

AUSTRALIAN UNITED INVESTMENT COMPANY LIMITED

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AUSTRALIA

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HALF YEARLY REPORT TO SHAREHOLDERS

17 March 2015

Dear Shareholder,

Dividend Payment

The 15.5¢ per share fully franked interim dividend has been paid today, by way of cheque, notification of direct banking, or notification of allotment of shares under the Dividend Reinvestment Plan, according to your instructions.

Net Asset Backing 28 February 2015: \$9.16 per share

At 28 February 2015 the unaudited net tangible asset backing of the Company's ordinary shares, based on investments at market value, after tax on realised gains, before any future tax benefit of realised losses, and before estimated tax on net unrealised gains/losses and after provision for the interim dividend of 15.5 cents per share, was \$9.16 per share, or \$7.76 per share after providing for estimated tax on unrealised portfolio gains.

Results for Half Year Ended 31 December 2014

On 17 February 2015 the Directors made the following report to the Australian Securities Exchange concerning the Company's performance and the 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%).

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

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.

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.

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

Investment Portfolio

As at 31 December 2014 the twenty-five largest shareholdings of the company, at market values were:

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%
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	912,590	87.3%
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***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