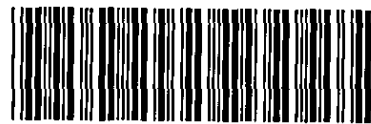


FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010**

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Registered No. SC047708

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010**

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**FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2010**

Directors: G R Cooper
P G Gately
G Johnston (appointed 21st September 2009)
M J Lazberger
S W Paul
P Rayson (resigned 21st September 2009)
M J Stapleton (resigned 21st September 2009)
G Withers (appointed 21st September 2009)

Company Secretaries: A C N Smith
G V Davies

Registered Office: 23 St Andrew Square, Edinburgh, EH2 1BB

The Directors present their report and the audited financial statements for the year ended 30th June 2010.

Principal Activities and Status

The principal activities of the Company are the management of investment portfolios. The Company is a wholly owned subsidiary of SI Holdings Limited. The Company is regulated by the FSA.

Commonwealth Bank of Australia, incorporated in Australia and listed on the Australian Stock Exchange, is regarded by the Directors of the Company as the Company's ultimate parent company.

Review of Business, Risks and Uncertainties

First State Investment Management (UK) Limited is part of the international operation of Colonial First State Global Asset Management. Colonial First State Global Asset Management, Australia's largest fund manager with approximately A\$144 billion in assets under management as at 30th June 2010, is owned by the Commonwealth Bank of Australia, one of Australia's largest financial services organisations. Colonial First State Global Asset Management operates in the United Kingdom as First State Investments.

Colonial First State Global Asset Management is managed by CBA's Wealth Management division. Within CBA, Wealth Management is responsible for the manufacture and administration of non-banking services, including business units such as Colonial First State in Australia and First State Investments in the UK and Asia. Wealth Management also provides strategic and operational support for the investment and insurance products of group companies.

First State Investment Management (UK) Limited provides a range of specialist investment management services. Our core areas of focus include global equities, Asia Pacific and global emerging markets equities, property securities, infrastructure investment (both listed and unlisted) and global resources investment. We manage various types of investments and clients including pooled vehicles, segregated mandates, pension funds, commingled funds, institutional and retail investors.

Our primary goals are:

- to preserve and enhance client wealth;
- to achieve superior investment performance across our range of products;
- to develop innovative investment products that meet the evolving and diverse needs of our clients;
- to build high quality relationships with our clients, always respecting the primary relationship between advisor and client; and
- to satisfy expectations for shareholder returns.

**FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2010**

Review of Business, Risks and Uncertainties (continued)

We strive to be at the forefront of specialist investing in both developed and emerging markets. Over the past 12 months we have continued to attract strong asset flows into Asia Pacific ex-Japan and global emerging markets equities, unlisted infrastructure and global listed infrastructure products in particular.

The principal risk to the level of profitability of the Company and the Group is that of a significant loss of assets under management caused either by a market correction, poor investment performance or an incident causing reputational damage. The particular long-term investment style of the Group has protected its revenue and its customers' investments better than many competitors during the volatile investment markets experienced during the year. The business is also exposed to key man risk associated with the Asia Pacific/global emerging markets team. The Directors are of the opinion that this risk has been managed via the introduction of a Long term incentive scheme.

The Directors consider that the Company's activities will continue unchanged in the foreseeable future.

Results and Dividends

The profit for the year after taxation but before dividends was £27,964,027 (2009: £20,062,641).

Dividends were recommended and paid as follows:

2010					2009			
Paid to Ordinary Share Class					Paid to Ordinary Share Class			
Dividend	Date paid	Paid (£)	"A" (£)	"B" (£)	Date paid	Paid (£)	"A" (£)	"B" (£)
1 st Interim	15/12/09	12,000,000	124,946	11,875,054	3/12/08	15,000,000	131,235	14,868,765
2 nd Interim	31/03/10	8,000,000	16,771	7,983,229	24/06/09	10,000,000	28,613	9,971,387
3 rd Interim	23/06/10	5,000,000	10,482	4,989,518				
		<u>25,000,000</u>	<u>152,199</u>	<u>24,847,801</u>		<u>25,000,000</u>	<u>159,848</u>	<u>24,840,152</u>

The Directors did not recommend a final dividend in either the current year or prior year.

