

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

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AUSTRALIA

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10 October 2014

The Manager
ASX Market Announcements
ASX Limited
Level 4 Rialto North Tower
525 Collins Street
MELBOURNE VIC 3000

Electronic Lodgement

Dear Sir/Madam,

Diversified United Investment Ltd
Renounceable Rights Issue

Please find attached the Entitlement Offer Booklet expected to be sent to shareholders on Wednesday 15 October 2014.

Yours sincerely

A J Hancock
Company Secretary

Diversified United Investment Limited

(ABN 33 006 713 177)

One for five renounceable rights issue of approximately 34,303,284 new fully paid ordinary shares at \$3.00 per share.

This document is important and requires your immediate attention. It is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. If you are in doubt as to the course you should follow, you should consult your broker or other professional advisor without delay.

ENTITLEMENT OFFER BOOKLET

Applications under the Entitlement Offer close at 5.00pm Australian Eastern Daylight Savings Time on 31 October 2014

Placing Agents:

Evans and Partners Pty Ltd

Dixon Advisory & Superannuation Services Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

Important Notice

This Entitlement Offer Booklet and the Entitlement and Acceptance Form is issued by Diversified United Investment Ltd (DUI). The Entitlement Offer Booklet is dated 10 October 2014. The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow certain rights issues to be made without a prospectus. As a result, it is important for Eligible Shareholders to read and understand the information on DUI and the Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement. Please read this Entitlement Offer Booklet including the Chairman's letter in its entirety along with the ASX Entitlement Offer announcements, the Entitlement and Acceptance Form and other information about DUI published on asx.com.au before making a decision whether or not to acquire New Shares. If you are in doubt as to the course you should follow, you should consult your broker or other professional advisor without delay.

This Entitlement Offer Booklet, including the Chairman's letter, ASX Entitlement Offer announcements and the Entitlement and Acceptance Form, do not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Entitlement Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Persons.

None of this Entitlement Offer Booklet, the Chairman's letter, the ASX Entitlement Offer announcements nor, the Entitlement and Acceptance Form may be distributed to or released in the United States. The New Shares offered in the Entitlement Offer have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, any U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States. The New Shares may not be deposited in any existing unrestricted American Depositary Receipt Facility or such future program with respect to the securities of DUI that has been or may be established until 40 days following the completion of the Entitlement Offer.

Forward looking statements, opinions, estimates provided in this Entitlement Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on the interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

No guarantees as to future performance of, or future return from, DUI or an investment in New Shares can be given by DUI or by any director or officer of DUI. Investment in shares is inherently subject to investment and other risks of loss of income and principal invested.

See the Glossary on page 25 for defined terms used in this Offer Entitlement Booklet.

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Summary of Important Dates

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| Rights trading commences and ordinary shares quoted ex rights | Thursday 9 October 2014 |
| Record Date to determine Entitlements to New Shares | 7.00pm Monday 13 October 2014 |
| Despatch of Entitlement Offer Booklet to Eligible Shareholders | Wednesday 15 October 2014 |
| Last day of rights trading | Friday 24 October 2014 |
| New Shares quoted on a deferred settlement basis | Monday 27 October 2014 |
| Closing date for receipt of applications (and/or renunciations) and payment | 5.00pm Friday 31 October 2014 |
| Shortfall Bookbuild (if any) | Wednesday 5 November 2014 |
| Announcement of Shortfall (if any) | Thursday 6 November 2014 |
| Issue of New Shares | Monday 10 November 2014 |
| Issuer Sponsored Statements for New Shares despatched | Monday 10 November 2014 |
| Normal trading of New Shares expected to commence | Tuesday 11 November 2014 |

This timetable is indicative only. The Company reserves the right to vary the above dates without notice subject to the Corporations Act, Listing Rules and other applicable laws. Any amendments to the timetable will be announced on ASX. Times are AEDT.

Chairman's letter

10 October 2014

Dear Shareholder,

One for Five Pro-rata Renounceable Rights Issue at \$3.00 per share ("Issue")

I am pleased to advise that on 7 October 2014 the Directors announced a renounceable rights issue of approximately 34,303,284 fully paid ordinary shares ("**New Shares**") in Diversified United Investment Ltd ("**DUI**"). The offer is being made to existing shareholders on a one for five basis at an offer price of \$3.00 per New Share payable in full on application ("**Entitlement Offer**"). The New Shares will not be entitled to receive the interim dividend in respect of the year ending 30 June 2015, expected to be paid in March 2015, after which time the New Shares will rank equally with existing shares. The issue of New Shares is intended to raise approximately \$102,609,852 after allowing for the estimated costs of the Issue.

Rights trading will occur from 9 October 2014 to 24 October 2014 and the Entitlement Offer will close at 5.00pm AEDT on 31 October 2014.

The Directors see advantages in the Company raising additional funds in order to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Issue will also provide shareholders with the opportunity to increase their investment in the Company, improve liquidity in the trading of the Company's shares and lower the management expense ratio.

When the funds are received from the issue of New Shares we are likely to move our international investments target allocation from 5% towards 10% of the portfolio. This will enable the Company to increase its exposure to world equity markets and, in particular, world technology companies and a broader range of companies in the health sector, including the major pharmaceutical companies. At 30 September 2014 international investments represented approximately 3% of the portfolio.

To the extent we invest internationally we are likely to invest in securities with lower dividend yields than from the Australian market and our dividends to shareholders are therefore more likely to be steady rather than increasing over the next few years. We will however introduce more diversification into the portfolio and potential for greater capital appreciation.

Your Board expects to maintain the current interim dividend rate for existing shares of 6.5 cents per share in respect of the year ending 30 June 2015 and expects, in the absence of unforeseen circumstances, to maintain the current annual dividend rate of 14 cents per share on the increased capital.

The offer price of \$3.00 per New Share represents a discount of 16% to the latest available market sale price of existing shares on the ASX of \$3.56 on 6 October 2014, being the day prior to the announcement of the Issue.

The unaudited estimated pre tax net tangible assets of the Company on 7 October 2014 was \$3.69 per share, before providing for the interim dividend in respect of the year to 30 June 2015 for which the New Shares will not be entitled.

Shareholder approval of the Issue is not required.

