

## APPENDIX 4D

### HALF-YEAR REPORT

#### 1. Company details

Name of entity:	Australia & International Holdings Limited
ABN:	98 009 706 414
Reporting period:	Half-year ended 31 December 2011
Previous corresponding period:	Half-year ended 31 December 2010

#### 2. Results for announcement to the market

Revenues from ordinary activities	down 45.3%	to	\$ 67,656
Profit from ordinary activities after tax attributable to the owners of Australia & International Holdings Limited	down 85.4%	to	\$ 60,225
Profit for the period attributable to the owners of Australia & International Holdings Limited	down 85.4%	to	\$ 60,225

##### *Dividends*

Ordinary shares	Amount per security 5.000 cents	Franked amount per security 5.000 cents
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##### *Comments*

The profit for the consolidated entity after providing for income tax amounted to \$60,225 (31 December 2010: \$413,589).

#### 3. NTA backing

Net tangible asset backing per ordinary security	Reporting period 259.34 cents	Previous corresponding period 287.51 cents
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#### 4. Control gained over entities

Name of entities (or group of entities)	Not applicable.
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Date control gained

Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)

\$ -

Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period (where material)

\$ -

**5. Loss of control over entities**

Name of entities (or group of entities)	Not applicable.
Date control lost	
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities during the period (where material)	\$ -
Profit/(loss) from ordinary activities after tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material)	\$ -

**6. Dividends**

<i>Current period</i>		
Ordinary shares	Amount per security 5.000 cents	Franked amount per security 5.000 cents
<i>Previous corresponding period</i>		
Ordinary shares	Amount per security 5.000 cents	Franked amount per security 5.000 cents

**7. Details of associates and joint venture entities**

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Current period	Previous corresponding period	Current period	Previous corresponding period
Not applicable.				
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit(loss) from ordinary activities before income tax			\$ -	\$ -
Income tax on operating activities			\$ -	\$ -

**9. Foreign entities**

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

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**10. Audit qualification or review**

*Details of audit/review dispute or qualification (if any):*

The accounts were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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**11. Attachments**

*Details of attachments (if any):*

The Interim Report of Australia & International Holdings Limited for the half-year ended 31 December 2011 is attached.

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**12. Signed**

Signed: 

Date: 6 March 2012

**Australia & International Holdings Limited**  
**ABN 98 009 706 414**

**Interim Financial Report - 31 December 2011**

**Australia & International Holdings Limited**  
**Corporate directory**  
**31 December 2011**

Directors	Bernard C E Rowley Christopher T Burrell Roger J Burrell Frank J Finn
Company secretary	Ian F Davey
Registered office	Level 4, 24 Little Edward Street Brisbane QLD 4001
Principal place of business	Level 4, 24 Little Edward Street Brisbane QLD 4001
Share register	Newcastle Capital Markets Registries Pty Limited 10 Murray Street Hamilton NSW 2303 Phone 61 2 4920 2877 Fax 61 2 4920 2878
Auditor	Lawler Hacketts Audit Level 3, 549 Queen Street Brisbane QLD 4000
Bankers	DDH Graham Limited 18th Floor, 344 Queen Street Brisbane QLD 4000
Stock exchange listing	Australia & International Holdings Limited shares are listed on the National Stock Exchange (NSX code: AID)
Website address	<a href="http://www.burrell.com.au">http://www.burrell.com.au</a>

**Australia & International Holdings Limited**  
**Director's Report**  
**31 December 2011**

The directors present their report, together with the financial statements of Australia & International Holdings Limited ("AIH") for the half-year ended 31 December 2011.

**Directors**

The following persons were directors of Australia & International Holdings Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

Bernard C E Rowley  
Christopher T Burrell  
Roger J Burrell  
Frank J Finn

**Principal Activities**

The Company's principal activity during the half-year consisted of long-term investing in publicly listed Australian and overseas companies and managed funds.

**Review of operations**

The profit for the entity for the half-year after providing for income tax amounted to \$60,225 (31 December 2010: \$413,589).

