

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 2012
Previous corresponding period:	Half-year ended 31 December 2011

2. Results for announcement to the market

Revenues from ordinary activities	down	25.6%	to	\$ 50,339
Profit from ordinary activities after tax attributable to the owners of Australia & International Holdings Limited	down	36.6%	to	\$ 38,194
Profit for the period attributable to the owners of Australia & International Holdings Limited	down	36.6%	to	\$ 38,194

Dividends

Amount per security	Franked amount per security
5.000 cents	5.000 cents

Comments

The profit for the company after providing for income tax amounted to \$38,194 (31 December 2011: \$60,225). Revenue for the six months ended 31 December 2012 was \$50,339, which was \$17,317 or 25.6% lower than the prior comparable period. This was mainly attributable to: (a) a lower distribution receivable from the Burrell Australian Equities Trust, which excluded realised gains from the sale of investments; and (b) no sales of investments from the Australian and International Holdings Limited portfolio, which in the prior period contributed \$15,310 to revenue. The effect of these, in addition to an increase in costs of \$3,528, less a reduction in income tax of \$14,124, resulted in the profit being \$22,031 or 36.6% lower for the current six month period.

3. Net tangible assets

	Reporting period	Previous corresponding period
Net tangible assets backing per ordinary security	283.72 cents	259.34 cents

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)

\$ -

Australia & International Holdings Limited
Half-year report

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>	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.	0.00%		\$ -	
<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			\$ -	\$ -

8. Foreign entities

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

Not applicable.

9. 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.

Australia & International Holdings Limited
Half-year report

10. Attachments

Details of attachments (if any):

The Interim Report of Australia & International Holdings Limited for the half-year ended 31 December 2012 is attached.

11. Signed

Signed: Chris Burrell

Date: 6 March 2013

Australia & International Holdings Limited
ABN 98 009 706 414

Interim Report - 31 December 2012

Australia & International Holdings Limited
Corporate directory
31 December 2012

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 4000
Principal place of business	Level 4, 24 Little Edward Street Brisbane QLD 4000
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 Securities Exchange (NSX code: AID)
Website	http://www.burrell.com.au

The directors present their report, together with the financial statements of Australia & International Holdings Limited ("AIH") for the half-year ended 31 December 2012.

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 \$38,194 (31 December 2011: \$60,225).

Overview

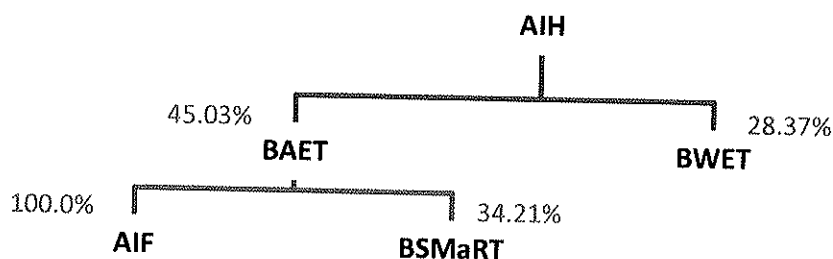
The Company provides investors with a medium to long-term investment vehicle with exposure to Australian and overseas listed equity investments and managed funds. The primary objective is to provide returns from dividends and capital growth.

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 investment 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; and, is a managed trust akin to BAET and BWET. 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. 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 2012 approximately 80% of AIH's investment portfolio comprised of investments in BAET and BWET in the percentages of 60.0% and 20.0% respectively. This was achieved through the following ownership structure, whereby AIH owned 45.03% of the units on issue in BAET and 28.37% of the units on issue in BWET.



Performance Outcomes

Net Return

The net return to shareholders for the half financial year ended 31 December 2012 was 10.36%. 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 2012 and the comparative period are as follows:

	31-Dec-12	31-Dec-11
	%	%
Burrell Australian Equities Trust (excl. AIF)	17.4	-10.9
Burrell Australian Equities Trust (incl. AIF)	18.1	-12.1
Burrell World Equities Trust	6.4	-6.4
Burrell Small-cap, Mid-cap and Resources Trust	9.3	-13.9
Australian All Ordinaries Accumulation Index	15.5	-9.6
Australian Small Ordinaries Accumulation Index	9.4	-12.3
MSCI World Index ex Australia (in Australian dollar terms)	6.5	-8.9

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

	31-Dec-12	31-Dec-11
	%	%
Energy	8.4	8.6
Materials	15.4	15.8
Industrials	4.3	4.4
Consumer discretionary	6.6	6.5
Consumer staples	2.1	4.7
Financials	32.0	27.4
Real estate investment trusts	6.4	7.3
Managed funds and LICs	12.1	12.3
Exchange traded funds	3.3	4.3
Others – Health care, Information technology, Telecomms and Utilities	9.4	8.7