The Directors have been advised by The Ian Potter Foundation Ltd as trustee for both the Ian Potter Foundation and the George Alexander Foundation that it intends to subscribe for its entitlement to the Issue in full (including the entitlement of its controlled entity, Dundee Trading Pty Ltd) in the absence of unforeseen circumstances.

Terms of Issue

The New Shares will not be entitled to receive the interim dividend in respect of the year ending 30 June 2015, expected to be paid in March 2015, and accordingly the first dividend receivable on the New Shares will be the final in respect of the year ending 30 June 2015, expected to be paid in September 2015.

If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "DUIN") until the existing shares trade ex the interim dividend payable in respect of the year ending 30 June 2015 when the New Shares will trade under the Company's ASX Code of "DUI" for existing shares and will rank equally in all respects with existing shares.

Placing Agents

The Issue is not underwritten. Evans and Partners Pty Ltd and Dixon Advisory & Superannuation Services Limited are Placing Agents to the Issue.

Dividends and Underlying Earnings per share

Dividends paid and underlying earnings per existing share in respect of each of the last 5 completed financial years are as follows:

| Year Ended 30 June | Dividends (cents per share) | Underlying Earnings (cents per share) |
|-----------------------|--------------------------------|--|
| 2014 | 14.0 | 15.0 |
| 2013 | 13.5 | 13.5 |
| 2012 | 13.0 | 13.1 |
| 2011 | 13.0 | 12.5 |
| 2010 | 13.0 | 11.1 |

Underlying earnings per share excludes both special dividends received by the Company and net realised capital gains or losses on long term investments.

All dividends referred to above were fully franked. The balance of the Company's franking account at 30 June 2014 (after adjusting for the final dividend paid on 25 September 2014) was \$10,117,250. It is the Directors' expectation that both the next interim dividend (not to be paid on the New Shares) and the final dividend for the year ending 30 June 2015 will be fully franked.

Investment Performance

The Company's performance (assuming all dividends paid by the Company were re-invested in its shares) is as follows:

| <u>Periods Ended</u> <u>30 June 2014</u> | <u>DUI Net Asset Backing</u> <u>Accumulation</u> <u>% p.a.</u> | <u>DUI Share Price</u> <u>Accumulation</u> <u>% p.a.</u> | <u>S&P ASX 300</u> <u>Accumulation Index</u> <u>% p.a.</u> |
|---|--|--|--|
| 1 Year | 20.1 | 25.1 | 17.3 |
| 3 Years | 11.8 | 15.2 | 10.0 |
| 5 Years | 11.9 | 11.7 | 11.0 |
| 10 Years | 10.4 | 11.4 | 9.0 |

Record date for Entitlements to New Shares

Shareholders will be entitled to one New Share for every five existing shares held as at the Record Date ("**Entitlement**"). In calculating Entitlements to New Shares, fractional Entitlements will be rounded up to the nearest whole share. Shares held on separate sub-registers for the same holder will not be aggregated. If you have more than one registered holding of existing shares, you will be sent a personalised Entitlement and Acceptance Form for each separate holding.

Information on dealing with your Entitlement is set out below.

Share capital on completion of the Issue

On completion of the Issue, on the assumption that it is fully subscribed, the share capital of the Company will be approximately 205,819,705 shares, comprising 171,516,421 existing shares and approximately 34,303,284 New Shares.

The Company has no unquoted securities.

Rights Trading

Trading in rights to the New Shares will occur on the Australian Securities Exchange ("**ASX**") from 9 October 2014 to 24 October 2014.

The closing date for acceptances and payment of \$3.00 for each New Share under the Entitlement Offer is 5.00pm AEDT on 31 October 2014.

Who is eligible to participate

Shareholders with addresses in Australia and New Zealand who are not in the United States or a U.S. Person or acting for or on account of U.S. Persons are eligible to participate ("**Eligible Shareholders**").

Shareholders with addresses in countries other than Australia and New Zealand will not be eligible to participate because the Company has decided it is not reasonable to offer securities to persons in other countries having regard to the number of shareholders in each country, the number and value of the securities that would be offered to them and the cost of complying with the laws of such other country. However, DUI will appoint a nominee to act on its behalf to seek to arrange for the sale of the Entitlements of those shareholders and to pay such shareholders the net proceeds of sale (if any) in Australian dollars.

Dealing with your Entitlement if you are an Eligible Shareholder

Existing shareholders receive 1 renounceable right to one New Share for every five existing shares held on the Record Date. Eligible Shareholders may choose to apply for all or some of their Entitlement, sell some or all of their Entitlements (subject to the availability of buyers), or do nothing. The Entitlements will trade on the ASX during the rights trading period under a separate ASX code "DUIR".

If you wish to sell all or part of your Entitlements you should contact your broker or other professional advisor during that period.

Should you wish to purchase additional rights to New Shares during the rights trading period, please contact your broker or other professional advisor.

To accept all or part of your Entitlement your completed Entitlement and Acceptance Form must be lodged with DUI's Share Registry (whose address will be on the Form) by 5.00pm AEDT on 31 October 2014 together with a cheque (or payment can be made by BPay) for the amount due in respect of the New Shares taken up. To transfer your Entitlement to another person, you should complete a standard renunciation form (obtainable from your broker or other professional advisor or the Share Registry) and send it with the Entitlement and Acceptance Form to the Share Registry by 5.00pm AEDT on 31 October 2014.

Process for dealing with Shortfall

To the extent that Entitlements are not taken up ("**Shortfall**") they may be placed, at the discretion of the Company after the conduct of a bookbuild by the Placing Agents, to Eligible Shareholders or new professional or sophisticated investors. Any net proceeds from such sale (being the gross proceeds from the sale less the offer price and the fees and other costs of the Placing Agents) will be distributed in due proportion among the shareholders whose Entitlements were neither sold nor taken up. Neither the Company nor the Placing Agents will be liable for any failure to arrange for the issue of any New Shares in respect of Entitlements neither sold nor taken up by the closing date at a particular price or time, or at all. **As there can be no guarantee that there will be any net proceeds, it is important that Eligible Shareholders take action either to take up or sell their Entitlements.**

Should you wish to purchase additional New Shares through the Shortfall bookbuild, please contact either of the Placing Agents, whose contact details will be in the Corporate Directory in the Entitlement Offer Booklet.

