

# *Australia & International Holdings Limited*

GPO Box 1398  
BRISBANE QLD 4001

ACN 009 706 414  
Level 4, 24 Little Edward St.  
Spring Hill, Queensland, 4000

phone : (07) 3006 7200  
fax : (07) 3839 6964

---

19<sup>th</sup> November 2010

(addressee)

Dear shareholder,

At an Annual General Meeting of the Company, held on Tuesday, 16 November 2010, a special resolution approving the proposed Buy-Back of shares in Australia and International Holdings Ltd ("the Company"), from eligible Sophisticated Investors, in return for units in the Burrell Australian Equities Trust and the Burrell World Equities Trust, was approved unanimously.

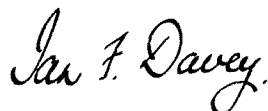
We now provide you with the Buy-Back Documents in order for you to consider a) if you are eligible to participate in the Buy-Back as a Sophisticated Investor, and then, b) if you would like to participate in the Buy-Back. The steps in participating in the Buy-Back are set out in the Buy-Back Document.

The Buy-Back is open for a restricted period of two weeks, commencing on Monday, 22 November, 2010 and closing at 5:00pm on Friday, 3 December 2010. The reason for the limited period is so that shareholders who are not able to participate in the Buy-Back will not be disadvantaged.

Therefore, if you are considering participating in the Buy-Back and you have to obtain proof that you meet the requirements of a wholesale (sophisticated) investor, then you may need to move quickly in order to meet the Closing Date time and date of 5:00pm on Friday, 3 December 2010.

If you have any questions in relation to the Buy-Back, please contact either Saskia Jo on T: 07 3006 7216 or at E: [sjo@burrell.com.au](mailto:sjo@burrell.com.au) or myself on T: 07 3006 7221 or at E: [iand@burrell.com.au](mailto:iand@burrell.com.au)

Yours faithfully,  
Australia & International Holdings Limited



Ian Davey  
Company Secretary

**AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED**

**ACN 009 706 414 (the “Company”)**

# Selective Off-Market Buy-Back Document

---

## **THIS IS AN IMPORTANT DOCUMENT**

**If you are in doubt as to the action you should take, please contact your financial, taxation or other professional adviser immediately.**

**1 In accordance with a Special Resolution passed unanimously by the shareholders of the Company in the Annual General Meeting held on Tuesday, 16 November 2010, the Company is conducting a selective off-market buy-back of its Shares.**

## **2 Important Dates: 2010**

Notice of Annual General Meeting sent to shareholders and ASIC (Form 280) with details of a proposed resolution to conduct a buy-back of Shares in the Company.	Friday, 15 October
ASIC (Form 281) - Notice of intention to conduct a buy-back lodged.	Monday, 1 November
Annual General Meeting with the proposed resolution to approve the Buy-Back.	Tuesday, 16 November
Ex-entitlement Date	Tuesday, 16 November
Mailing of Buy-Back documents to be completed by	Friday, 19 November
Record Date	Friday, 19 November
Lodgment of second ASIC Form 280	Friday, 19 November
Notice to NSX	Friday, 19 November
Buy-Back Offer period opens	Monday, 22 November
Buy-Back Offer period closes	Friday, 3 December
Buy-Back Date: determination of the Buy-Back scale back (if any) and entry into Buy-Back Contracts	Thursday, 9 December
Cancellation of Company Shares and distribution in specie of units in the Burrell Australian Equities Trust (BAET) and the Burrell World Equities Trust (BWET).	Thursday, 16 December

The date of this document is 17th November 2010.

### 3 Eligibility to Participate

You are eligible to participate in the Buy-Back if you are shareholder of the Company on the Record Date and you are a Sophisticated Investor (as defined under paragraph 13 below).

### 4 Buy-Back Summary

The Company is seeking to buy back up to 750,000 fully paid ordinary shares in the Company (Shares) from Sophisticated Investor shareholders who choose to participate, in accordance with the procedure set out in Div 2 of Part 2J.1 of the Corporations Act 2001, in the selective off-market buy-back.

Buy-Back size	The Company is seeking to buy back up to 750,000 of its Shares.
Discount to Net Asset Value	The Buy-Back Shares will be bought back at a 4% discount to the Net Asset Value per Share of the Company as at 31 October 2010.
Net Asset Value	The Net Asset Value per Share of the Company as at 31 October 2010 was \$2.99.
Buy-Back Price	The Buy-Back price will be \$2.87, which is the Net Asset Value of \$2.99 less a discount of 4%.
Capital component of the Buy-Back Price	\$2.31
Dividend component of the Buy-Back Price	The Buy-Back price of \$2.87 less the capital component of \$2.31 equals the dividend component of \$0.56.
Buy-Back consideration	<p>The Buy-Back price will be satisfied by the in-specie distribution of 1.5486 fully paid ordinary units in the Burrell World Equities Trust (BWET) and 0.8343 units in the Burrell Australian Equities Trust (BAET) for each Share.</p> <p>The Net Asset Value of a unit in BAET and of a unit in BWET on 31 October 2010 was \$1.39 and \$0.86 respectively.</p>

### 5 How to Participate

If you are a Sophisticated Investor it is your choice as to whether you participate in the Buy-Back.

If you choose NOT to participate in the Buy-Back, you do not need to take any action, and the number of Shares you hold will not change as a result of the Buy-Back.

If you DO choose to participate in the Buy-Back you will need to follow these steps:

STEP 1	Decide how many Shares you wish to sell after considering your tax position and other financial considerations.
STEP 2	Complete the Buy-Back Application Form.
STEP 3	Complete the Sophisticated Investor Declaration Form.
STEP 4	Submit your Buy-Back Application Form and Sophisticated Investor Declaration by the close of the Buy-Back Offer Period.

