

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
(a company incorporated in Scotland)

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**



Scottish Registered Body Number: SC079063

Australian Registered Body Number: 146 900 745

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

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**FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

Directors:

J I Carey	(resigned 15 December 2011)
G R Cooper	(resigned 16 March 2012)
G Johnston	(resigned 12 July 2011)
K Lakhani	(appointed 15 February 2012)
M J Lazberger	
M D Steinberg	(appointed 9 November 2011)
C Turpin	(appointed 15 February 2012)
R C Wastcoat	(appointed 3 October 2011)
G Withers	

Company Secretary: 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 of the Company for the year ended 30 June 2012.

Principal Activities and Status

The principal activity of the Company is the management of investment portfolios, mainly for clients resident outside the UK. The Company is regulated by the FSA and the SEC.

The Company is a wholly owned subsidiary of First State Investment Management (UK) Limited. 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, Principal Risks and Uncertainties

First State Investments International 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\$146 billion in assets under management as at 30 June 2012, 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 Investments International Limited provides a range of specialist investment management services. The core areas of focus include Global equities, Asia Pacific and Global Emerging Markets equities, Global Emerging Markets debt, 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 INVESTMENTS INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

We strive to be at the forefront of specialist investing in both developed and emerging markets. The majority of the markets we invest our clients' wealth into generated returns in excess of 30% in sterling terms during the last 3 years and net inflows of over £900m in the year accounted for further growth of the UK business.

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 clients' investments better than many competitors during the volatile investment markets experienced during the year. Long term investment performance continues to exceed benchmarks across the majority of our product range. 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 £7,618,323 (2011: £5,881,640). An interim dividend of £4,500,000 was paid on 18 December 2011. The Directors do not recommend a final dividend.

The balance of profits retained on the Profit and Loss Account was therefore £21,176,130 (2011: £18,057,807).

Funds under management remained static at £8.9bn from 30 June 2011 to 30 June 2012.

Directors and their Interests

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

Directors' and Officers' Insurance

Subject to the Companies Act 2006, insurance policies have been affected for the Directors and Officers of all Group companies in respect of potential liabilities arising from negligence or error.

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 prepared 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 year. 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.

**FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2012**

Statement of Directors' responsibilities (continued)

During the year the Company opened a branch office in Paris. This reflects the increasing level of interest in products given the excellent investment performance across the entire offering.

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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of 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.

Independent Auditors

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

By order of the Board



A C N Smith
Company Secretary
Edinburgh

10 October 2012

**FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE
INVESTMENTS INTERNATIONAL LIMITED
FOR THE YEAR ENDED 30 JUNE 2012**

We have audited the financial statements of First State Investments International Limited for the year ended 30 June 2012 which comprise of 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 on pages 2 and 3 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2012 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

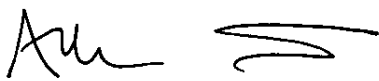
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIRST STATE
INVESTMENTS INTERNATIONAL LIMITED
FOR THE YEAR ENDED 30 JUNE 2012**

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.



Allan McGrath (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
11 October 2012

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 £	2011 £
Turnover	2	40,485,399	35,628,316
Administrative expenses		<u>(30,280,507)</u>	<u>(27,539,506)</u>
Operating profit	3	10,204,892	8,088,810
Other income		-	-
Interest receivable and similar income		34,548	31,562
Interest payable and similar charges		<u>(3,078)</u>	<u>(42)</u>
Profit on ordinary activities before tax		10,236,362	8,120,330
Taxation on profit on ordinary activities	5	<u>(2,618,039)</u>	<u>(2,238,690)</u>
Profit on ordinary activities after tax		7,618,323	5,881,640
Dividends paid	6	<u>(4,500,000)</u>	<u>(3,500,000)</u>
Retained profit for the financial year		<u>3,118,323</u>	<u>2,381,640</u>

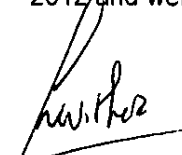
There were no material acquisitions or discontinued operations during the year.

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented. There is no material difference between the profit on ordinary activities before taxation and the profit for the financial years stated above and their historical costs equivalent.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
REGISTERED NUMBER SC079063
BALANCE SHEET
AS AT 30 JUNE 2012

	Note	£	2012	£	£	2011	£
Current assets							
Debtors	7	22,455,962			24,319,773		
Cash at bank and in hand		<u>12,730,118</u>			<u>12,248,287</u>		
		35,186,080			36,568,060		
Creditors: Amounts falling due within one year							
	8	<u>(11,259,850)</u>			<u>(15,760,153)</u>		
Net current assets				<u>23,926,230</u>			<u>20,807,907</u>
Net assets				<u>23,926,230</u>			<u>20,807,907</u>
Capital and reserves							
Called up share capital	9			2,750,100			2,750,100
Profit and loss account	10			<u>21,176,130</u>			<u>18,057,807</u>
Total equity shareholder's funds	10			<u>23,926,230</u>			<u>20,807,907</u>

The financial statements and notes on pages 6 to 11 were approved by the Board of Directors on 10 October 2012 and were signed on its behalf by:


G Withers
Director

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

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

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies which have been applied consistently throughout the year are set out below

(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 Value Added Tax and other sales taxes.