Indicative timetable

| | |
|---|-------------------------------|
| Rights trading commences and ordinary shares quoted ex rights | Thursday 9 October 2014 |
| Record Date to determine Entitlements to New Shares | 7.00pm Monday 13 October 2014 |
| Despatch of Entitlement Offer Booklet to Eligible Shareholders | Wednesday 15 October 2014 |
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| Issue of New Shares | Monday 10 November 2014 |
| Issuer Sponsored Statements for New Shares despatched | Monday 10 November 2014 |
| Normal trading of New Shares expected to commence | Tuesday 11 November 2014 |

This timetable is indicative only. The Company reserves the right to vary the above dates without notice subject to the Corporations Act, Listing Rules and any other applicable law. Any amendments to the timetable will be announced on ASX. Times are AEDT.

Please read the Entitlement Offer Booklet carefully and consult your broker or other professional advisor to evaluate whether or not to participate in the Entitlement Offer.

Your Directors have confidence in the future of Diversified United Investment Limited, and commend the Issue to you.

Yours faithfully,

Charles Goode
Chairman

1. Action Required by Eligible Shareholders

The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Entitlement Offer Booklet.

1.1 If you wish to take up all of your Entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form. Forward your completed Form together with your cheque for the amount shown on the Form, to reach the Share Registry no later than 5.00pm AEDT on 31 October 2014. Cheques should be made payable to "Diversified United Investment Limited" and crossed "Not Negotiable". Shareholders located in Australia may use the reply paid envelope enclosed with this Entitlement Offer Booklet. Alternatively, the Form does not have to be completed or returned to the Share Registry if your payment by BPay for all of your Entitlement is received no later than 5.00pm AEDT on 31 October 2014.

1.2 If you wish to sell all of your Entitlement on the ASX

If you wish to sell your Entitlements you should contact your broker or other professional advisor. Please note that quotation of rights on the ASX will commence on 9 October 2014. The Entitlements will trade on the ASX during the rights trading period under the ASX code 'DUIR'. Sale of your Entitlement must be completed by close of trading on 24 October 2014, when rights trading ceases.

1.3 If you wish to sell part of your Entitlement on the ASX and take up the balance of your Entitlement

If you wish to sell part of your Entitlement contact your broker or other professional advisor and follow the steps in paragraph 1.1 for the part of your Entitlement that you wish to take up. Please note that quotation of rights on the ASX will commence on 9 October 2014. The Entitlements will trade on the ASX during the rights trading period under the ASX code 'DUIR'. Sale of part of your Entitlement must be completed by close of trading on 24 October 2014, when rights trading ceases.

1.4 If you wish to transfer your Entitlement to another person other than on the ASX

Forward a completed standard renunciation form(s) (obtainable from your broker or other professional advisor or from the Share Registry) together with your Entitlement and Acceptance Form to the Share Registry so as to reach the Share Registry no later than 5.00pm AEDT on 31 October 2014.

1.5 If you wish to purchase additional rights to New Shares

Should you wish to purchase additional rights to New Shares during the rights trading period, please contact your broker or other professional advisor.

1.6 Payment for New Shares

Payments made by cheque must be in Australian currency in favour of "Diversified United Investment Limited" and crossed "Not Negotiable". Payments may also be made by BPay using the biller code and your reference number as described in the Entitlement and Acceptance Form. Cash payments will not be accepted. Receipts for payments will not be issued. Any Application Monies received for more than your Entitlement will be refunded to you as soon as practicable. No interest will be paid to Applicants on any Application Monies received or refunded.

1.7 Entitlements not taken up

Please see the information under paragraph 2.11 "Process for dealing with the Shortfall" for information in relation to how the Company may deal with the Shortfall arising from Entitlements not taken up. **It is important that Eligible Shareholders who do not take up or sell their Entitlements are aware that they may not receive any benefit from the Entitlement Offer.** Should you wish to purchase additional New Shares through the Shortfall Bookbuild, please contact either of the Placing Agents, whose contact details are in the Corporate Directory at the rear of this Entitlement Offer Booklet.

1.8 Representations

By completing and returning your personalised Entitlement and Acceptance Form with a cheque for Application Monies or making a payment by Bpay®, you will be deemed to have represented:

(a) that you are an Eligible Shareholder; and

(b) on behalf of each person on whose account you are acting that: (i) you are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; (ii) you acknowledge that the New Shares have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and (iii) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

1.9 Enquiries

If you have any queries regarding your Entitlement, please contact Link Market Services Limited by telephone on +61 1300 730 659 or your broker or other professional advisor.

2. Details of the Entitlement Offer

2.1 Purpose of the Capital Raising

The funds of approximately \$102,609,852 sought to be raised by the Entitlement Offer (after allowing for the Costs of Issue) will be invested in accordance with DUI's investment objectives and policy (see paragraph 3.1).

The Directors see advantages in the Company raising additional funds in order to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Issue will also provide shareholders with the opportunity to increase their investment in the Company, improve liquidity in the trading of the Company's shares and lower the management expense ratio.

When the funds are received from the issue of New Shares the Company is likely to move its international investments target allocation from 5% towards 10% of the portfolio. This will enable the Company to increase its exposure to world equity markets and, in particular, world technology companies and a broader range of companies in the health sector, including the major pharmaceutical companies. At 30 September 2014 international investments represented approximately 3% of the portfolio.

To the extent the Company invests internationally the Company is likely to invest in securities with lower dividend yields than from the Australian market and the dividends to shareholders are therefore more likely to be steady rather than increasing over the next few years. The Company will however be introducing more diversification into the portfolio and potential for greater capital appreciation.

2.2 Entitlement Offer

Shareholders who are registered at 7.00pm AEDT on 13 October 2014 and whose registered addresses are in Australia and New Zealand will be offered the renounceable right to acquire New Shares in the ratio of one New Share for every five Existing Shares then held at a price of \$3.00 per New Share. Approximately 34,303,284 New Shares will be issued to raise approximately \$102,609,852 (after allowing for the Costs of Issue).

Your Entitlement to New Shares is shown on the accompanying Entitlement and Acceptance Form. In calculating Entitlements to New Shares, fractional Entitlements have been rounded up to the nearest whole share. Shares held on separate sub-registers for the same holder have not been aggregated. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "DUIN") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2015 when the New Shares will trade under the Company's ASX Code of 'DUI' for Existing Shares and will rank equally in all respects with Existing Shares.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person.