## **6 Enquires**

If you have any queries in relation to the Buy-Back, please call Ian Davey, Company Secretary, on 07 3006 7221 or email at [iland@burrell.com.au](mailto:iland@burrell.com.au), or call Saskia Jo, Accountant, on 07 3006 7216 or email at [sjo@burrell.com.au](mailto:sjo@burrell.com.au).

## **7 Definitions and Interpretation**

Some words used in this document have defined meanings. Please see paragraph 13 below.

## **8 Further Advice**

This document does not provide financial product advice and has been prepared without taking into consideration your particular financial objectives, situation or needs. If you are eligible to participate in this Buy-Back you should consider obtaining independent financial advice before making any decision.

## 9 Chairman's Letter

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to invite those of you who are eligible to participate in a selective off-market buy-back to sell some of your Australia & International Holdings Limited Shares in return for units in the Burrell Australian Equities Trust and the Burrell World Equities Trust.

Australia & International Holdings Limited is aiming to buy-back up to 750,000 Shares currently on issue at a Buy-Back price of \$2.87 per Share for a total amount of \$2,152,500.

The Buy-Back price of \$2.87 represents a discount of 4% to the Net Asset Value per Share calculated as at 31 October 2010. The capital component of the Buy-Back price is \$2.31 per Share, leaving a fully franked dividend of \$0.56 per Share.

The main reason for the Buy-Back is so that holders of larger parcels of Shares in Australia & International Holdings Limited, by converting their share holdings into unit holdings in the Burrell Australian Equities Trust and the Burrell World Equities Trust, obtain greater flexibility in being able to come-and-go by being able to redeem those units. The Board feels that this will also benefit smaller shareholders, as there will be less price competition at different levels in the absence of large orders. Another expected benefit is that, as a result of the Buy-Back, accounting, audit and administration costs will be reduced.

The Buy-Back will have different tax consequences for those who participate due to their different cost bases and the timing of their investments.

The Board and investment manager are committed to providing a medium to long-term investment vehicle for shareholders with a balanced approach seeking growth at reasonable prices and dividend returns. Retail investors are able to invest by buying Shares in Australia & International Holdings to get a well diversified exposure to both Australian and international equity and managed fund investments. Sophisticated investors have a choice of either buying Shares in Australia & International Holdings Limited and/or investing in either of or both of the Burrell Australian Equities Trust and the Burrell World Equities Trust.

For eligible shareholders, being those shareholders who are Sophisticated Investors, participation in the Buy-Back is optional. If you wish to participate in the Buy-Back, please complete the Offer and Declaration Forms and submit them by no later than 5:00pm on the Closing Date.

I urge you to consider this document carefully. If you have any queries, please contact the personnel whose contact details have been provided.

Yours faithfully,



Bernard Rowley  
Chairman

## **10 Overview of the Buy-Back**

This document invites eligible shareholders to participate in a selective off-market buy-back. It sets out the terms of the Buy-Back and provides you with other information to assist you in making decisions as to whether you are eligible, and then whether or not you want to participate in the Buy-Back.

### **10.1 What is a Selective Off-Market Buy-Back?**

Under this type of buy-back, shareholders who are eligible are able to offer to sell back some or all of their Shares in the Company. Shares bought-back will be cancelled. In return for the Shares sold back, those participants will receive an in-specie distribution of fully paid ordinary units in BAET and BWET of equivalent and proportionate value. The number of Shares bought back reduces the number of Shares on issue.

### **10.2 What are the advantages and disadvantages of the Buy-Back?**

- The main advantage of the Buy-Back is that it will provide investors who are Sophisticated Investors and eligible to participate with the same or similar investment as they have now through a different ownership entity. This may enable them to be able to more readily redeem their investment if required as units in BWET and BAET are able to be redeemed at net asset value whereas shares in the Company may only be realised via sale either on the NSX or off-market by private negotiation
- The Buy-Back price has been set at a discount 4% to the Net Asset Value per Share of the Company as at 31 October 2010 so as to reduce the effect of the Buy-Back on remaining shareholders.
- Sufficient franking credits will be retained after the Buy-Back to continue to be able to pay remaining shareholders fully franked dividends in the future from retained earnings.
- The size of the portfolios in both BAET and BWET will not change as a result of the Buy-Back, as there will be a transfer of units in BAET and BWET to shareholders and not a redemption or issue of units, and therefore investors in the Company will not lose any diversification benefits (though subsequent redemptions of units in BWET and BAET by Sophisticated Investor shareholders who participate may impact the portfolio of the trusts).
- Investors who hold Shares in the Company after the proposed buy-back will keep their ability to be able to dispose of their Shares on the NSX.
- The Company's ownership interest in BAET and BWET will decrease from 82.50% and 56.46% to 50.98% and 34.79% respectively, based on the Company's 31 October 2010 unit holdings, assuming the maximum number of 750,000 Shares are bought back and adopting the Share Buy-Back price and unit values using the 31 October 2010 Net Asset Values of Shares and units set out below.
- The Buy-Back price is based on the Net Asset Value of Shares on 31 October 2010 (with a 4% discount) and the value of units in BWET and BAET transferred in satisfaction of the Buy-Back price is also based on the Net Asset Value of units on 31 October 2010. The actual Net Asset Value of Shares and units at the time of the Buy-Back may be higher or lower than the 31 October 2010 values.
- The Buy-Back may have taxation implications for a participating shareholder and the Company. Further information about the potential tax implications for the Company and participating shareholders are summarised in sections 10.5 and 11 respectively.

### **10.3 Can I participate in the Buy-Back?**

If you are a Sophisticated Investor and you are a registered holder of Shares in the Company as at the Record Date, you may participate in the Buy-Back.

Shares acquired on the NSX on or after the Ex-Entitlement Date will not be registered in your name by the Record Date and therefore will not carry an entitlement to participate in the Buy-Back.

The Buy-Back is made pursuant to the laws of Australia and participation in the Buy-Back in other jurisdictions may be restricted by law. The Buy-Back offer is not made to any shareholder to whom or in any place in which it would be illegal to make the offer.

