

ABERDEEN AUSTRALIA EQUITY FUND INC
Form N-Q
September 28, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES**

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| Investment Company Act file number: | 811-4438 |
| Exact name of registrant as specified in charter: | Aberdeen Australia Equity Fund, Inc. |
| Address of principal executive offices: | Gateway Center 3, 100 Mulberry Street, Newark, New Jersey 07102 |
| Name and address of agent for service: | Mr. Beverley Hendry, 300 S.E. 2nd Street, Suite #820, Fort Lauderdale, Florida 33301 |
| Registrant's telephone number, including area code: | 954-767-9900 |
| Date of fiscal year end: | 10/31/04 |
| Date of reporting period: | 7/31/04 |

Item 1 Schedule of Investments [INSERT SCHEDULE]

Statement of Net Assets (unaudited)

July 31, 2004

| Shares | | Description | Value (US\$) |
|-------------------------------------|---|--------------------|-------------------|
| LONG-TERM INVESTMENTS 96.3% | | | |
| Common Stocks 96.3% | | | |
| Consumer Discretionary 13.3% | | | |
| 1,360,000 | APN News & Media Corporation Limited | \$ | 4,038,211 |
| 720,010 | Info Media | | 408,421 |
| 2,900,000 | Ion Limited | | 3,533,715 |
| 1,906,000 | Pacifica Group Limited | | 5,592,695 |
| 793,000 | TABCORP Holdings Limited | | 7,758,073 |
| | | | 21,331,115 |
| Consumer Staples 15.2% | | | |
| 444,000 | Billabong International Limited | | 2,524,778 |
| 2,680,000 | Foster's Group Limited | | 8,689,605 |
| 840,000 | Lion Nathan Limited | | 4,100,118 |
| 696,000 | McGuigan Simeon Wines Limited | | 2,412,674 |
| 797,000 | Woolworths Limited | | 6,535,811 |
| | | | 24,262,986 |
| Energy 2.1% | | | |
| 263,000 | Woodside Petroleum Limited | | 3,313,379 |
| Financials 33.8% | | | |
| 988,000 | Australia & New Zealand Banking Group Limited | | 12,495,653 |
| 294,000 | Australian Stock Exchange Limited | | 3,242,740 |
| 705,000 | AXA Asia Pacific Holdings Limited | | 1,565,066 |
| 69,108 | Bendigo Bank Limited | | 472,348 |
| 285,000 | Commonwealth Bank of Australia | | 6,231,061 |
| 187,000 | National Australia Bank Limited | | 3,492,600 |
| 1,403,000 | QBE Insurance Group Limited | | 12,261,865 |
| 408,000 | Suncorp-Metway Limited | | 3,971,543 |
| 873,000 | Westpac Banking Corporation Limited | | 10,301,451 |
| | | | 54,034,327 |
| | | | Value |
| Shares | | Description | (US\$) |
| Industrials 4.0% | | | |
| 981,000 | Leighton Holdings Limited | \$ | 6,437,139 |
| Materials 8.9% | | | |
| 724,000 | BHP Billiton Limited | | 6,682,489 |
| 283,000 | Rio Tinto Limited | | 7,509,228 |
| | | | 14,191,717 |
| Property 3.9% | | | |
| 594,679 | Westfield Trust | | 6,309,276 |

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| | | |
|---|--|-----------------------|
| Telecommunication Services 10.4% | | |
| 2,580,000 | Telecom Corporation of New Zealand Limited | 10,009,531 |
| 1,932,000 | Telstra Corporation Limited | 6,670,192 |
| | | 16,679,723 |
| Utilities 4.7% | | |
| 560,000 | Australian Gas Light Company Limited | 4,941,318 |
| 1,574,000 | GasNet Australia Group | 2,623,409 |
| | | 7,564,727 |
| | Total long-term investments (cost \$113,072,830) | 154,124,389 |
| Principal Amount (000) | | |
| SHORT-TERM INVESTMENT 0.7% | | |
| Repurchase Agreement 0.7% | | |
| 1,141 | State Street Bank and Trust Company, 1.20%, dated 7/30/04, due 8/2/04 in the amount of \$1,141,114 (cost \$1,141,000; collateralized by \$975,000 U.S. Treasury Bonds, 6.625%, 2/15/27; value including interest \$1,168,837) | 1,141,000 |
| | | 1,141,000 |
| Total Investments 97.0% (cost \$114,213,830) | | 155,265,389 |
| Other Assets in excess of Liabilities 3.0% | | 4,881,402 |
| Net assets 100% | | \$ 160,146,791 |
| Net Asset Value per common share (\$160,146,791/16,777,298 shares issued and outstanding) | | \$9.55 |

See Notes to Financial Statements.

Aberdeen Australia Equity Fund, Inc.

Item 2 Controls and Procedures

- (a) It is the conclusion of the Registrant's principal executive officer and principal financial officer that the effectiveness of the Registrant's current disclosure controls and procedures (such disclosure controls and procedures having been evaluated within 90 days of the date of this filing) provide reasonable assurance that the information required to be disclosed by the Registrant has been recorded, processed, summarized and reported within the time period specified in the Commission's rules and forms and that the information required to be disclosed by the Registrant has been accumulated and communicated to the Registrant's principal executive officer and principal financial officer in order to allow timely decisions regarding required disclosure.

- (b) There have been no changes in the Registrant's internal control over financial reporting that occurred during the last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 3 Exhibits

(a)(2) Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940 Attached hereto

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Aberdeen Australia Equity Fund, Inc.

By: /s/ Martin Gilbert

Martin Gilbert,
President of
Aberdeen Australia Equity Fund, Inc.

Date: September 22, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Martin Gilbert

Martin Gilbert,
President of
Aberdeen Australia Equity Fund, Inc.

Date: September 22, 2004

By: /s/ Christian Pittard

Christian Pittard,
Treasurer of
Aberdeen Australia Equity Fund, Inc.

Date: September 22, 2004