The balance of profits retained on the Profit and Loss Account was thus £2,964,027 (2009: Loss of £4,937,359). At 30th June 2010 the balance of retained profits was £4,997,876 (2009: £2,033,849).

Funds under management increased from £3.8bn at 30th June 2009 to £5.0bn at 30th June 2010 with average fee rates declining slightly (due to the impact of rising market values) from 0.39% to 0.37% over the same time period.

Directors and their Interests

The Directors of the Company during the year were those listed on page 1. There are no Directors' share interests requiring disclosure under the Companies Act 2006.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

**FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2010**

Statement of Directors' responsibilities (continued)

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors and disclosure of information to auditors

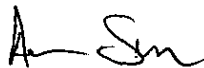
In the case of each of the Directors, the following applies:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the Board



A C N Smith
Secretary
Edinburgh

18th October 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED

We have audited the financial statements of First State Investment Management (UK) Limited for the year ended 30 June 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities set out in the report of the Directors, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lindsay Gardiner (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
18th October 2010

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2010

	Notes	2010 £	2009 £
Turnover	2	70,592,887	49,719,142
Administrative expenses		(36,671,601)	(31,241,390)
Operating profit	3	33,921,286	18,477,752
Group Dividends received		3,550,000	6,500,000
Interest receivable		27,830	366,606
Interest payable		(9,070)	(15,349)
Profit on ordinary activities before tax		37,490,046	25,329,009
Tax on profit on ordinary activities	5	(9,526,019)	(5,266,368)
Profit on ordinary activities after tax		27,964,027	20,062,641
Group Dividends paid	6	(25,000,000)	(25,000,000)
Retained Profit/(Loss)		<u>2,964,027</u>	<u>(4,937,359)</u>

There were no material acquisitions or discontinued operations during the year.

There is no difference between the profit on ordinary activities before taxation and the retained profit/(loss) for the year stated above, and their historical cost equivalents.

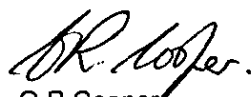
There were no recognised gains and losses other than those shown above.

The notes on pages 7 to 11 form part of these financial statements.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
REGISTERED NO. SC047708
BALANCE SHEET
AS AT 30TH JUNE 2010

	Notes	£	2010 £	£	2009 £
Fixed Assets					
Investments	7		2,750,100		2,750,100
Current assets					
Debtors	8	17,402,484		13,601,580	
Cash at bank		<u>22,863,502</u>		<u>22,262,505</u>	
		40,265,986		35,864,085	
Creditors					
Amounts falling due within one year	9	<u>(3,761,901)</u>		<u>(2,324,027)</u>	
Net current assets			<u>36,504,085</u>		<u>33,540,058</u>
Net assets			<u>39,254,185</u>		<u>36,290,158</u>
Capital and Reserves					
Called up share capital	10		34,256,309		34,256,309
Profit and loss account	11		<u>4,997,876</u>		<u>2,033,849</u>
Equity shareholders' funds	11		<u>39,254,185</u>		<u>36,290,158</u>

The financial statements and notes on pages 5 to 11 were approved and authorised for issue by the Board of Directors on 18th October 2010 and were signed on its behalf by:


G R Cooper
Director

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention. The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Commonwealth Bank of Australia, a company incorporated in Australia.

(b) Revenue

Revenue recognition is based on the benefits to the Company of any income flows which can be reliably determined. Turnover of the Company is from the provision of asset management services and includes management fees and performance fees. Turnover is presented net of VAT and other sales taxes.

Management fees are recognised as earned, over the period in which the services are performed. Such fees are primarily based on predetermined percentages of the value of assets under management and are presented net of allocations across entities made in accordance with our transfer pricing policy.

Performance fees, where applicable, are only calculated and recognised at the end of any performance period when a reliable estimate can be made in the comparison of benchmarks and portfolio returns.

Interest received (and paid) is recognised on an accruals basis by applying the appropriate rate of interest.

(c) Administrative expenses

Administrative expenses are recognised in the period in which they are incurred and include amounts recharged from another group company.