Any foreign shareholder, being a shareholder with a registered address outside Australia, who is a Sophisticated Investor and eligible to participate in the Buy-Back must seek advice on and observe any restrictions applying in their jurisdiction. Any eligible foreign shareholder who participates in the Buy-Back warrants that the Buy-Back and their participation is permitted by the laws of the applicable jurisdiction.

### **10.4 Do I have to participate in the Buy-Back?**

No, if you are eligible to participate but do not want to then you do not need to take any action.

If you do nothing, the number of Shares you hold in the Company will not change, although your proportional holding in the Company will increase.

### **10.5 What are the details of the Buy-Back?**

- There are currently 1,943,083 Shares of the Company on issue.
- The maximum number of Shares available for selective buy-back will be 750,000, which represents 38.60% of the total number of Shares on issue. The number of Shares under or equal to 750,000 that will be bought back will ultimately be determined by the responses received from eligible shareholders, being those who are Sophisticated Investors, under the Buy-Back.
- The Buy-Back is being undertaken to enhance the liquidity of the Company by giving Sophisticated Investor shareholders, who will typically be larger shareholders, the opportunity to sell back part or all of their holdings and receive fully paid ordinary units of proportionate and equivalent value in the Burrell Australian Equities Trust and the Burrell World Equities Trust, which the Company currently owns.
- As these units are redeemable in accordance with the provisions of the applicable trust's constitution, the Buy-Back may offer Sophisticated Investor shareholders an investment with greater liquidity. Also, the Buy-Back may increase the liquidity of Shares for those shareholders who are not Sophisticated Investors (and Sophisticated Investor shareholders who do not participate in the Buy-Back) by reducing the price level competition of sellers in the market.
- Shares will be bought back at a discount of 4% to the Net Asset Value per Share of the Company as at 31 October 2010. Using a Buy-Back price of \$2.99, being the 31 October 2010 Net Asset Value per Share, less the 4% discount, the value of the consideration payable for the Shares bought back, if the maximum number were offered by Sophisticated Investor shareholders, will be \$2,152,500.
- The Net Asset Value per unit for BAET and BWET were \$1.39 and \$0.86 respectively as at 31 October 2010. Using these Net Asset Values the Company's investments in BAET and BWET are valued at approximately \$5,627,000 as at 31 October 2010. The value of the

Company's holding in BAET is approximately 75%, or \$4,225,000, and 25% in BWET or \$1,402,000. Applying these proportions to the maximum number of Shares under the Buy-Back would result in those shareholders receiving 1,161,421 units in BAET worth \$1,614,375, and 625,727 units in BWET worth \$538,125.

- Sophisticated Investor shareholders who participate in the Buy-Back will receive units in BAET and BWET with the same value as the Buy-Back price of the Shares being bought back, where the value of adopted is the Net Asset Value per Share or unit as at 31 October 2010. Specifically, Sophisticated Investor shareholders will receive 1.5486 units in BAET and 0.8343 units in BWET for every Share in the Company bought back.
- The Buy-Back price will be made up of a capital component and a fully franked dividend calculated at the current company tax rate of 30%. Using the contributed equity of the Company and the number of Shares currently on issue, the capital component is \$2.31 per Share. For a Buy-Back price of \$2.87 per Share, being the 31 October 2010 Net Asset Value per Share of \$2.99 less the 4% discount, the dividend component will be \$0.56 per Share, fully franked.
- If the number of Shares eligible Shareholders offer to participate in the Buy-Back exceeds 750,000 Shares, applications will be scaled back proportionately. Refer to section 10.13 for further details of how the scale back will work.
- The Buy-Back also has capital gains tax implications for the Company as it is transferring or disposing of units in the two trusts that are overall worth more than the Company originally paid for them. An estimate of the potential capital gains tax for the Company if all of the Shares under the proposed Buy-Back are bought-back is \$103,094 or 5.3 cents per Share currently on issue. However, shareholders should note that this potential tax implication is already factored into the current Net Asset Value per Share of the Company because a provision for deferred tax liability is taken up in the accounts as a matter of standard accounting practice.
- Directors, who are Sophisticated Investors, may participate in the Buy-Back and the current holdings of those Directors who are eligible to participate are set out in the table below. These Directors intend to participate in the Buy-Back offer. However, due to the capital gains and income tax considerations referred to below, it is not expected that any Director will participate to the full extent of their holding, even in the absence of other non-director Sophisticated Investor shareholders participating. Also, the maximum number of Shares to be bought-back is less than the combined shareholdings of the Sophisticated Investor shareholder Directors.

<b>Director</b>	<b>Held by</b>	<b>No. of Shares</b>	<b>% Holding</b>
Christopher Burrell	CTBFam Pty Ltd atf: Secret Superannuation Fund	565,806	29.12%
	Christopher Burrell	146,945	7.56%
	CTBFam Pty Ltd	72,199	3.72%
Roger Burrell	RJB Superannuation Fund	64,276	3.31%
	Roger Burrell	17,800	0.92%
Bernard Rowley	Rowley Superannuation Fund	31,891	1.64%
	Bernard Rowley	3,501	0.18%
Totals		902,418	46.44%



- Which eligible Sophisticated Investor shareholders participate in the Buy-Back will not be known until the Company has received responses. However, the most likely result of the Buy-Back will be that the current major shareholders percentage control will be reduced. The eligible Directors, as listed above, have indicated that they will participate in the Buy-Back.
- The financial effect on the Company if the full 750,000 Shares are bought back, at a buy-back price of \$2.87 per Share, will be to reduce the capital of the Company by a maximum of approximately \$2,152,500. As the dividend component of the Buy-Back price is \$0.56 per Share, then \$180,000 worth of franking credits will be used. Further, adopting the 31 October 2010 Net Asset value per Unit for \$1.39 for the BAET units and \$0.86 per unit for the BWET units, and assuming the full 750,000 Shares are bought back, the value of the Company's holding of BAET units will decrease from \$4,225,586 to \$2,611,211, or by 38.2%, and for the BWET units will decrease from \$1,401,798 to \$863,673, or by 47.0%. Also, the Company's net assets will decrease from \$5,807,312 to \$3,654,812. The actual value of the consideration to the Company at the time of the Buy-Back is completed may be higher or lower than this amount depending on the actual Net Asset Value of units in BAET and BWET at that time.
- The Directors have formed the opinion that the Buy-Back will not affect the Company's ability to pay its debts as and when they fall due.
- Further information about the Company's financial position is contained in the financial report, directors' report and auditor's report for the 2009/2010 financial year recently sent to shareholders.