DUI reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

The closing time and date for acceptance of the Entitlement Offer is 5.00pm AEDT on 31 October 2014.

The Offer Price for New Shares is payable in full on application.

2.3 Placing Agents

Evans and Partners and Dixon Advisory have been appointed by the Company as Placing Agents to the Issue. DUI has agreed to pay Dixons Advisory an administration fee of \$50,000. In investing the portfolio using the proceeds of the Issue, DUI has agreed to execute transactions up to a value of \$40 million through Evans and Partners at their usual brokerage rate of 0.20%.

The Placing Agents will jointly receive a total fee of 1% of the amount paid for New Shares issued via the Shortfall Bookbuild. This fee will be payable out of the proceeds of the sale of such New Shares to the extent that the proceeds exceed the Offer Price (and otherwise will be paid by the Company in part or in whole where the proceeds of the sale for New Shares under the Shortfall Bookbuild are less than \$3.03 per New Share). Shares will not be sold for less than \$3.00 in the Shortfall Bookbuild. Neither of Evans and Partners and Dixon Advisory have made any statement that is included in this Entitlement Offer Booklet or any statement on which a statement made in the Entitlement Offer Booklet is based. Each of Evans and Partners and Dixon Advisory expressly disclaim and take no responsibility for any statements in or omissions from this Entitlement Offer Booklet. This applies to the maximum extent permitted by law.

2.4 Rights of New Shares

The New Shares will not receive the interim dividend in respect of the year to 30 June 2015 expected to be paid in March 2014, and accordingly the first dividend receivable on the New Shares will be the final dividend in respect of the year ending 30 June 2015 expected to be paid in September 2015.

If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "DUIN") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2015 when the New Shares will trade under the Company's ASX Code of 'DUI' for Existing Shares and will rank equally in all respects with Existing Shares.

2.5 Rights trading and ASX quotation

The rights to the New Shares are renounceable. Subject to ASX approval, rights trading will occur on the ASX from 9 October 2014 to 24 October 2014.

2.6 Market price

The latest available market sale price of the Existing Shares on the ASX at close of trading on 6 October 2014 was \$3.56, being the day prior to the announcement of the Issue.

2.7 Minimum subscription

There is no minimum subscription in relation to the Issue.

2.8 Issue

No issue of New Shares will be made until the proceeds for payment of the Issue have been received and permission is granted for quotation of the New Shares on ASX. If ASX does not permit quotation, the Application Monies will be refunded in full. Interest will not be paid on any refunds.

It is expected that New Shares will be issued on or about 10 November 2014. Following the issue of the new Shares under this Entitlement Offer Booklet, successful Applicants will be sent an Issuer Sponsored Holding statement or Broker Sponsored statement that sets out the number of New Shares issued to that person. These statements are expected to be issued on or after 10 November 2014.

2.9 Underwriting and expenses of the Issue

The issue will not be underwritten.

The Costs of the Issue payable by DUI, are estimated to be approximately \$300,000. The Costs of the Issue are described in the Glossary at the rear of this booklet.

2.10 Foreign jurisdictions

Shareholders with addresses in countries other than Australia and New Zealand will not be eligible to participate in the Entitlement Offer because the Company has decided it is not reasonable to offer securities to persons in other countries having regard to the number of shareholders in each country, the number and value of the securities that would be offered to them and the cost of complying with the laws of such other country.

This Entitlement Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Entitlement Offer Booklet has not been registered, filed or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Entitlement Offer Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Entitlement Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Entitlement Offer Booklet (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Entitlement Offer Booklet or information about the Entitlement Offer, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

For the above reasons, no Entitlement and Acceptance Forms are being sent to any person whose registered address is in any country other than Australia and New Zealand. DUI is not required to determine whether or not any registered holder is acting as a nominee of, or identify the residence of, any beneficial owners of Existing Shares. Where any holder is acting as a nominee for a foreign person that holder in dealing with its beneficiary will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

The Entitlements of shareholders who are not Eligible Shareholders will be sold (provided there is an available market for them and a premium over the expenses of sale can be obtained) by a nominee appointed by DUI, at prices and in the manner determined by the nominee in its discretion for the benefit of those shareholders. Neither DUI nor the nominee will be liable for any failure to sell the rights at a particular price or time, or at all. The net proceeds of any sale will be distributed in Australian dollars to shareholders on whose behalf the rights were sold. If the nominee considers that there is not an available market for the rights, unless the Company elects to deal with them under the process for dealing with the Shortfall, the Entitlements will be allowed to lapse.

2.11 Process for dealing with Shortfall

If there is a Shortfall, the Shortfall may be placed, at the discretion of the Company after the conduct of a Shortfall Bookbuild by the Placing Agents, to Eligible Shareholders or new professional or sophisticated investors. Any net proceeds from such sale (being the gross proceeds from the sale less the Offer Price and the fees and other costs of the Placing Agents) will be distributed in due proportion to the shareholders whose Entitlements were neither sold nor taken up by the closing date.

Neither the Company nor the Placing Agents will be liable for any failure to arrange for the issue of any New Shares in respect of Entitlements neither sold nor taken up by the closing date at a particular price or time, or at all. **As there can be no guarantee that there will be any net proceeds, it is important that Eligible Shareholders take action either to take up or sell their Entitlements.**

Should you wish to purchase additional New Shares through the Shortfall Bookbuild, please contact either of the Placing Agents, whose contact details are in the Corporate Directory at the rear of this Entitlement Offer Booklet.

3. Investment Policy and Performance

3.1 Investment Policy

The objective of the Company is to seek a mixture of current income and longer term capital gain within an acceptable level of risk.

The investment philosophy of the Company is to take a medium to long term view and to invest in a diversified portfolio of Australian equities. The portfolio may also include international equities, fixed interest securities, listed property trusts and short term deposits.

Investments are purchased or subscribed for on the basis of the Directors' assessment of their prospects for income and growth. The Directors do not invest by reference to any pre-determined policy that any particular proportion of the capital will be invested in particular investment sectors.

3.2 Investment Portfolio

As at 30 September 2014, the equity portfolio of DUI was invested in Australian listed securities and was spread over 44 companies and trusts. The market value of the investment portfolio (including the cash management trust investments) was \$709,506,000.

As at 30 September 2014, the value of the twenty five largest shareholdings of the Company calculated at market prices was as follows:

| <i>Company</i> | <i>Market Value \$'000</i> | <i>% of Market Value of Total Investments</i> |
|---|--------------------------------|---|
| 1. Commonwealth Bank of Australia Ltd | 60,232 | 8.5% |
| 2. ANZ Banking Group Ltd | 58,748 | 8.3% |
| 3. Westpac Banking Corporation Ltd | 57,852 | 8.2% |
| 4. BHP Billiton Ltd | 54,192 | 7.6% |
| 5. CSL Ltd | 41,906 | 5.9% |
| 6. Woodside Petroleum Ltd | 40,600 | 5.7% |
| 7. National Australia Bank Ltd | 39,048 | 5.5% |
| 8. Rio Tinto Ltd | 35,748 | 5.0% |
| 9. Transurban Group | 28,564 | 4.0% |
| 10. Woolworths Ltd | 23,968 | 3.4% |
| 11. Wesfarmers Ltd | 18,972 | 2.7% |
| 12. Origin Energy Ltd | 17,964 | 2.5% |
| 13. Washington H Soul Pattinson & Co Ltd | 14,500 | 2.0% |
| 14. AMP Ltd | 13,650 | 1.9% |
| 15. Oil Search Ltd | 13,380 | 1.9% |
| 16. Computershare Ltd | 12,160 | 1.7% |
| 17. Asciano Ltd | 12,100 | 1.7% |
| 18. Mystate Ltd | 11,752 | 1.7% |
| 19. Vanguard US Total Market Shares Index ETF | 11,632 | 1.6% |
| 20. Vanguard All-World Ex-US Shares Index ETF | 10,988 | 1.6% |
| 21. QBE Insurance Group Ltd | 10,786 | 1.5% |
| 22. Scentre Group | 7,915 | 1.1% |
| 23. Westfield Corporation | 7,450 | 1.1% |
| 24. Perpetual Ltd | 7,069 | 1.0% |
| 25. Brickworks Ltd | 6,730 | 1.0% |
| | 617,906 | 87.1% |
| Total Investments at Market Value, Short Term Receivables and Cash | 709,506 | |

3.3 Dividends and Underlying Earnings Per Existing Share

Dividends paid and underlying earnings per Existing Shares in respect of each of the last 5 completed financial years are as follows:

| Year Ended 30 June | Dividends (cents per share) | Underlying earnings (cents per share) |
|-----------------------|--------------------------------|--|
| 2014 | 14.0 | 15.0 |
| 2013 | 13.5 | 13.5 |
| 2012 | 13.0 | 13.1 |
| 2011 | 13.0 | 12.5 |
| 2010 | 13.0 | 11.1 |

Underlying earnings per share excludes both special dividends received by the Company and net realised capital gains or losses on long term investments.

A final dividend of 7.5 cents per share has been declared for the 2013/14 financial year (the final dividend that was paid in 2013 was 7.5 cents).

All dividends referred to above were fully franked. The balance of the Company's franking account at 30 June 2014 (after adjusting for the final dividend paid on 25 September 2014) was \$10,117,250. It is the Directors' expectation that both the next interim dividend (not to be paid on the New Shares) and the final dividend for the year ending 30 June 2015 will be fully franked.

The Board expects to maintain the current interim dividend rate for Existing Shares of 6.5 cents per share in respect of the year ending 30 June 2015 and expects, in the absence of unforeseen circumstances, to maintain the current annual dividend rate of 14 cents per share on the increased capital. From time to time the Company may be able to include Listed Investment Company capital gains in its usual dividend. When distributed, Listed Investment Company capital gains may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement. The interim and final dividends paid in respect of the 2013/14 financial year did not include any Listed Investment Company capital gains. The balance of the Company's Listed Investment Company Capital Gain Account at 30 June 2014 was \$152,092.

3.4 Net Tangible Asset Backing

DUI's net tangible asset backing per share (based on investments at market values, after provision for tax on net realised gains but not on unrealised gains and before provision for the final dividend) has moved over the last 5 years as follows:

| | |
|--------------|---|
| 30 June 2014 | \$3.79 |
| 30 June 2013 | \$3.28 |
| 30 June 2012 | \$2.72 |
| 30 June 2011 | \$3.08 (after share purchase plan – 2,351,680 shares at \$2.81, October 2010) |
| 30 June 2010 | \$2.94 (after placement of 7,211,282 shares at \$3.18, April 2010) |

The unaudited net tangible asset backing of DUI's ordinary shares at 30 September 2014 was \$3.70. This net asset backing calculation is based on investments at market value, is after tax on realised gains, before any future tax benefit of realised losses, and before estimated tax on net unrealised gains/losses. DUI is a long term investor and does not intend disposing of its portfolio. However, under current accounting standards the Company is required to provide for estimated tax on any net gains that would arise on such a theoretical disposal. After deducting this provision, the above figure at 30 September 2014 would be \$3.20 per share.

3.5 Performance

The Company's performance (assuming all dividends paid by the Company were re-invested in its shares) is as follows:

| <u>Periods Ended 30 June 2014</u> | <u>DUI Net Asset Backing Accumulation % p.a.</u> | <u>DUI Share Price Accumulation % p.a.</u> | <u>S&P ASX 300 Accumulation Index % p.a.</u> |
|---|--|--|--|
| 1 Year | 20.1 | 25.1 | 17.3 |
| 3 Years | 11.8 | 15.2 | 10.0 |
| 5 Years | 11.9 | 11.7 | 11.0 |
| 10 Years | 10.4 | 11.4 | 9.0 |

The Company's net asset backing accumulation performance is after all expenses, tax, and the impact of the Company's gearing. Such items are not included in the S&P/ASX indices.

4. Risk factors

There are a number of factors, both specific to DUI and of a general nature, which may affect the future operating and financial performance of DUI and the value of an investment in DUI. Some of these factors can be mitigated by appropriate commercial action. However many are outside the control of DUI and are dependent on the policies adopted and approaches taken by regulatory authorities or otherwise cannot be mitigated. This section describes some of the risks associated with an investment in DUI.