**Overview**

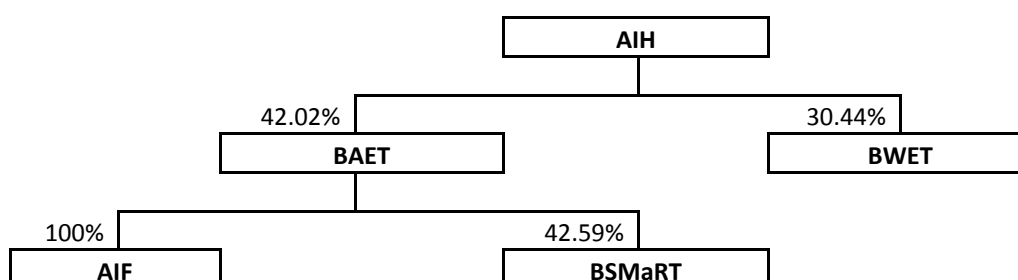
The Company provides investors with a medium to long-term investment vehicle with exposure to Australian and overseas listed equity investments. The primary objective is to provide returns from dividends and capital growth.

**Structure**

The Company is structured in order to provide investors with the opportunity to invest in a vehicle that holds positions in 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 the Burrell Australian Equities Trust ("BAET") and the Burrell World Equities Trust ("BWET"). BAET further holds units in the Burrell Small-caps, Mid-caps and Resources Trust ("BSMaRT"), which holds some short term trading and sector overweight positions in the Australian equities market. Prior to July 2011 these short term and overweight positions were held in the Australian Index Fund Pty Ltd ("AIF"), but these investments have been transferred to BSMaRT, which is a managed trust akin to BAET and BWET. This allows outside sophisticated investors to buy units directly in the trust and makes it easier for unitholders to redeem their investment. AIF is now mainly used to hold ASX exchange traded options positions.

BAET, BWET and BSMaRT are all unregistered managed investment schemes. BAET invests in listed Australian equities and managed funds. BWET invests in listed international equities and managed funds and may use foreign exchange hedging instruments to hedge its exposure to fluctuations in foreign currencies. BSMaRT holds short term trading and sector overweight positions in the Australian equities market.

As at 31 December 2011 approximately 80% of AIH's investment portfolio comprised of investments in BAET and BWET in the percentages of 59.0% and 20.8% respectively. This was achieved through the following ownership structure, whereby AIH owned 42.02% of the units on issue in BAET and 30.44% of the units on issue in BWET.



**Australia & International Holdings Limited**  
**Director's Report**  
**31 December 2011**

**Performance Outcomes**

**Net Return**

The net return to shareholders for the half financial year ended 30 December 2011 was -8.33%. This 'net return' is not directly comparable to publicly reported share price or accumulation indices because it is after costs have been deducted for managing and administering the portfolios and the Company. It is also after an allowance for tax at the rate of 30% has been deducted from operating profits and on the increases in value of the investment portfolios. Further, the return shareholders in AIH received from dividends are fully franked. As such we look at the 'gross returns' from the individual investment portfolios.

**Gross Returns**

For comparative purposes we benchmark the international portfolio against the "MSCI" World (excluding Australia) Accumulation Index in local currency; and, the Australian long-term portfolio against the ASX All Ordinaries Accumulation Index. The trading portfolio is more difficult to benchmark because it includes a mix of mid-cap shares and some overweight positions in blue-chip shares. However, we feel that the return from this portfolio is related to the performance of the Australian long-term portfolio.

The performances of the individual portfolios the Company invested in for the half-year ended 31 December 2011 and the comparative period are as follows:

	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	<b>%</b>	<b>%</b>
Burrell Australian Equities Trust	-10.9	11.3
Burrell World Equities Trust	-6.4	2.3
Burrell Small-cap, Mid-cap and Resources Trust	-13.88	-
Australian Index Fund	-	24.9
Australian All Ordinaries Accumulation Index	-9.6	14.5
Australian Small Ordinaries Accumulation Index	-12.3	29.9
MSCI World Index ex Australia	-8.9	0.4

The Company looks through to the investment portfolios of BAET, BWET and BSMaRT to see its investments by industry sector:

	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	<b>%</b>	<b>%</b>
Energy	8.6	10.6
Materials	15.8	14.3
Industrials	4.4	7.1
Consumer discretionary	6.5	7.4
Consumer staples	4.7	5.7
Financials	27.4	23.9
Real estate investment trusts	7.3	5.6
Managed funds and LICs	12.3	12.9
Exchange traded funds	4.3	3.2
Others – Health care, Information technology, Telecommunications and Utilities	8.7	9.3

The Company's investments on a look-through basis by geographic area are:

	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	<b>%</b>	<b>%</b>
Australia & New Zealand	82.1	80.3
Americas	8.5	9.7
United Kingdom	3.0	1.8
Europe excl. United Kingdom	2.4	3.6
Asia Pacific excl. Australia	0.5	0.9
Global	3.5	3.7

**Australia & International Holdings Limited**  
**Director's Report**  
**31 December 2011**

Securities representing 5% or more of the combined investments and trading portfolio as 31 December 2011 are:

	<b>31-Dec-11</b> <b>% of</b> <b>portfolio</b>	<b>31-Dec-10</b> <b>% of</b> <b>portfolio</b>
Commonwealth Bank of Australia	11.9	9.3
Sophisticated Investors Club	8.8	9.2
BHP Billiton	8.0	8.4
Westpac Banking Corporation	6.6	5.4

**Net Asset Value per Share**

The net asset value per share for the company as at 31 December 2011 was \$2.59 (30 June 2011: \$2.88).

**Earnings per Share**

Earnings per share based on the net operating result were 4.8 cents per share (31 Dec 2010: 22.1 cents per share).

**Dividends per Share**

A fully franked final dividend of 5 cents per share was paid on 21 October 2011 (11 October 2010: 5 cents per share, fully franked).

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



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Christopher T Burrell  
Director



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Bernard C Rowley  
Chairman

6 March 2012  
Brisbane

**Auditor's Independence Declaration under S 307C of the Corporations Act  
2001  
to the Directors of Australia & International Holdings Limited**

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2011 there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

**Lawler Hacketts Audit**



**Liam Murphy**  
**Partner**

Brisbane, 6<sup>th</sup> March 2012

**Australia & International Holdings Limited**  
**Financial report**  
**For the half-year ended 31 December 2011**

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**General information**

The financial report covers Australia & International Holdings Limited as a single entity. The financial report is presented in Australian dollars, which is Australia & International Holdings Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Australia & International Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 4, 24 Little Edward Street  
 Brisbane QLD 4001

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 6 March 2012. The directors do not have the power to amend and reissue the financial report.

**Australia & International Holdings Limited**  
**Statement of comprehensive income**  
**For the half-year ended 31 December 2011**

	<b>Note</b>	<b>31-Dec-11</b> <b>\$</b>	<b>31-Dec-10</b> <b>\$</b>
<b>Revenue</b>	3	67,656	123,758
Other income	4	15,310	430,809
<b>Expenses</b>			
Accountancy and audit fees		(4,217)	(6,250)
Managed portfolio fees		(709)	(1,294)
Secretarial expenses		(3,372)	(5,000)
Legal expenses		(138)	(67)
Stock exchange fees		(3,807)	(4,887)
Listing fees		(4,000)	(4,500)
Other expenses		(341)	(30)
<b>Profit before income tax expense</b>		66,382	532,539
Income tax expense		(6,157)	(118,950)
<b>Profit after income tax expense for the half-year attributable to the owners of Australia &amp; International Holdings Limited</b>		60,225	413,589
<b>Other comprehensive income</b>			
Loss on the revaluation of available-for-sale financial assets, net of tax		(352,986)	(157,388)
Other comprehensive income for the half-year, net of tax		(352,986)	(157,388)
<b>Total comprehensive income for the half-year attributable to the owners of Australia &amp; International Holdings Limited</b>		(292,761)	256,201
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	9	4.76	22.10
Diluted earnings per share	9	4.76	22.10

*The above statement of comprehensive income should be read in conjunction with the accompanying notes*

**Australia & International Holdings Limited**  
**Statement of financial position**  
**As at 31 December 2011**

	<b>Note</b>	<b>31-Dec-11</b> <b>\$</b>	<b>30-Jun-11</b> <b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	130,073	115,715
Income tax refund due		31,300	6,552
Other		4,398	-
Total current assets		<u>165,771</u>	<u>122,267</u>
<b>Non-current assets</b>			
Available-for-sale financial assets		3,173,878	3,670,058
Deferred tax		7,061	22,735
Total non-current assets		<u>3,180,939</u>	<u>3,692,793</u>
<b>Total assets</b>		<u>3,346,710</u>	<u>3,815,060</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		9,181	3,281
Total current liabilities		<u>9,181</u>	<u>3,281</u>
<b>Non-current liabilities</b>			
Deferred tax		52,862	181,201
Total non-current liabilities		<u>52,862</u>	<u>181,201</u>
<b>Total liabilities</b>		<u>62,043</u>	<u>184,482</u>
<b>Net assets</b>		<u>3,284,667</u>	<u>3,630,578</u>
<b>Equity</b>			
Contributed equity	6	2,933,307	2,923,317
Reserves		(244,865)	108,121
Retained profits		596,225	599,140
<b>Total equity</b>		<u>3,284,667</u>	<u>3,630,578</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Australia International Holdings Limited**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2011**

	Note	Contributed Equity \$	Reserves \$	Retained Profits \$	Total Equity \$
Balance at 1 July 2010		4,435,180	612,284	431,298	5,478,762
Total comprehensive income for the half-year		-	(157,388)	413,589	256,201
Transfer of reserves to retained earnings		-	(277,523)	277,523	-
Transactions with owners in their capacity as owners:					
Issuance of shares		53,280	-	-	53,280
Cancellation of shares		(1,745,748)	-	-	(1,745,748)
Dividend paid or declared	7	-	-	(516,228)	(516,228)
Balance at 31 December 2010		<u>2,742,712</u>	<u>177,373</u>	<u>606,182</u>	<u>3,526,267</u>
Balance at 1 July 2011		2,923,317	108,121	599,140	3,630,578
Total comprehensive income for the half-year		-	(352,986)	60,225	(292,761)
Transactions with owners in their capacity as owners:					
Issuance of shares		9,990	-	-	9,990
Cancellation of shares		-	-	-	-
Dividend paid or declared	7	-	-	(63,140)	(63,140)
Balance at 31 December 2011		<u>2,933,307</u>	<u>(244,865)</u>	<u>596,225</u>	<u>3,284,667</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Australia & International Holdings Limited**  
**Statement of cash flows**  
**For the half-year ended 31 December 2011**

	<b>Note</b>	<b>31-Dec-11</b> <b>\$</b>	<b>31-Dec-10</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Dividends received		11,033	12,022
Interest received		2,404	705
Trust distributions from related parties		54,755	25,353
Other expenses paid/income received		(15,629)	(29,359)
Income taxes paid		(15,231)	(3,599)
Net cash from operating activities		<u>37,332</u>	<u>5,122</u>
<b>Cash flows from investing activities</b>			
Payments for investments		(155,621)	(331,676)
Proceeds from sale of investments		155,621	2,474,734
Capital return from investment		30,164	-
Net cash from investing activities		<u>30,164</u>	<u>2,143,058</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	6	9,990	53,290
Payments for share buy-backs		-	(1,745,748)
Dividends paid	7	(63,128)	(516,228)
Repayment of borrowings		-	10,000
Net cash used in financing activities		<u>(53,138)</u>	<u>(2,198,686)</u>
Net increase/(decrease) in cash and cash equivalents		14,358	(50,506)
Cash and cash equivalents at the beginning of the financial half-year		<u>115,715</u>	<u>57,061</u>
Cash and cash equivalents at the end of the financial half-year	5	<u><u>130,073</u></u>	<u><u>6,555</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Australia & International Holdings Limited**  
**Notes to the financial statements**  
**31 December 2011**

**Note 1. Significant accounting policies**

These general-purpose interim financial statements for the half-year reporting period ended 31 December 2011 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the requirements of the Corporations Act 2001.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2011 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

**New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period**

For the half-year reporting period to 31 December 2011, a number of new and revised Accounting Standard requirements became mandatory to the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

- AASB 124: Related Party Disclosures (December 2009)
- AASB 124 (December 2009) introduces a number of changes to the accounting treatment of related parties compared to AASB 124 (December 2005, as amended), including the following:
  - The definition of a "related party" is simplified, clarifying its intended meaning and eliminating inconsistencies from the definition, including:
    - the definition now identifies a subsidiary and an associate with the same investor as related parties of each other;
    - entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other;
    - the definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other; and
    - the definition now clarifies that a post-employment benefit plan and an employer sponsor of such a plan are related parties of each other.
- A partial exemption is provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.

Application of AASB 124 (December 2009) did not have a significant impact on the financial statements of the Company.

**Note 2. Operating Segments**

*Identification of reportable operating segments*

The Company is predominantly invested in the Burrell Australian Equities Trust and the Burrell World Equities Trust, who in turn invest the majority of their funds for the long-term in blue-chip companies listed on the Australian and international stock exchanges and selected managed funds. The Company's allocation of investments and the performance of these investments are in line with the investment portfolios of the two trusts and it follows that an appropriate categorization of segments for reporting purposes is into Australian long-term shares and overseas long-term shares.

*Australian long-term shares*

This portfolio is made up of blue chip and quality shares in the ASX All Ordinaries Index.

*Overseas long-term shares*

Long-term shareholdings in stocks traded on stock exchanges with similar corporate governance regimes as Australia. This portfolio is primarily made up of shares in companies operating in the USA, UK, Europe and Asia.

**Australia & International Holdings Limited**  
**Notes to the financial statements**  
**31 December 2011**

**Note 2. Operating segments (continued)**

	<b>Australian Long-Term Shares \$</b>	<b>Overseas Long-Term Shares \$</b>	<b>Total \$</b>
<b>Profit from ordinary activities for the six months ended 31 December 2011</b>			
Dividends	11,033	-	11,033
Interest	1,868	-	1,868
Trust distributions from related parties	39,533	15,222	54,755
Net gain/(loss) on disposal of available-for-sale financial assets	21,483	(6,173)	15,310
Total segment revenue	73,917	9,049	82,966
Segment result	73,917	9,049	82,966
Unallocated expenses			(16,584)
Profit from ordinary activities before income tax (expense)			66,382
Income tax (expense)			(6,157)
Profit from ordinary activities after income tax expense			60,225
<b>Net assets as at 31 December 2011</b>			
Segment assets	2,486,843	687,035	3,173,878
Unallocated assets			172,832
Total assets			3,346,710
Segment liabilities	106,001	(53,139)	52,862
Unallocated liabilities			9,181
Total liabilities			62,043
Net assets			3,284,667
<b>Operating cash flows for the six months ended 31 December 2011</b>			
Segment cash inflow from operating activities	52,970	15,222	68,192
Unallocated net cash (outflow) from operating activities			(30,860)
Net cash inflow/(outflow) from operating activities			37,332

**Australia & International Holdings Limited**  
**Notes to the financial statements**  
**31 December 2011**

**Note 2. Operating segments (continued)**

	<b>Australian Long-Term Shares \$</b>	<b>Overseas Long-Term Shares \$</b>	<b>Total  \$</b>
<b>Profit from ordinary activities for the six months ended 31 December 2010</b>			
Dividends	12,022	-	12,022
Interest	705	-	705
Trust distributions from related parties	97,916	13,115	111,031
Net gain/(loss) on disposal of available-for-sale financial assets	430,810	-	430,810
Total segment revenue	541,453	13,115	554,568
Segment result	540,159	13,115	553,274
Unallocated expenses			(20,734)
Profit from ordinary activities before income tax (expense)			532,540
Income tax (expense)			(118,950)
Profit from ordinary activities after income tax expense			413,590
<b>Net assets as at 31 December 2010</b>			
Segment assets	2,202,069	863,674	3,065,743
Unallocated assets			772,480
Total assets			3,838,223
Segment liabilities	159,362	(40,424)	118,938
Unallocated liabilities			193,018
Total liabilities			311,956
Net assets			3,526,267
<b>Operating cash flows for the six months ended 31 December 2010</b>			
Segment cash inflow from operating activities	25,171	12,909	38,080
Unallocated net cash (outflow) from operating activities			(32,958)
Net cash inflow/(outflow) from operating activities			5,122

**Australia & International Holdings Limited**  
**Notes to the financial statements**  
**31 December 2011**

**Note 3. Revenue**

	31-Dec-11 \$	31-Dec-10 \$
<i>Other revenue</i>		
Dividends	11,033	12,022
Interest	1,868	705
Trust distributions from related parties	54,755	111,031
Other revenue	-	-
Revenue	<u>67,656</u>	<u>123,758</u>

**Note 4. Other income**

	31-Dec-11 \$	31-Dec-10 \$
Net gain on disposal of available-for-sale financial assets	<u>15,310</u>	<u>430,809</u>

**Note 5. Current assets - cash and cash equivalents**

	31-Dec-11 \$	30-Jun-11 \$
Cash and cash equivalents	<u>130,073</u>	<u>115,715</u>

**Note 6. Equity - contributed**

	31-Dec-11 Shares	30-Jun-11 Shares	31-Dec-11 \$	30-Jun-11 \$
Ordinary shares - fully paid	<u>1,266,542</u>	<u>1,262,762</u>	<u>2,933,307</u>	<u>2,923,317</u>

*Movements in ordinary share capital*

Details	Date	No of shares	Issue price	\$
Balance	1 July 2011	1,262,762		2,923,317
Dividend reinvestment plan	21 October 2011	3,780	\$2.62	9,990
Balance	31 December 2011	<u>1,266,542</u>		<u>2,933,307</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

**Australia & International Holdings Limited**  
**Notes to the financial statements**  
**31 December 2011**

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**Note 7. Equity - dividends**

	31-Dec-11 \$	31-Dec-10 \$
Final dividend for the year ended 30 June 2011 of 5.0 cents (2010: 5.0 cents) per ordinary share paid on 21 October 2011 (2010: 11 October 2010) fully franked based on a tax rate of 30%	63,140	96,228
Dividend under off-market capital buy-back of 56.0 cents per ordinary share paid on 16 December 2010 fully franked based on a tax rate of 30%	-	420,000
	<u>63,140</u>	<u>516,228</u>

**Note 8. Contingent liabilities**

There has been no change in contingent liabilities since the last annual reporting period.

**Note 9. Events occurring after the reporting date**

No matter or circumstance has arisen since 31 December 2011 that has significantly affected, or may significantly affect the entity's operations, the results of those operations, or the state of affairs of the Company in future financial years.

**Australia & International Holdings Limited**  
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Christopher T Burrell  
Director



Bernard C Rowley  
Chairman

6 March 2012  
Brisbane

**Australia & International Holdings Limited**  
**Notes to the financial statements**  
**31 December 2011**

**Note 10. Earnings per share**

	<b>31-Dec-11</b>	<b>31-Dec-10</b>
	<b>\$</b>	<b>\$</b>
Profit after income tax attributable to the owners of Australia & International Holdings Limited	<u>60,225</u>	<u>413,589</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>1,264,118</u>	<u>1,871,569</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>1,264,118</u>	<u>1,871,569</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	4.76	22.10
Diluted earnings per share	4.76	22.10

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Australia & International Holding Limited ("the Company") which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory notes, and the directors' declaration.

Brisbane  
Bundaberg  
Sydney  
Melbourne  
Newcastle

*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year 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 half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 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 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Australia & International Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF AUSTRALIA & INTERNATIONAL HOLDINGS LIMITED  
(CONTINUED)**

*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 half-year financial report of Australia & International Holdings 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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



**Lawler Hacketts Audit**



**Liam Murphy  
Partner**

Brisbane, 6<sup>th</sup> March 2012