#### **10.6 How long will the Buy-Back be open?**

The Buy-Back will be open from the Opening Date (Monday 22 November 2010) to the Closing Date (3 December 2010). Shareholders may lodge applications up to 5:00pm on the Closing Date.

#### **10.7 How will the Buy-Back be conducted?**

The Company is conducting this Buy-Back through a selective off-market buy-back process. All shareholders eligible to participate in the Buy-Back will be able to submit applications to have some or all of their Shares bought back, in return for which they will receive units in BAET and BWET of proportionate and equivalent value. If applications are received from eligible shareholders to buy-back more Shares than the 750,000 Shares available, applications will be scaled back proportionately.

#### **10.8 What price will the Company pay to buy-back the Shares from eligible shareholders?**

The Buy-Back price will be \$2.87 per Share, which represents a 4% discount to the Net Asset Value per Share as at 31 October 2010.

For each Share purchased under the Buy-Back an eligible shareholder of the Company will receive 1.5486 units in BAET and 0.8343 units in BWET. Where the units in a trust to be transferred to a participating shareholder includes a fraction of a unit, that fraction will be rounded to the nearest whole unit.

#### **10.9 What is the equivalent and proportionate value of the units in BAET and BWET to the Shares in the Company?**

As at 31 October 2010, the value of the Company's investments in BAET and BWET was in the ratio of approximately three dollars in BAET for every one dollar in BWET and this ratio is reflected in the Buy-Back consideration to be provided to Sophisticated Investor shareholders who participate in the Buy-Back.

For example, , if a Sophisticated Investor shareholder had 10,000 Shares bought-back, the total Buy-Back price of \$28,700 would be satisfied by the transfer to the Sophisticated Investor shareholder of 15,486 units in BAET (\$21,525) and 8,343 units in BWET (\$7,175).

#### **10.10 How does the Buy-Back compare with selling my Shares on-market?**

If you sell your Shares in the Company on the NSX, you will receive cash. The last traded price for Shares sold on the NSX was \$2.86 on November 12, 2010. However, you may have to pay brokerage to sell your Shares on the market.

If you participate in the off-market selective buy-back, you will receive units in BAET and BWET of equivalent value to \$2.87 per Share, based on the Net Asset Values of Shares and units at 31 October 2010. The actual Net Asset Value per Share or unit at the time the Buy-Back is completed could be higher or lower than these amounts. No brokerage is payable under the Buy-Back.

#### **10.11 How do I participate in the Buy-Back?**

##### **Step 1 – Decide how many Shares you wish to sell**

To participate in the Buy-Back, you first need to consider the number of Shares you wish to sell in return for units in BAET and BWET, if any.

One of the main considerations will be your tax position and the potential capital gains tax implications of selling your Shares. If you are in any doubt as to what action to take, you should consult your financial or taxation adviser.

##### **Step 2 – Complete the Buy-Back Application Form**

Once you have decided on the number of Shares you wish to sell into the Buy-Back, you should complete the Application Form at the back of this document.

##### **Step 3 – Complete the Sophisticated Investor Declaration**

To be able to participate in the Buy-Back you must be a Sophisticated Investor as defined under the Corporations Act. If you are already registered as a Sophisticated Investor with Burrell Stockbroking, you can simply complete the section that approves the use of that information by the Company (subject to the conditions specified on the Application Form). If you have not previously provided a Sophisticated Investor declaration to Burrell Stockbroking, or the Sophisticated Investors declaration previously provided does not satisfy the requirements set out on the Application Form, you will need to complete the Sophisticated Investor Declaration Form in full.

##### **Step 4 – Submit your Buy-Back Application and Sophisticated Investor Declaration Form**

After completing the Buy-Back Application Form and the Sophisticated Investor Declaration Form, you will need to submit them to the Company by no later than 5:00pm on the Closing Date (3 December 2010).

##### *If sending by mail*

Australia & International Holdings Limited Buy-Back  
Company Secretary  
GPO Box 1398  
Brisbane Q 4001  
Attention: S. Jo

##### *If delivering in person*

Burrell Stockbroking Pty Ltd  
Level 4, 24 Little Edward Street  
Spring Hill Q 4000

### 10.12 What will happen if the Buy-Back offer is over-subscribed?

If the total number of Shares applied for under the Buy-Back exceeds 750,000, then the Company will scale back the allocations to participants on a pro-rata basis calculated in accordance with the formula below:

$$750,000 \quad \times \quad \frac{\text{No. of Shares Sophisticated Investor shareholder has requested participate in the Buy-Back}}{\text{Total No. of Shares all Sophisticated Investors have requested participate in the Buy-Back}}$$

### 10.13 How will I receive payment for the Shares bought back?

You will receive payment for the Shares you sell into the Buy-Back by way of units in BAET and BWET of equivalent value to those Shares. For each Share you sell into the Buy-Back you will receive 1.5486 units in BAET and 0.8343 units in BWET. If the total number of units in each trust you are entitled to received includes a fraction of a unit, it will be rounded to the nearest whole unit.

### 10.14 Can I trade my Shares after submitting my application?

Once you have submitted your application to participate in the Buy-Back you must not sell those Shares before the Buy-Back Closing Date. If the Shares you have applied for to sell in the Buy-Back are accepted then you will no longer own those Shares after the Closing Date and they will be cancelled by the Company.