Before deciding to invest in DUI, prospective investors should consider carefully the following factors, as well as the other information contained in this Entitlement Offer Booklet and, if they consider appropriate, take professional advice from their broker or other professional advisor.

4.1 General risk factors

General factors which may have a significant impact on the future performance of DUI include:

- domestic and international economic conditions;
- the impact of the global security situation, possible terrorist disturbances and possible pandemics;
- regulatory and Governmental policy changes;
- the level of interest rates;
- movements in foreign exchange rates;
- any changes which may occur to the taxation of company income and capital gains; and
- any changes to the system of dividend imputation in Australia.

4.2 Risk factors specific to DUI

Company specific factors which may have a significant impact on the future performance of DUI include:

- the success of the investment strategies of DUI;
- the performance of the specific entities in which DUI invests;
- the level of distributions paid by the entities in which DUI invests;
- the market prices of the securities in which DUI invests;
- the market liquidity of the securities in which DUI invests;
- the level of borrowing which DUI undertakes (also known as gearing);
- the impact of the Australian financial services licensing requirements under the Corporations Act should DUI's business become a financial services business under that law; and

- requirements of Australian tax law in relation to Listed Investment Companies. DUI currently complies with the conditions set out in the Australian tax law for it to be regarded as a Listed Investment Company. As such it may be able from time to time to distribute Listed Investment Company capital gains which may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement. DUI's ability to continue to pass on such benefits, should they arise in future, depends on it continuing to satisfy the particular requirements of Australian tax law.
- For the period that the New Shares are trading under the separate ASX Code (expected to be 'DUIN') the market in them may be less liquid than the market for the Existing Shares.

4.3 Dividend risk factors

The ability of DUI to maintain its current level of fully franked dividends is dependent on a number of issues, the most important of which is DUI's profit performance. DUI's profit is affected by a number of items in any financial year:

- the dividend and distribution policies of the entities in which DUI invests, including the level of franking attached to the payment of dividends to DUI;
- other sources of income, if any, such as interest, option premiums, any trading profits from a trading account and underwriting fees;
- the level of fees and expenses incurred in administering DUI;
- the level of borrowings, that DUI has and the consequent interest charge;
- the amount of tax payable by DUI;
- the amount of net realised capital gains or losses; and

DUI is also able to source the dividends it pays to shareholders from retained earnings and from realised gains made on the sale of investments which are included in the Realisation reserve. In certain circumstances, Directors would consider accessing these reserves where they deem it appropriate.

5. Additional Information

5.1 Nature of this Entitlement Offer Booklet

This Entitlement Offer Booklet relates to an Entitlement Offer for continuously quoted securities. The information in this Entitlement Offer Booklet principally concerns the terms and conditions of the Entitlement Offer and information necessary to make an informed assessment of:

- the effect of the Issue on DUI; and
- the rights and liabilities attaching to the New Shares.

This Entitlement Offer Booklet does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity not already listed on the ASX. DUI has been listed on the ASX since 19 December 1991. During this time DUI has been subject to disclosure requirements under the Corporations Act (and its predecessor legislation) and the Listing Rules.

DUI has, since listing, provided the ASX with a substantial amount of information regarding its activities and that information is publicly available at asx.com.au. This Entitlement Offer Booklet is intended to be read in conjunction with that publicly available information. Investors considering the sale or acceptance of their rights, and taking up their Entitlement to New Shares, should therefore also have regard to that publicly available information before making an investment decision.

This Entitlement Offer Booklet contains general information only, which has been prepared without taking account of the objectives, financial situation or needs of any particular person. Because of that, before acting on the Entitlement Offer Booklet, any prospective investor should consider the appropriateness of the information to their objectives, financial situation and needs and consult a professional advisor where necessary.

5.2 Regular reporting and disclosure obligations

DUI is a disclosing entity for the purposes of the Corporations Act. As such it is subject to regular reporting and disclosure obligations including under the Listing Rules. The Listing Rules require DUI to notify ASX of information about specified events and matters as they arise for the purposes of the ASX making that information available to the financial market conducted by the ASX. In particular, DUI has an obligation (subject to certain limited exceptions) to notify the ASX immediately of any information of which it becomes aware concerning DUI which a reasonable person would expect to have a material effect on the price or value of its shares. All such disclosures are available at www.asx.com.au. You have the opportunity to access any information about DUI which has previously been disclosed to ASX. In particular, please refer to DUI's Annual Report for the year ended 30 June 2014. You should also have regard to any further announcements which may be made by DUI to ASX after the date of this Entitlement Offer Booklet.

5.3 Effect of the Issue on DUI

The Directors see advantages in the Company raising additional funds in order to invest in new opportunities and to re-balance the portfolio without having to sell long-term investments. The Issue will also provide shareholders with the opportunity to increase their investment in the Company, improve liquidity in the trading of the Company's shares and lower the management expense ratio.

When the funds are received from the issue of New Shares the Company is likely to move its international investments target allocation from 5% towards 10% of the portfolio. This will enable the Company to increase its exposure to world equity markets and, in particular, world technology companies and a broader range of companies in the health sector, including the major pharmaceutical companies. At 30 September 2014 international investments represented approximately 3% of the portfolio.

To the extent that the Company invests internationally it is likely to invest in securities with lower dividend yields than from the Australian market and dividends to shareholders are therefore more likely to be steady rather than increasing over the next few years. The new international investments will however introduce more diversification into the portfolio and potential for greater capital appreciation.

The funds raised from the Issue will initially be held in short term investments in bank deposits or in cash management trust units.

The effect on DUI of the offer to shareholders made under this Entitlement Offer Booklet is dependent on the success of the Issue. If all the New Shares had been issued on **30 September 2014**, the offer would have resulted in the issued capital and net asset backing per share of DUI altering approximately as shown below:

| Issued Capital | Number | Share Capital \$ |
|---|--------------------|-------------------------|
| Ordinary Shares as at 30 September 2014 | 171, 516,421 | 311,924,220 |
| Shares to be issued under the Issue – approximately | 34,303,284 | 102,909,852 |
| Cost of the Issue (estimated) ⁽³⁾ | | (300,000) |
| Total issued Capital after the Issue – approximately | 205,819,705 | 414,534,072 |

Net Asset Backing

| Pre issue Net Asset Backing per share at 30 September 2014 | Post issue effect on Net Asset Backing per share at 30 September 2014 |
|---|--|
| \$3.70 ⁽¹⁾ | Approximately \$3.58 ⁽¹⁾ |
| \$3.20 ⁽²⁾ | Approximately \$3.16 ⁽²⁾ |

(1) After allowing for tax on realised but not unrealised capital gains and before any future tax benefit of realised losses.

(2) After allowing for tax on both realised and unrealised capital gains.

(3) Costs of the Issue are described in the Glossary at the rear of this booklet.

A pro forma Balance Sheet for DUI is provided below showing the net effect of the payment of the final dividend on 25 September 2014 and of the Issue, as if those events had occurred on 30 June 2014 without allowance for rounding and assuming the Issue is fully subscribed. The pro forma Balance Sheet is based on DUI's financial statements for the year ended 30 June 2014 which have been subject to an audit.

| | <i>Balance Sheet as at 30 June 2014</i> | <i>Adjustments for Final Dividend (Note 1)</i> | <i>Adjustments for Rights Issue (Note 2)</i> | <i>Pro forma Balance Sheet</i> |
|--------------------------------------|---|--|--|--|
| | \$'000's | \$'000's | \$'000's | \$'000's |
| CURRENT ASSETS | | | | |
| Cash assets | 6,868 | (11,277) | 102,900 | 98,491 |
| Receivables | 6,480 | | | 6,480 |
| Other | 47 | | | 47 |
| TOTAL CURRENT ASSETS | <u>13,395</u> | <u>(11,277)</u> | <u>102,900</u> | <u>105,018</u> |
| NON-CURRENT ASSETS | | | | |
| Investment portfolio | <u>700,101</u> | | | <u>700,101</u> |
| TOTAL NON-CURRENT ASSETS | <u>700,101</u> | | | <u>700,101</u> |
| TOTAL ASSETS | <u>713,496</u> | | | <u>805,119</u> |
| CURRENT LIABILITIES | | | | |
| Payables | 159 | | 300 | 459 |
| Current tax payable | <u>101</u> | | | <u>101</u> |
| TOTAL CURRENT LIABILITIES | <u>260</u> | | <u>300</u> | <u>560</u> |
| NON-CURRENT LIABILITIES | | | | |
| Borrowings – interest bearing | 64,780 | | | 64,780 |
| Deferred tax liability | <u>89,226</u> | | | <u>89,226</u> |
| TOTAL NON-CURRENT LIABILITIES | <u>154,006</u> | | | <u>154,006</u> |
| TOTAL LIABILITIES | <u>154,266</u> | | <u>300</u> | <u>154,566</u> |
| NET ASSETS | <u>559,230</u> | <u>11,227</u> | <u>102,600</u> | <u>650,553</u> |
| EQUITY | | | | |
| Issued capital | 310,364 | 1,566 | 102,600 | 414,530 |
| Reserves and Retained Earnings | <u>248,866</u> | <u>(12,843)</u> | | <u>236,023</u> |
| TOTAL EQUITY | <u>559,230</u> | <u>11,277</u> | <u>102,600</u> | <u>650,553</u> |

Note 1: Adjustments for fully franked final dividend of 7.5 cents, paid 25 September 2014 and new shares issued under the dividend reinvestment plan (DRP). The new DRP shares are eligible to participate in the one for five renounceable rights issue.

Note 2: Adjustments for the one for five renounceable rights issue at \$3.00 per New Share made in this Entitlement Offer Booklet. An accrual for \$300,000 relating to the Costs of the Issue has been made. Costs of the Issue are described in the Glossary at the rear of this booklet.

5.4 Effect of the Entitlement Offer on shareholdings

If all Entitlements are accepted by existing shareholders to the full extent, then the Entitlement Offer will not result in any change to the control of DUI.

To the extent that Eligible Shareholders do not participate by selling or failing to take up their Entitlements and to the extent that there are existing shareholders who are not eligible to participate, the shareholding interest of those non-participating shareholders will be diluted.

The Directors have been advised by The Ian Potter Foundation Ltd as trustee for both the Ian Potter Foundation and the George Alexander Foundation that it intends to subscribe for its Entitlement to the Issue in full (including the Entitlement of its controlled entity, Dundee Trading Pty Ltd) in the absence of unforeseen circumstances.

Notwithstanding that existing shareholders may take up New Shares in excess of their Entitlements or new professional or sophisticated investors may acquire New Shares by participating in rights trading or the Shortfall Bookbuild, the Directors do not anticipate that this will result in a change of control.

5.5 Borrowings

At 30 September 2015 bank borrowings were \$75.0 million (30 June 2014 \$65.0 million) modestly gearing the portfolio by around 10% (30 June 2014 9.0%). At 30 September 2015, bank facilities of approximately \$15 million will mature and become repayable within 12 months.

The level of gearing will vary from time to time as a result of market fluctuations and the Directors' view of the appropriate level of borrowings. In recent years bank borrowings have usually represented around 10%-12% of the investment portfolio at market value.

5.5 Rights attaching to the New Shares

The New Shares will not receive the interim dividend in respect of the year to 30 June 2015 expected to be paid in March 2015, and accordingly the first dividend receivable on the New Shares will be the final dividend in respect of the year to 30 June 2015, expected to be paid in September 2015. If permission is given for official quotation, the New Shares will trade under a separate ASX code (expected to be "DUIN") until the Existing Shares trade ex the interim dividend payable in respect of the year ending 30 June 2015 when the New Shares will trade under the Company's ASX Code of 'DUI' for Existing Shares and will rank equally in all respects with Existing Shares.

The Issue is not underwritten.

Eligible Shareholders may choose to apply for all or some of their Entitlement, sell some or all of their Entitlements, subject to the availability of buyers, or do nothing. The Entitlements will trade on the ASX during the rights trading period under the ASX code 'DUIR'. If you wish to sell your Entitlements you should contact your broker or other professional advisor.

If you wish to purchase additional rights to New Shares during the rights trading period, please contact your broker or other professional advisor.