Performance fees are calculated with reference to performance benchmarks specified in the individual investment management agreements. Revenues arising in respect of performance fee arrangements are recognised provided that the outcome of such arrangements can be estimated reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

Management fees are recognised as earned, over the year 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.

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 year 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 year, using tax rates enacted or substantively enacted at the balance sheet date, together with adjustments to tax payable in respect of prior years.

(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.

(f) Cash flow 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 Number 1 (revised 1996) "cash flow statements" from publishing a cash flow statement.

(g) Employees

There are no employees of the company the management and administration is undertaken by employees of another group company.

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

2. Turnover

Turnover represents the total of management fees earned by the Company.

3. Operating profit	2012	2011
	£	£
Operating profit is stated after charging:		
Fees payable to auditor for audit of Company's Financial Statements	10,800	10,500
Fees payable to auditor for FSA/Regulatory audit fee	5,300	5,200
Other fees payable to auditor for non-audit related fees	13,000	700
Foreign exchange gain	312,249	524,553

4. Directors' emoluments	2012	2011
	£	£
Directors' emoluments excluding pension contributions	533,598	1,508,621
Aggregate pension contributions of all Directors	35,174	22,927
The emoluments, excluding pension contributions, of the highest paid Director	216,381	842,878
Pension contributions of the highest paid Director	-	5,552

All Directors of any First State Investments group companies domiciled in the UK 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. These include two (2011: nil) employees who are only Directors of First State Investments (UK) Limited.

Pension benefits are accruing to six (2011: two) Directors under pension schemes operated by the Company. The accrued retirement benefit of the highest paid Director was £nil (2011: £43,927). This is the full amount of the benefit not just the proportion recharged to the Company.

5. Tax on profit on ordinary activities	2012	2011
	£	£
Current tax:		
UK corporation tax on profits of the year	2,607,729	2,233,091
Adjustments in respect of prior years	117	5,599
Overseas tax	10,193	-
	<u>2,618,039</u>	<u>2,238,690</u>

Factors affecting tax charge for the year:

The corporation tax on the profit on ordinary activities for the year is calculated at the standard rate of corporation tax in the UK of 25.5% (2011: 27.5%).

	2012	2011
	£	£
Profit on ordinary activities before tax	<u>10,236,362</u>	<u>8,120,330</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.5% (2011: 27.5%)	2,610,552	2,233,091
Effect of:		
Adjustments in respect of prior years	117	5,599
Non-deductible expenses	5,011	-
Overseas tax	10,193	-
Double tax relief	(7,834)	-
Current tax charge for the year	<u>2,618,039</u>	<u>2,238,690</u>

FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

6. Dividends paid

The Directors elected to pay an interim dividend of £4,500,000 on 18th December 2011. All dividends were paid to its parent Company First State Investment Management (UK) Limited. The Directors do not recommend a final dividend.

In the prior year there was an interim dividend totalling £3,500,000 paid to its parent Company.

7. Debtors	2012 £	2011 £
Trade debtors	542,568	641,326
Amounts owed by group undertakings	12,414,734	13,968,406
Prepayments and accrued income	9,497,919	9,710,041
Other debtors	741	-
	<u>22,455,962</u>	<u>24,319,773</u>

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

8. Creditors: amounts falling due within one year	2012 £	2011 £
Corporation tax payable	2,662,370	2,233,091
Amounts owed to group undertakings	8,461,492	13,486,929
Accruals and deferred income	6,145	40,133
	<u>11,259,850</u>	<u>15,760,153</u>

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

9. Called up share capital	2012 £	2011 £
Authorised, issued and fully paid		
Ordinary shares of £1 each	<u>2,750,100</u>	<u>2,750,100</u>

10. Reconciliation of movement in shareholders' funds

	Called Up Share Capital £	Profit and Loss Account £	Total £
At 1 July 2010	2,750,100	15,676,167	18,426,267
Profit for the financial year	-	5,881,640	5,881,640
Dividend Paid	-	(3,500,000)	(3,500,000)
At 1 July 2011	<u>2,750,100</u>	<u>18,057,807</u>	<u>20,807,907</u>
Profit for the financial year	-	7,618,323	7,618,323
Dividend Paid	-	(4,500,000)	(4,500,000)
At 30 June 2012	<u>2,750,100</u>	<u>21,176,130</u>	<u>23,926,230</u>

**FIRST STATE INVESTMENTS INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012**

11. 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.

12. Ultimate parent Company

The immediate parent undertaking is First State Investment Management (UK) 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.