### 10.15 Can I transfer my rights to participate in the Buy-Back?

No, if you are eligible to participate in the Buy-Back, your rights to participate are not transferrable.

### 10.16 Will I have to pay any Stamp Duty or brokerage on the sale of Shares into the Buy-Back?

No stamp duty or brokerage will be payable on the Buy-Back of Shares. Any stamp duty or processing costs associated with the transfer of units in BAET and BWET will be paid by the Company (though the Company does not expect any stamp duty or processing costs will be incurred).

## 11 Australian Tax Implications for Shareholders

The following table is an example of the Australian income tax implications of participating in the Buy-Back for Australian resident individuals and Australian complying superannuation funds, provided they are not in pension mode. The example assumes Shares are held on capital, and not revenue, account and the shareholder is an Australian resident for taxation purposes.

The example is not intended to be legal or tax advice and should not be relied on as such. Eligible shareholders should obtain their own tax advice on participating in the Buy-Back.

The Buy-Back will constitute an 'off-market buy back' for the purposes of the Australian Income Tax Assessment Act 1936. The Company has not obtained an indication from the Australian Taxation Office (ATO) that the capital component of the Buy-Back will be \$2.31. However, the capital component of \$2.31 has been calculated in accordance with the guidelines set out in the ATO Practice Statement Law Administration PS LA 2007/9.

The Buy-Back constitutes a disposal of an asset for CGT purposes. A shareholder participating in the Buy-Back will be deemed to have disposed of each share in the Buy-Back on the Buy-Back Date (Monday 6 December 2010).

Examples of Tax Implications (for Illustrative Purposes Only)

Per share analysis	Superfunds	Taxable income of Australian resident individual				
		Tax-exempt	\$6,001-\$37,000	\$37,001-\$80,000	\$80,001-\$180,000	\$180,000+
Tax rate	15.0%	0.0%	16.5%	31.5%	38.5%	46.5%
<b>Income Tax Consequences</b>						
Buy-back price	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87	\$2.87
Less: capital component	-\$2.31	-\$2.31	-\$2.31	-\$2.31	-\$2.31	-\$2.31
Fully franked dividend component	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56	\$0.56
Add: gross-up for franking credits	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24
Assessable income	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80	\$0.80
Tax on assessable income	-\$0.12	\$0.00	-\$0.13	-\$0.25	-\$0.31	-\$0.37
Tax offset	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24	\$0.24
<b>After Tax Proceeds</b>	<b>\$0.68</b>	<b>\$0.80</b>	<b>\$0.67</b>	<b>\$0.55</b>	<b>\$0.49</b>	<b>\$0.43</b>
<b>CGT Consequences</b>						
Tax value*	\$2.99	\$2.99	\$2.99	\$2.99	\$2.99	\$2.99
Capital component	\$2.31	\$2.31	\$2.31	\$2.31	\$2.31	\$2.31
Add: excess CGT value over buy-back price	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12	\$0.12
Capital proceeds for CGT purposes	\$2.43	\$2.43	\$2.43	\$2.43	\$2.43	\$2.43
Less: illustrative cost base**	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50	\$2.50
Nominal capital loss on disposal	-\$0.07	-\$0.07	-\$0.07	-\$0.07	-\$0.07	-\$0.07
Discounted capital loss***	-\$0.05	-\$0.03	-\$0.03	-\$0.03	-\$0.03	-\$0.03
Tax impact of capital loss****	-\$0.01	\$0.00	-\$0.01	-\$0.01	-\$0.01	-\$0.02
<b>After Tax Proceeds</b>	<b>\$2.30</b>	<b>\$2.31</b>	<b>\$2.30</b>	<b>\$2.30</b>	<b>\$2.30</b>	<b>\$2.29</b>
<b>Total After Tax Proceeds</b>	<b>\$2.98</b>	<b>\$3.11</b>	<b>\$2.97</b>	<b>\$2.85</b>	<b>\$2.79</b>	<b>\$2.72</b>

\* The tax value of \$2.99 is based on Net Assets Value per share as at 31<sup>st</sup> October 2010

\*\* This will vary for individual shareholders

\*\*\* Assumes that the discount capital gains method is used, which adjusts the total capital gain by a discount factor (50% for individuals and 33.33% for complying superannuation fund)

\*\*\*\* Assumes that shareholders will be able to fully utilise capital losses to offset capital gains derived from other assets

## 12 Additional Information on the Buy-Back

### 12.1 History leading to the Buy-Back

The Company is constantly evolving in order to provide investors with the opportunity to invest in a vehicle that holds a strategically balanced and well-diversified set of portfolios. The majority of shareholder funds are invested over a medium to long term period in both Australian and international companies and managed funds. This is facilitated through the Company's investments in BAET and BWET. A smaller proportion of shareholder funds are invested in short term trading and sector overweight positions in the Australian equities market.

The Directors of the Company have been conscious of the perception of a lack of liquidity in its Shares. In order to overcome this two things have been done. Firstly, the Company listed its Shares on the National Stock Exchange (NSX) at the beginning of 2008. This has been mainly of benefit to shareholders with smaller holdings. Secondly, in May 2008, incoming Sophisticated Investor investors were offered direct holdings in, firstly BWET and then later in August 2009, BAET. The reasons for doing this were:

- to provide larger investors with the ability to invest in either one of the two trusts, thereby getting exposure to solely Australian investments or solely international investments; and

- b) to provide Sophisticated Investor investors with a more liquid investment as an investment in the trust(s) can be realized by redeeming units whereas it is difficult to realize larger parcels of Shares in the Company on-market.

The above two changes have resulted in enhanced liquidity for both small and large investors, as large investors, being Sophisticated Investors, can invest directly in the trust(s) thereby improving the ability for smaller investors to sell Shares on market as there is less price level competition.