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

	31-Dec-12	31-Dec-11
	%	%
Australia & New Zealand	82.2	82.1
Americas	8.9	8.5
United Kingdom	2.2	3.0
Europe excl. United Kingdom	2.8	2.4
Asia Pacific excl. Australia	0.8	0.5
Global	3.1	3.5

Australia & International Holdings Limited
Directors' Report
31 December 2012

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Securities representing 5% or more of the combined investments and trading portfolio as 31 December 2012 are:

	31-Dec-12 % of portfolio	31-Dec-11 % of portfolio
Commonwealth Bank of Australia	13.1	11.9
Sophisticated Investors Club	8.6	8.8
BHP Billiton	7.6	8.0
Westpac Banking Corporation	5.1	6.6

Net Asset Value per Share

The net asset value per share for the company as at 31 December 2012 was \$2.84 (30 June 2012: \$2.62).

Earnings per Share

Earnings per share based on the net operating result were 2.86 cents per share (31 Dec 2011: 4.76 cents per share).

Dividends per Share

A fully franked final dividend of 5 cents per share was paid on 22 October 2012 (21 October 2011: 5 cents per share, fully franked).

Significant changes in the state of affairs

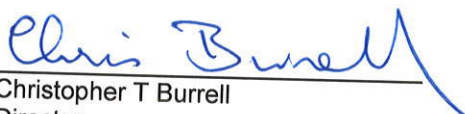
There were no significant changes in the state of affairs of the entity during the financial half-year.

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



Christopher T Burrell
Director



Bernard C Rowley
Chairman

6 March 2013
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 2012 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.

Brisbane
Rockhampton
Sydney
Melbourne
Newcastle

Lawler Hacketts Audit



**Liam Murphy
Partner**

Brisbane, 6th March 2013

Australia & International Holdings Limited
Financial report
31 December 2012

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General information

The financial report covers Australia & International Holdings Limited as an individual 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 4000

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 2013. 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 2012

		Company	
	Note	31-Dec-12	31-Dec-11
		\$	\$
Revenue			
	3	50,339	67,656
Other income	4	-	15,310
Expenses			
Accountancy and audit fees		(4,710)	(4,217)
Managed portfolio fees		(1,124)	(709)
Secretarial expenses		(3,780)	(3,372)
Legal expenses		-	(138)
Stock exchange fees		(5,266)	(3,807)
Listing fees		(4,800)	(4,000)
Other expenses		(432)	(341)
Profit before income tax (expense)/benefit		30,227	66,382
Income tax (expense)/benefit		7,967	(6,157)
Profit after income tax (expense)/benefit for the half-year attributable to the owners of Australia & International Holdings Limited		38,194	60,225
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of available-for-sale financial assets, net of tax		319,174	-
Loss on the revaluation of available-for-sale financial assets, net of tax			(352,986)
Other comprehensive income for the half-year, net of tax		319,174	(352,986)
Total comprehensive income for the half-year attributable to the owners of Australia & International Holdings Limited		357,368	(292,761)
		Cents	Cents
Basic earnings per share		2.86	4.76
Diluted earnings per share		2.86	4.76

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 2012

	Company	
	31-Dec-12	30-Jun-12
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	110,252	243,448
Trade and other receivables	42,865	91,325
Income tax refund due	-	9,996
Other	4,545	-
Total current assets	<u>157,662</u>	<u>344,769</u>
Non-current assets		
Available-for-sale financial assets	3,807,393	3,210,203
Deferred tax	24,445	6,482
Total non-current assets	<u>3,831,838</u>	<u>3,216,685</u>
Total assets	<u>3,989,500</u>	<u>3,561,454</u>
Liabilities		
Current liabilities		
Trade and other payables	12,117	4,136
Total current liabilities	<u>12,117</u>	<u>4,136</u>
Non-current liabilities		
Deferred tax	183,557	63,938
Total non-current liabilities	<u>183,557</u>	<u>63,938</u>
Total liabilities	<u>195,674</u>	<u>68,074</u>
Net assets	<u>3,793,826</u>	<u>3,493,380</u>
Equity		
Issued capital	3,108,617	3,098,882
Reserves	99,558	(219,617)
Retained profits	585,651	614,115
Total equity	<u>3,793,826</u>	<u>3,493,380</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 2012

