403,879	718,235
Dividends & trust distributions received	32,023,689	30,106,270
Option premium income received	105,190	738,087
Finance costs paid	(2,479,019)	(2,598,053)
Administration and other expenses paid	(526,563)	(496,124)
Net cash flow from operating activities	29,527,176	28,468,415
Cash flows from investing activities		
Proceeds from sale of investments	36,639,112	17,678,664
Purchases of investments	(88,476,437)	(84,944,105)
Net cash flow used in investing activities	(51,837,325)	(67,265,441)
Cash flows from financing activities		
Proceeds from renounceable rights issue (net of costs)	88,785,907	-
Dividends paid (net of dividend reinvestment plan)	(18,991,273)	(18,098,522)
Proceeds from borrowings	2,000,000	20,000,000
Net cash flow from/(used in) financing activities	71,794,634	1,901,478
Net (decrease)/increase in cash held	49,484,485	(36,895,548)
Cash and cash equivalents at 1 July	9,914,149	60,074,562
Cash and cash equivalents at 31 December	59,398,634	23,179,014

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 2015

1. Reporting Entity

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

The annual financial report of the Company as at and for the year ended 30 June 2015 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 2015.

This interim financial report was approved by the Board of Directors on 17 February 2016.

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 2015.

4. Earnings per share

	<i>31 December 2015 Cents</i>	<i>31 December 2014 Cents</i>
Basic earnings per share	19.5	19.1
Earnings per share excluding special dividends	19.4	18.7

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 115,101,466 (previous corresponding period: 111,041,285) taking into account the shares issued in the dividend reinvestment plan and having adjusted for the bonus element in the one for eight renounceable rights issue. The comparative 31 December 2014 earnings per share has also been adjusted for the rights issue bonus element.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2015

31 December 2015	31 December 2014
\$	\$

5. Dividends

Dividends recognised in the current period by the Company are:

Final fully franked dividend of 18.5 cents per share paid on 25 September 2015 (previous corresponding period: 17.5 cents per share fully franked)

20,234,127	19,098,464
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Subsequent to reporting date:

Since 31 December 2015, the directors have declared the following dividend payable on 17 March 2016:

- Interim dividend of 15.5 cents per share fully franked (previous corresponding period: 15.5 cents per share fully franked)

16,977,601	16,933,845
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The financial effect of this dividend has not been brought to account in the interim financial report for the period ended 31 December 2015.

31 December 2015	30 June 2015
\$	\$

6. Issued Capital

109,532,911 ordinary fully paid shares (30 June 2015:

109,373,614)

348,170,926	346,928,075
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13,692,944 new ordinary fully paid shares issued under the one for eight renounceable rights issue November 2015

88,785,907	-
436,956,833	346,928,075

Movements in issued capital

Balance at beginning of period

346,928,075	344,873,227
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Shares Issued

- Dividend reinvestment plan

(i)	1,242,851	2,054,848
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- Renounceable rights issue (net of costs)

(ii)	88,785,907	-
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436,956,833	346,928,075
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(i) In respect of the 2015 final dividend paid 25 September 2015 159,297 shares were issued at \$7.802 each under the dividend reinvestment plan.

(ii) In respect of the renounceable right issue issued on 13 November 2015, 13,692,944 shares were issued at \$6.50 under the ASX security code AUIN. These shares do not rank for the interim dividend payable on 17 March 2016 and thereafter rank pari passu.

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2015

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 2015 \$	30 June 2015 \$
Revaluation reserve – Provision for tax on unrealised gains on the equity investment portfolio	120,498,303	134,992,851
Other	-	108,600
Tax benefit of capital losses carried forward	(9,336,572)	(9,444,710)
Tax benefit of excess franking credits carried forward	(916,727)	(1,075,147)
Net deferred tax liabilities	<u>110,245,004</u>	<u>124,581,594</u>

9. Borrowings

	31 December 2015 \$	30 June 2015 \$
Current		
Loan Facility – Secured	19,814,713	-
Non-Current		
Loan Facility – Secured	101,348,600	119,087,802
	<u>121,163,313</u>	<u>119,087,802</u>

During the six months ended 31 December 2015, an additional \$2 million of borrowings were drawn down as follows:

Amount	Facility Maturity
\$2,000,000	31 October 2020

The total face value of the drawn facility as at period end was \$122 million (30 June 2015: \$120 million). The liabilities are recorded at the face value of the amount drawn and accrued interest.

At 31 December 2015 the market value of investments secured against the loan facilities was \$496 million (30 June 2015: \$435 million).

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2015

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 2015.

12. Related Parties

All arrangements with related parties are consistent with those disclosed in the 30 June 2015 annual financial report.

13. Events Subsequent to Balance Date

From 31 December 2015 to 16 February 2016 the ASX 200 Accumulation index declined 7% and the Company's estimated net tangible asset backing per share, after tax on realised gains but before any future tax benefit of realised losses and before estimated tax on net unrealised gains and losses, declined 8% to \$7.20.

Since 31 December 2015, the Company has provided additional security against its borrowings in accordance with existing agreements. At the date of this report, the market value of the additional security provided is:

Security provided	Units	Market value as at 16 February 2016
Commonwealth Bank of Australia Ltd	275,000	\$19,965,000
Wesfarmers Ltd	400,000	\$1,725,200

Other than the above, there has not arisen in the interval between the end of the half year and the date of this report any items, transactions or events 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 2015 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 2016.

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

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 2015, 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 2015 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 2015 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

Maria Trinci

Maria Trinci
Partner

Melbourne

17 February 2016