We are now conducting a Buy-Back to expand the ability of existing shareholders, who come under the definition of Sophisticated Investors, to come-and-go by offering a selective buy-back of some or all of their Shares in the Company in return for proportionate holdings of units in BAET and BWET of equivalent value. That is, those Sophisticated Investor shareholders to whom the Buy-Back applies will be able to realize some or all of their existing Shares in the Company and in return they will receive units in BAET and BWET, which they may be able to redeem in accordance with the provisions of the constitutions of those trusts.

## **12.2 Burrell Australian Equities Trust (BAET) & Burrell World Equities Trust (BWET)**

The source of the funds for the Buy-Back will be an in-specie distribution of units in BAET and BWET as explained above. BAET is an unregistered managed investment scheme, which invests in listed Australian equities and managed funds. BWET is an unregistered managed investment scheme, which invests in listed international equities and managed funds and uses foreign exchange hedging instruments to hedge its exposure to fluctuations in foreign currencies. Further information on BAET and BWET, including current holdings and investment strategy, can be obtained by contacting the Company.

As unregistered managed investment schemes, interests in these trusts can only be offered to persons who qualify as Sophisticated Investors (as defined in paragraph 13 below). For this reason, only shareholders who qualify as Sophisticated Investors are eligible to participate in the Buy-Back.

The trustee of BAET and BWET is Burrell Securities Limited. The directors of the Company are also directors of Burrell Securities Limited. Burrell Securities Limited is ultimately a wholly owned subsidiary of Burrell & Co Holdings Pty Ltd, and Chris Burrell and Roger Burrell have, directly and indirectly, substantial shareholding interests in Burrell & Co Holdings Pty Ltd. Copies of the constitutions of BWET and BAET are available from the Company.

## **12.3 The effect of submitting an Offer under the Buy-Back**

By submitting an Offer to sell some or all of your Shares into the Buy-Back you agree to do so under the terms and conditions of the Buy-Back Documents.

If the Company accepts your Offer, a binding contract is formed between you and the Company to sell your nominated Shares back to the Company on the terms and conditions set out in the Buy-Back Documents, including the terms and conditions set out below.

By submitting and Application Form you:

- Agree to the terms and conditions set out in the Buy-Back Documents;
- Offer to sell to the Company on the Buy-Back Date the number of Shares nominated for sale on your Application Form;
- Agree that the Company may accept your offer for all or some of the Shares applied for;
- Agree that the Buy-Back Contract is formed for the purchase of the relevant Shares, upon the Board accepting your Offer in accordance with the terms and conditions of this Buy-Back;

- Warrant to the Company that at all times after you offer your Shares for sale into the Buy-Back, and on the Buy-Back Date, you are the registered holder of the Shares that you have offered and they are able to be freely sold by you;
- Undertake not to sell or offer Shares to any other person if, as a result, you will at any time after you submit your Offer, until the Buy-Back Date, hold fewer Shares than the number of Shares you have offered;
- Undertake that if you breach any of these covenants, undertakings or agreements, representations or warranties you will indemnify the Company for all its costs or losses arising from the breach; and
- Agree that any obligation of the Company to Buy-Back the Shares offered by you is conditional on your compliance with the covenants, undertakings, representations and warranties listed above.

You will have been taken to have submitted an Offer when the Company receives your validly signed and completed Buy-Back Application Form.

## **12.4 NSX Listing Rules**

As the Buy-Back is on a selective basis, approval was sought and was given by special resolution at the Company's Annual General Meeting held on Tuesday 16 November 2010. As shareholder approval was obtained for the buy-back proposal, the NSX Listing Rules 6.41 and 6.43 dealing with, respectively, significant transactions and disposal of significant assets have been satisfied.

## **13 Definitions and Interpretation**

### **13.1 Definitions**

For the purposes of this document capitalised terms will have the following meanings:

- a) Application Form means the Selective Off-Market Buy-Back Application Form;
- b) ATO means the Australian Taxation Office;
- c) Australia & International Holdings Limited means the Company;
- d) BAET means the Burrell Australian Equities Trust;
- e) Board means the board of Directors of Australia & International Holdings Limited;
- f) Buy-Back means the buy back of Shares by way of the offer process set out in the Buy-Back Documents;
- g) Buy-Back Contract means the contract formed on the Buy-Back Date between you and the Company at the time that the Company accepts your offer;
- h) Buy-Back Date means the date and time that the Company determines the details of any scale back and accepts your offer in accordance with the terms and conditions of this Buy-Back;
- i) Buy-Back Offer means the offer made under the Buy-Back Offer Documents;
- j) Buy-Back Offer Documents means this document which sets out the terms of the buy-back offer and contains an Application Form and a Sophisticated Investor Declaration Form for Sophisticated Investor shareholders to complete and return to the Company in order to participate in the Buy-Back;
- k) BWET means the Burrell World Equities Trust;
- l) CGT means Capital Gains Tax;
- m) Closing Date means the date of Friday, 3 December 2010;