Company	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2011	2,923,317	108,121	599,140	3,630,578
Profit after income tax (expense)/benefit for the half- year	-	-	60,225	60,225
Other comprehensive income for the half-year, net of tax	-	(352,986)	-	(352,986)
Total comprehensive income for the half-year	-	(352,986)	60,225	(292,761)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	9,990	-	-	9,990
Dividends paid (note 5)	-	-	(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>
Company	Contributed equity \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2012	3,098,882	(219,617)	614,115	3,493,380
Profit after income tax (expense)/benefit for the half- year	-	-	38,194	38,194
Other comprehensive income for the half-year, net of tax	-	319,174	-	319,174
Total comprehensive income for the half-year	-	319,174	38,194	357,368
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	9,735	-	-	9,735
Dividends paid (note 5)	-	-	(66,657)	(66,657)
Balance at 31 December 2012	<u>3,108,617</u>	<u>99,557</u>	<u>585,652</u>	<u>3,793,826</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 2012

Note	Company	
	31-Dec-12 \$	31-Dec-11 \$
Cash flows from operating activities		
Dividends received	10,328	11,033
Interest received	3,159	2,404
Trust distributions from related parties	57,296	54,755
Other expenses (paid)/income received	(16,675)	(15,629)
Income taxes refunded	28,014	-
Income taxes paid	-	(15,231)
Net cash from operating activities	<u>82,122</u>	<u>37,332</u>
Cash flows from investing activities		
Payments for investments	(158,396)	(155,621)
Proceeds from sale of investments	-	155,621
Capital return from investment	-	30,164
Net cash from/(used in) investing activities	<u>(158,396)</u>	<u>30,164</u>
Cash flows from financing activities		
Proceeds from issue of shares	9,735	9,990
Dividends paid	(66,657)	(63,128)
Net cash used in financing activities	<u>(56,922)</u>	<u>(53,138)</u>
Net increase/(decrease) in cash and cash equivalents	(133,196)	14,358
Cash and cash equivalents at the beginning of the financial half-year	<u>243,448</u>	<u>115,715</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>110,252</u></u>	<u><u>130,073</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 2012

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

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 2012 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, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The company has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation.

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 categorisation 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 of companies included in the ASX All Ordinaries Index.

Overseas long-term shares

This portfolio consists of shareholdings in companies traded on stock exchanges in countries with similar corporate governance regimes as Australia. The 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 2012

Note 2. Operating segments (continued)

Operating segment information

Company - 31-Dec-12	Australian Long-Term Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
Revenue				
Other income (expenses)	(2,507)	-	-	(2,507)
Dividend income	10,329	-	-	10,329
Interest revenue	3,159	-	-	3,159
Trust distributions from related parties	39,358	-	-	39,358
Total revenue	50,339	-	-	50,339
Segment result	50,339	-	(20,112)	30,227
Profit/(loss) before income tax benefit	50,339	-	(20,112)	30,227
Income tax benefit				7,967
Profit after income tax benefit				38,194
Assets				
Segment assets	3,181,660	778,850	28,990	3,989,500
Intersegment eliminations				
<i>Unallocated assets:</i>				
Total assets				3,989,500
Liabilities				
Segment liabilities	212,828	(29,271)	12,117	195,674
Total liabilities				195,674
Company - 31-Dec-11	Australian Long-Term Shares \$	Overseas Long-Term Shares \$	Intersegment eliminations/ unallocated \$	Total \$
Revenue				
Dividend income	11,033	-	-	11,033
Interest revenue	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 revenue	73,917	9,049	-	82,966
Segment result	73,917	9,049	(16,584)	66,382
Profit/(loss) before income tax expense	73,917	9,049	(16,584)	66,382
Income tax expense				(6,157)
Profit after income tax expense				60,225

Australia & International Holdings Limited
Notes to the financial statements
31 December 2012

Note 3. Revenue

	Company	
	31-Dec-12	31-Dec-11
	\$	\$
Dividends	10,329	11,033
Interest	3,159	2,404
Trust distributions from related parties	39,358	54,755
Other revenue	(2,507)	(536)
Revenue	<u>50,339</u>	<u>67,656</u>

Note 4. Other income

	Company	
	31-Dec-12	31-Dec-11
	\$	\$
Net gain on disposal of available-for-sale financial assets	<u>-</u>	<u>15,310</u>

Note 5. Equity - dividends

	Company	
	31-Dec-12	31-Dec-11
	\$	\$
Final dividend for the year ended 30 June 2012 (2011: 30 June 2011) of 5.0 cents (2011: 5.0 cents) per ordinary share paid on 22 October 2012 (2011: 21 October 2011) fully franked based on a tax rate of 30%	<u>66,657</u>	<u>63,140</u>

Note 6. Contingent liabilities

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

Note 7. Events after the reporting period

No matter or circumstance has arisen since 31 December 2012 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs 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 2012 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 2013
Brisbane

**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 2012, 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.

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 2012 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 2012 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, 6th March 2012