

Australia & International Holdings Ltd

ACN 009 706 414 ('AIH')

AIH Chairman's Address

2012 Result

AIH's profit after tax for the 2012 financial year was \$141,440. Dividends, Interest and Trust Distributions from related parties grossed \$165,068 before tax up strongly on \$133,163 before tax in the prior year.

The net return to shareholders for the financial year ended 30 June 2012 was -5.6%. This return 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, our net return is not directly comparable to publicly reported share price or accumulation indices.

The net asset value per share at 30 June stood at \$2.62. This compares to \$2.88 at the prior year end.

Dividends of 10 cents fully franked per share were maintained for the year.

Performance

The performance of the individual portfolios the company invested in the year generally compared favorably with their relevant index. Burrell Australian Equities Trust produced -6.9% slightly in advance of -7.0% recorded by the Australian All Ordinaries Accumulation Index. Burrell World Equities Trust produced -1.2% against MSCI World Index ex Australia (in Australian dollar terms) with -2.6%. The Burrell Small-Cap Mid-Cap and Resources Trust recorded -17.5% against equivalent index of -14.6%.

The overall performance of -5.6% while disappointing given it represents a loss, was sound given market performance generally and the losses incurred by the market in the last quarter of 2011/2012.

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Outlook

The immediate outlook for the market has elements of uncertainty given the events in Europe and the amount of deleveraging many developed economies need to face over the next few years. The Australian economy is proving to be resilient given demand for our natural resources from emerging markets but there some signs of strain. Corporate profitability overall is sound but some areas face subdued growth and cost pressure. However with interest rates at historical low levels, we remain positive about the medium to long term returns from equities.

I now invite Chris Burrell as representative of our Manager to present his report.