- n) Company means Australia & International Holdings Limited ACN 009 706 414;
- o) Corporations Act means the Corporations Act 2001 (Cth)
- p) Director means a director of the Company;
- q) Ex-Entitlement Date means the last day on which an on-market transaction in the Shares of the Company can be done so as to be registered on or before the Record Date.
- r) Offer means a shareholder's offer to sell Shares to Australia & International Holdings Limited under the terms and conditions and in accordance with the procedures of the Buy-Back Documents;
- s) Offer Application Form means the Selective Off-Market Buy-Back Application Form;
- t) Net Asset Value, of Shares in the Company or units in BAET or BWET, is calculated as the gross assets of the Company or trust less the liabilities of the Company or trust divided by the number of, as applicable, Shares or units on issue, as determined by the Directors in accordance with generally accepted accounting principles;
- u) NSX means National Stock Exchange of Australia;
- v) Record Date means close of trading on Friday, 19 November 2010 as the time and date for determining the number of Shares held by registered shareholders in the Company for the purposes of the Buy-Back;
- w) Shares means fully paid ordinary shares in the capital of Australia and International Holdings Limited;
- x) Sophisticated Investor means a 'Wholesale Client' as defined in section 761G of the Corporations Act 2001 and includes:
  - (1) a person who has net assets of at least \$2.5 million, including the net assets of a company or trust controlled by the person, and provides a certificate from a qualified accountant confirming the same (where the certificate is not more than 24 months old);
  - (2) a person who has earned a gross income, including the gross income of any company or trust controlled by the person, of at least \$250,000 per annum in each of the previous two financial years, and provides a certificate from a qualified accountant confirming the same (where the certificate is not more than 24 months old);
  - (3) a person who has, or will have after the buy-back have, units in BAET and BWET worth a total of at least \$500,000;
  - (4) a person who will acquire units in BAET and BWET to be used in connection with a manufacturing business employing 100 or more people or any other business employing 20 or more people;
  - (5) a person who is a professional investor as defined in section 9 of the Corporations Act, which includes financial services licensees, certain APRA regulated entities, trustees of superannuation funds with net assets of at least \$10 million, a person who has or controls gross assets of at least \$10 million, and listed entities and their related bodies corporate;
  - (6) a company or a trust controlled by a person who meets the net asset or gross income test described above;
  - (7) for wholesale clients which are companies, a related body corporate of the wholesale client;

- y) Sophisticated Investor Declaration Form means the form to be completed and returned by a participating eligible shareholder in order to participate in the Buy-Back confirming their Sophisticated Investor status; and
- z) You or shareholder means a holder of Shares in the Company.

### **13.2 Interpretation**

In the Buy-Back Documents, unless the context otherwise requires:

- a) Singular includes plural, and vice versa;
- b) Words importing one gender include other genders;
- c) Other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- d) Terms used in the Buy-Back Documents and defined in the Corporations Act have meanings ascribed to them in the Corporations Act;
- e) A reference to currency is to Australian dollars; and
- f) A reference to time is Brisbane time.

The postal acceptance rule does not apply to Offers.



# Australia & International Holdings Limited

ABN 98 009 706 414

## Registered office:

Level 4, 24 Little Edward Street  
Spring Hill, QLD 4000

## Postal address:

GPO Box 1398  
Brisbane QLD 4000

## SELECTIVE OFF-MARKET BUY-BACK APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR FINANCIAL ADVISER.

HIN/SRN

ENTITLEMENT No.

Detailed below on line **A** is the number of shares you hold in the Company as at the Record Date of Friday 19, November 2010. You may offer all or some of your shares to participate in the Buy-Back on line **B**. Further details of the Offer are contained in the Buy-Back Offer Document. Further details on how to complete this form are contained in the Instructions to Applicants.

**APPLICATIONS ARE DUE BY 5:00 PM ON 3 DECEMBER 2010**

### Application to participate in the Buy-Back <sup>1</sup>

I/we, the above named being registered on the 19<sup>th</sup> November 2010 as the holder of fully paid ordinary shares in Australia & International Holdings Limited, and being eligible as a Sophisticated Investor as defined in the Buy-Back Offer Document hereby offer the number of shares below in accordance with the terms of the Buy-Back Document dated 17 November 2010.

<b>A</b>	<b>AT 19 NOVEMBER YOU HELD:</b>	
----------	---------------------------------	--

	<b>NUMBER OF SHARES OFFERED IN THE BUY-BACK:</b>
<b>B</b>	<b>Participation in the Buy-Back</b>

Please sign the appropriate boxes below. By signing this form you confirm that you have read the terms and conditions of the Buy-Back and you make the representations in paragraph 12.3 of the Buy-Back Document<sup>3</sup>

Individual or Joint Shareholder 1

Joint Shareholder 2

Joint Shareholder 3

Sole Director and Sole Company Secretary

Director/Company Secretary

Director

Contact details <sup>2</sup>

NAME

PHONE (BUS. HOURS)

EMAIL ADDRESS

### Declaration <sup>4</sup>

By lodging this Application Form the applicant hereby:

- (a) offers the number of Shares specified in the application form;
  - (b) agrees to be bound by the Constitution of the Company;
  - (c) authorises the directors to complete or amend this form where necessary to correct any errors or omissions.
- Any decision of the directors as to whether to accept this offer form, or how to construe, amend or complete it, shall be final.

# Australia & International Holdings Limited

ABN 98 009 706 414

## SELECTIVE OFF-MARKET BUY-BACK APPLICATION FORM

### Registered office:

Level 4, 24 Little Edward Street  
Spring Hill, QLD 4000

### Postal address:

GPO Box 1398  
Brisbane QLD 4000

### INSTRUCTIONS TO APPLICANTS

1. Enter the number of Shares you wish to offer into the Buy-Back.
  - A. Your current shareholding as at the Record Date of 19 November is shown on line A.
  - B. You may offer all or part or none of your shares into the Buy-Back on line B

Further details of the Offer are contained in the Buy-Back Offer Document.

2. Enter the name and telephone number and/or email address of the person who can be contacted during business hours if there are any questions with respect to this Application Form.
3. This Buy-Back Application Form needs to be signed

Please note that if a Buy-Back Application Form is not completed correctly, it may still be accepted. Any decision by the Directors as to whether to accept a Buy-Back Application Form and how to construe, amend or complete it, shall be final.

Please post or deliver the completed application form **to be received by Australia & International Holdings Limited no later than 5:00 PM Friday, 3 December 2010 to:**

**Australia & International Holdings Limited  
Level 4, 24 Little Edward Street,  
Spring Hill QLD 4000**

**(GPO Box 1398, Brisbane, QLD 4001)**

If you have any enquires concerning your entitlement, please contact Saskia Jo at Australia & International Holdings Limited on 07 3006 7200 during business hours. A decision to offer shares into the Buy-Back should only be made after reading the Buy-Back Offer Document. If you are in any doubt about what to do, you should consult your professional adviser.