5.7 Interest on Application Monies

DUI will be entitled to all interest paid or accrued on Application Monies held in trust by DUI from the date of receipt of the Application Monies to the date of issue of the New Shares to which the Application Monies relate.

5.8 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares or selling your Entitlements.

DUI does not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under the Entitlement Offer. DUI, its advisors and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should consult their professional tax advisor in connection with subscribing for New Shares under this Entitlement Offer Booklet or selling their Entitlements.

5.9 Future performance and forward-looking statements

Neither DUI nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. This Entitlement Offer Booklet contains certain "forward-looking statements". Forward-looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions are intended to identify forward-looking statements within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this Entitlement Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including forecasts, projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements only speak as to the date of this Entitlement Offer Booklet and DUI assumes no obligation to update such information. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of DUI and its Directors, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Entitlement Offer Booklet.

5.10 Past performance

Investors should note that the past share price performance of DUI shares provides no guidance as to future share price performance. For further information, please see past announcements released to the ASX.

5.11 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

5.12 Not investment or financial product advice

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. DUI is not licensed to provide financial product advice in respect of the New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this Entitlement Offer Booklet, you have any questions about the Entitlement Offer, you should contact your broker or other professional advisor.

5.13 Governing law

The information in this Entitlement Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

5.14 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Entitlement Offer Booklet.

Any information or representation that is not in this Entitlement Offer Booklet may not be relied on as having been authorised by DUI or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of DUI, or any other person, warrants or guarantees the future performance of DUI or any return on any investment made pursuant to this Entitlement Offer Booklet.

Glossary

In this Entitlement Offer Booklet:

AEDT means Australian Eastern Daylight Savings Time.

Applicant means a person who has applied to subscribe for New Shares under the Entitlement Offer.

Application Monies means the aggregate money payable for New Shares applied for under the Entitlement Offer by an Applicant.

ASIC means the Australian Securities and Investments Commission.

ASIC Instrument means any class order or other instrument issued by ASIC amending the provisions of the Corporations Act generally or in a specific instance.

ASX means Australian Securities Exchange Limited ABN 98 008 624 691.

Corporations Act means the Corporations Act 2001 (Cth) and any regulations made under it (including any modifications made by ASIC Instrument).

Costs of the Issue means the estimated costs directly associated with the Issue including legal fees, Share Registry fees, postage and printing costs, ASX Listing fees, the Dixon Advisory fee and sundry other items but excluding the 1% fee payable to the Placing Agents on the Shortfall Bookbuild which is only a cost to the Company in part or in whole where the amount paid for New Shares under the Shortfall Bookbuild is less than \$3.03.

Dixon Advisory means Dixon Advisory & Superannuation Services Limited.

DUI or the Company means Diversified United Investment Limited ABN 33 006 713 177.

Entitlement means the entitlement to 1 New Share for every 5 Existing Shares held on the Record Date.

Entitlement Offer means the pro rata renounceable rights offer to shareholders of approximately 34,303,284 New Shares in DUI in the proportion of 1 New Share for every 5 Existing Shares held on the Record Date at the Offer Price.

Entitlement Offer Booklet means this booklet dated 7 October 2014 including the Form.

Eligible Shareholders means a person who is registered as a holder of Existing Shares as at the Record Date whose address on the register is in Australia or New Zealand and who is not in the United States and is not a U.S. Person or acting for the account or benefit of U.S. Persons.

Evans and Partners means Evans and Partners Pty Ltd.

Existing Shares means fully paid ordinary shares in the Company on issue at the Record Date.

Form means the Entitlement and Acceptance Form.

Issue means the issue of New Shares pursuant to this Entitlement Offer Booklet.

Placing Agents means each of Evans and Partners and Dixon Advisory.

Listing Rules means the ASX listing rules.

New Shares means the fully paid ordinary shares in the Company to be issued pursuant to this Entitlement Offer Booklet.

Offer Price means the offer price of \$3.00 per New Share.

Glossary (continued)

Record Date means the time and date for determining which shareholders are registered as holders of Existing Shares, being 7.00pm AEDT on 13 October 2014.

Securities Act means the United States Securities Act of 1933, as amended.

Share Registry means Link Market Services Limited ABN 54 083 214 537.

Shortfall means a shortfall arising from Entitlements not taken up by the closing date for receipt of the Form.

Shortfall Bookbuild means the bookbuild which may be conducted by the Placing Agents with respect to the offer of New Shares in respect of the Shortfall. New Shares offered under the Shortfall Bookbuild will be sold at a price not less than the Offer Price.

U.S. Person has the meaning given to that term in Regulation S under the Securities Act.

Corporate Directory

Directors

Charles B Goode AC, B.Com (Hons) (Melb), MBA (Columbia), Hon.LLD (Melb), Hon LLD (Mon)
Anthony R Burgess B.Com (Hons) (Melb), MBA (Dist'n) (Harvard), CPA, F.Fin,
Stephen G Hiscock B.Com (Melb), M.App.Fin (Macq), F.Fin
Pierre R Prentice B.Com (Wellington N.Z.), CA,

Company Secretary

Andrew J Hancock, FCA, B.Ec (Mon), Grad. Dip. CDP (RMIT)

Principal Office

Level 20
101 Collins Street
Melbourne Vic 3000
Tel: (613) 9654 0499
Fax: (613) 9654 3499
Email: info@dui.com.au
Website: www.dui.com.au

Auditors

KPMG
Chartered Accountants
147 Collins Street
Melbourne Vic 3000

Legal Advisors to the Company

Minter Ellison, Lawyers
Level 23, North Tower
Rialto Towers
525 Collins Street
Melbourne Vic 3000

Share Registry

Link Market Services Limited
Level 12
680 George Street
Sydney NSW 2000
Locked Bag A14
Sydney South NSW 1235
Tel: (+61) 1300 730 659
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Registered Office

Level 20
101 Collins Street
Melbourne Vic 3000

Placing Agents

Evans and Partners Pty Ltd
Mayfair Building
171 Collins Street
Melbourne Vic 3000
Tel: (613) 9631 9827

Dixon Advisory & Superannuation Services Limited
Level 15
100 Pacific Highway
North Sydney NSW 2060
Tel: 1300 852 017

Securities Exchange

The Company is listed on the
Australian Securities Exchange Ltd
ASX Code: DUI