(d) Taxation

The charge for taxation is based on the profit or loss for the year as adjusted for disallowable items. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, together with adjustments to tax payable in respect of prior years.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

(e) Foreign currencies

Income is recorded at the exchange rate on the date of invoices so foreign exchange differences arise between the rate on the date of invoice and the rate at which the amounts are translated into sterling on the date of receipt. Foreign currency balances have been translated at market rates of exchange ruling at the Balance Sheet date. Gains and losses on exchange are taken to the Profit and Loss Account.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010

1. Principal accounting policies (continued)

(f) Investments

Investments in subsidiaries are shown in the Balance Sheet at cost less impairment, where applicable. Investments are subject to review for impairment by the Directors annually or otherwise when determined to be required.

(g) Cashflow statement

The company is a wholly owned subsidiary of Commonwealth Bank of Australia and the cashflows of the Company are included in the consolidated group cash flow statement of Commonwealth Bank of Australia. Consequently the Company is exempt under the terms of Financial Reporting Standard No.1 from publishing a cash flow statement.

2. Turnover

Turnover is the total of investment management, advisory and administration fees.

3. Operating profit

	2010	2009
	£	£
Operating profit is stated after charging/(crediting):		
Fees payable to auditor for audit of Company's accounts	18,700	18,700
Fees payable to auditor for FSA/Regulatory audit fee	5,000	5,000
Other fees payable to auditor for taxation services	5,880	6,490
Other fees payable to auditor for non-audit services	600	-
Foreign exchange loss/(gain)	7,635	(232,648)

4. Directors' emoluments

	2010	2009
	£	£
Directors' emoluments excluding pension contributions	4,322,710	3,526,355
Aggregate pension contributions of all Directors	60,337	109,167
The emoluments, excluding pension contributions, of the highest paid Director	3,771,701	2,028,318
Pension contributions of the highest paid Director	32,263	35,556

All Directors are remunerated by First State Investment Services (UK) Limited, a related entity, and the amounts shown here are the proportion recharged to the Company from that entity.

Pension benefits are accruing to two (2009: three) Directors under pension schemes operated by the Company. The accrued retirement benefit of the highest paid Director was £39,323 (2009: £36,793). This is the full amount of the benefit not just the proportion recharged to the Company.

5. Tax on profit on ordinary activities

	2010	2009
	£	£
UK Corporation tax on profits of the period	9,502,178	5,287,549
Adjustments in respect of previous periods	23,841	(21,181)
Total current tax & Tax on profit on ordinary activities	9,526,019	5,266,368

Factors affecting tax charge for the period:

The corporation tax charge on the profit on ordinary activities for the period differs from that calculated at the standard rate of corporation tax in the UK of 28% (2009: 28%) as shown below.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010

5. Tax on profit on ordinary activities (continued)

	2010 £	2009 £
Profit on ordinary activities before tax	37,490,046	25,329,009
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009: 28%)	10,497,213	7,092,123
Effect of:		
Capital allowances	(1,035)	(1,294)
Group Dividends Received	(994,000)	(1,820,000)
Adjustments in respect of previous periods	23,841	(21,181)
Timing Differences	-	16,720
Current tax charge for the period	9,526,019	5,266,368

6. Dividends Paid

The Directors elected to pay interim dividends totalling £25,000,000 (2009: £25,000,000) to the parent company S I Holdings Limited.

7. Investments

The Company holds the undernoted investment in its subsidiary incorporated in the UK:

Name of Company	Description of shares held	% held	Investment at cost	
			2010 £	2009 £
First State Investments International Ltd	Ordinary £1	100	2,750,100	2,750,100

The above Company is engaged in investment management.

In the opinion of the Directors the aggregate value of the Company's investment in its subsidiary is not less than the aggregate of the amount at which the investment is stated in the Balance Sheet.

8. Debtors

	2010 £	2009 £
Trade debtors	350,954	247,031
Amounts owed by group undertakings	13,745,739	11,203,733
Prepayments and accrued income	3,305,791	2,150,816
	17,402,484	13,601,580

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

9. Creditors: amounts falling due within one year

	2010 £	2009 £
Amounts owed to group undertakings	1,447,942	1,210,084
Corporation tax/Group relief payable	1,894,912	846,987
Other taxation & social security	393,867	226,806
Accruals and deferred income	25,180	40,150
	3,761,901	2,324,027

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010

9. Creditors: amounts falling due within one year (continued)

The amount £1,894,912 of Corporation tax/Group relief payable represents the Corporation tax estimated as due for the year to 30 June 2010 of £9,502,178 less quarterly instalment payments made in relation to this period of £7,600,000 and also less the overpayment of the quarterly instalment payments made in relation to the year to 30 June 2009 of £7,266.

10. Share capital

	2010 £	2009 £
Authorised:		
'A' Ordinary shares of £1	98,016	98,016
'B' Ordinary shares of £1	77,126,984	77,126,984
	<u>77,225,000</u>	<u>77,225,000</u>
Issued & fully paid:		
'A' Ordinary shares of £1	98,016	98,016
'B' Ordinary shares of £1	34,158,293	34,158,293
	<u>34,256,309</u>	<u>34,256,309</u>

On 3rd December 2008 12,500,000 'B' Ordinary shares of £1 each were cancelled and the reserve created returned to the Company's sole shareholder SI Holdings Limited.

The 'A' shares carry the right to receive the first £100,000 distributed per financial year by way of dividend. Any remaining balance to be distributed shall be distributed amongst the 'A' and 'B' shares *pari passu* accordingly to their respective nominal values.

On a return of capital or liquidation or otherwise, the net assets of the Company shall be distributed amongst the 'A' and 'B' shares *pari passu* in proportion to the amounts paid up thereon.

11. Reconciliation of shareholders' funds and movement on reserves

	Share Capital £	Profit & Loss Account £	Total £
At 30th June 2008	46,756,309	6,971,208	53,727,517
Cancellation of share capital (note 10)	(12,500,000)	-	(12,500,000)
Retained profit for the year	-	20,062,641	20,062,641
Dividends paid	-	(25,000,000)	(25,000,000)
At 30th June 2009	34,256,309	2,033,849	36,290,158
Retained profit for the year	-	27,964,027	27,964,027
Dividends paid	-	(25,000,000)	(25,000,000)
At 30th June 2010	<u>34,256,309</u>	<u>4,997,876</u>	<u>39,254,185</u>

12. Related party disclosures

Under Financial Reporting Standard 8 - Related Party Disclosures, the Company is exempt from the requirement to disclose transactions with any other company in the Commonwealth Bank of Australia group.

**FIRST STATE INVESTMENT MANAGEMENT (UK) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2010**

13. Contingent Liability

On 28th June 2007, the European Court of Justice ('ECJ') ratified the Advocate General's previous conclusion that the management fees of investment trusts, like those of authorised unit trusts and OEICs should be an exempt service for the purposes of VAT. Her Majesty's Revenue and Customs ('HMRC') has indicated that it will abide by this judgement. Investment trust companies are thus able to claim for a refund of VAT previously charged to them by the Company to the extent that they have not already recovered such VAT. This is applicable for the distinct time periods as determined by case law that the Company can itself reclaim VAT previously paid on to HMRC.

Repayments have been secured for investment trust clients for the years 1990 to 1996 and 2001 to 2007 and the amounts received passed on to those entities. Appropriate claims and appeals have also been lodged in respect of the intervening 1996 to 2001 period. The Company's position is that it will only repay to investment trust clients amounts to the extent that they can be reclaimed by the Company itself from HMRC.

The question of VAT exemption being extended to pension fund clients is currently being considered in the Wheels Common Investment Fund test case. Appropriate protective claims have thus been made in respect of current and previous pension fund clients. In addition, protective claims and appeals have been lodged in case VAT exemption extends to certain other client types in the future.

The total value of all outstanding protective claims as at 30th June 2010 amounted to £6,335,215.

Whilst it is also possible that the Company may incur some professional advisor fees as a result of the reclaims, the Directors do not expect a material liability to arise.

14. Ultimate parent company

The immediate parent undertaking is SI Holdings Limited.

The ultimate parent undertaking and controlling party is Commonwealth Bank of Australia, which is the parent undertaking of the smallest and the largest group to consolidate these financial statements. Copies of Commonwealth Bank of Australia consolidated financial statements can be obtained from: Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW 2000, Australia or from the following website: www.commbank.com.au.