# Sophisticated Investor Eligibility certificate

To be completed only by those investors who qualify

---

**TO: Australia & International Holdings Limited ACN 009 706 414**  
**Level 4, 24 Little Edward Street, Spring Hill, QLD 4000**

Applicants please:

- (a) complete Section One;
- (b) in Section Two, either have your accountant complete Option A, or complete Option B or C yourself; and
- (c) sign and date Section Three.

## Section One - Applicant details

**Insert full name and address of Applicant who will acquire units in Burrell World Equities Trust (BWET) and Burrell Australian Equities Trust (BAET)**

Name:

Address:

Telephone:

Business:

Private:

Facsimile:

Email:

I/We state and acknowledge that:

- (a) this certificate is given to Australia & International Holdings Limited (**AIH**) to enable it to determine whether I am eligible to participate in the selective share buy back and be transferred units in BWET and BAET in compliance with the *Corporations Act 2001* (Cth) (**Corporations Act**);
- (b) transfers of units in BWET and BAET to me and my eligibility to hold units in BWET and BAET may be made on the basis of this certificate;
- (c) unless the value of units in BWET and BAET to be transferred to me is at least \$500,000 (or will when aggregated with past amounts paid by me for units in BWET and BAET be at least \$500,000), my eligibility for the purposes of participating in the selective share buy-back and being transferred units in BWET and BAET will be determined by completion of the separate forms of certification in Section Two below; and
- (d) this certificate is also given to, and may be relied upon by, Burrell Securities Limited ACN 083 535 031, the trustee of BWET and BAET.

## Section Two - certification

**An Applicant can establish that they are a wholesale client by having one of the separate forms of certification – Option A or Option B - completed and provided to AIH. An Applicant need only have one of Option A or Option B.**

## Option A – form of qualified accountant’s certification

### Insert full name and address of qualified accountant\*

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: Business: \_\_\_\_\_ Private: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Email: \_\_\_\_\_

### Declaration by qualified accountant\*

I, the qualified accountant\* named above, certify that the following is true and correct:

- (a) I am a qualified accountant\*;
- (b) this certificate is given at the request of the Applicant described above in relation to the acquisition of units in BWET and BAET;
- (c) the Applicant is known to me and for the purposes of section 761G(7)(c) Corporations Act, the Applicant, either personally or in conjunction with a company or trust controlled by the Applicant, has:
  - (i) net assets of at least \$2.5 million; or
  - (ii) a gross income for each of the last two financial years of at least \$250,000 a year;
- (d) the Applicant is a company or trust controlled by a person known to me, for the purposes of section 761G(7)(c) Corporations Act, who has:
  - (i) net assets of at least \$2.5 million; or
  - (ii) a gross income for each of the last two financial years of at least \$250,000 a year; or
- (e) the Applicant is a body corporate and a related body corporate of the Applicant, for the purposes of section 761G(7)(c) Corporations Act, has:
  - (i) net assets of at least \$2.5 million; or
  - (ii) a gross income for each of the last two financial years of at least \$250,000 a year.

\_\_\_\_\_  
Signature of qualified accountant\*

\_\_\_\_\_  
Date:

\* Qualified accountant means a member of a professional body that is approved by ASIC in writing for the purposes of the definition. ASIC has indicated that for the purposes of the relevant it will approve any member of:

- (a) CPA Australia (**CPAA**) who is entitled to use the post nominals 'CPA' or 'FCPA' and is subject to and complies with CPAA's continuing professional development requirements;
- (b) The Institute of Chartered Accountants in Australia (**ICAA**) who is entitled to use the post nominals 'CA', 'ACA' or 'FCA' and is subject to and complies with the ICAA's continuing professional education requirements;
- (c) The National Institute of Accountants (**NIA**) who is entitled to be use the post nominals 'PNA', 'FPNA', 'MNIA' or 'FNIA' and is subject to and complies with the NIA's continuing professional education requirements; or

- (d) a member of an eligible foreign professional body who has at least three years practical experience in accounting or auditing and is providing a certificate for the purpose of section 761G(7)(c) Corporations Act to a person who is resident in the same country (being a country other than Australia) as that member.

Eligible foreign professional body means each of the following; American Institute of Certified Public Accountants, Association of Certified Chartered Accountants (United Kingdom), Canadian Institute of Chartered Accountants, Institute of Chartered Accountants of New Zealand, Institute of Chartered Accountants in England and Wales, Institute of Chartered Accountants in Ireland and Institute of Chartered Accountants of Scotland.

## Option B – professional investor category

I/We, the Applicant, certify that I/We constitute:

### Applicant to tick whichever box is applicable

- ☐ a person who has or controls gross assets of at least \$10 million (including any amount held by an associate or under a trust that the person manages); or
- ☐ the trustee of a superannuation fund, an approved deposit fund, a pooled superannuation trust or a public sector superannuation scheme within the meaning of the *Superannuation Industry (Supervision) Act 1993* (Cth) and the fund, trust or scheme has net assets of at least \$10 million; or
- ☐ another category of person (specify which) specified under section 761G(7)(d) Corporations Act and listed in section 9 Corporations Act, namely \_\_\_\_\_

## Option C – currently registered with Burrell Stockbroking Pty Ltd as a Sophisticated Investor

I/We, the Applicant certify that I/we:

- (a) have previously provided an accountant's certification to Burrell Stockbroking Pty Ltd pursuant to which a qualified accountant certified my/our eligibility as a wholesale client and that certification is dated not more than 24 months prior to the date of this form; or
- (b) have previously certified to Burrell Stockbroking Pty Ltd that I/we am a professional investor, as defined in section 9 Corporations Act,

and authorise:

- (c) Burrell Stockbroking Pty Ltd to provide such certification to Australia & International Holdings Limited; and
- (d) Australia & International Holdings Limited and Burrell Securities Limited to rely on such certification in assessing my/our eligibility to participate in the selective buy-back and to hold units in BWET and BAET.

## Section Three

I/We certify that the information provided in this certificate is true and correct.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date: