

THE DEPOSITORY TRUST COMPANY

IMPORTANT

#: 0089-97
DATE: January 13, 1997
TO: All Participants
FROM: Dividend Department
ATTENTION: Managing Partner / Officer, Cashier

SUBJECT: Kleinwort Benson Australian Income Fund, Inc.

The attached correspondence containing tax information was received by the Depository Trust Company.

D. Ruggiero
Assistant Supervisor
Dividend Department

Attachment



B# 89-97

75 Wall Street, New York, NY 10005 · (800) 237-4218

January 2, 1997

Re: 1996 Tax Reporting - Kleinwort Benson Australian Income Fund, Inc.
(NYSE - KBA) (cusip #498577105)

Dear Investor:

Set out below is a summary of the dividends and foreign taxes paid by the Kleinwort Benson Australian Income Fund, Inc. for 1996. The Fund did not distribute any capital gains in 1996.


<u>Date of Dividend Payment</u>	<u>Income Dividends Paid**</u>	<u>Foreign Taxes</u>	<u>Total Ordinary Income</u>	<u>Long-Term Capital Gains</u>
February 15, 1996	\$0.065	\$0.0033	\$0.0683	-
March 15, 1996	0.065	0.0033	0.0683	-
April 15, 1996	0.065	0.0033	0.0683	-
May 15, 1996	0.065	0.0033	0.0683	-
June 17, 1996	0.065	0.0033	0.0683	-
July 15, 1996	0.065	0.0033	0.0683	-
August 15, 1996	0.065	0.0033	0.0683	-
September 16, 1996	0.065	0.0033	0.0683	-
October 15, 1996	0.065	0.0033	0.0683	-
November 15, 1996	0.065	0.0033	0.0683	-
December 16, 1996	0.065	0.0033	0.0683	-
January 15, 1997*	<u>0.095</u>	<u>0.0051</u>	<u>0.1001</u>	-
TOTALS	<u>\$0.810</u>	<u>\$0.0414</u>	<u>\$0.8514</u>	None

*Taxable for 1996

**Primarily foreign source (Australia & New Zealand) passive income

The foreign tax "credit" is being passed through to shareholders pursuant to Section 853(b) of the Internal Revenue Code. Accordingly, the foreign tax amount can generally be used by shareholders to claim either a tax credit or a deduction on their U.S. Federal tax return.

Investors are advised to consult with their tax advisors.

Sincerely, 
Michael Fortier
Secretary and Treasurer