



**DJERRIWARRH
INVESTMENTS
LIMITED**
ABN 38 006 862 693

**APPENDIX 4D STATEMENT
FOR THE HALF-YEAR ENDING 31 DECEMBER 2010**

CONTENTS

- Results for announcement to the market
- Media Release
- Appendix 4D Accounts
- Independent Auditors' Review Report

This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2010 Annual Report.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half-year ended 31 December 2010 with the previous corresponding period being the half-year ended 31 December 2009.

Results for announcement to the market

- Net Operating Profit before net gains on investments was \$23.4 million, 16.2% up from \$20.1 million in the previous corresponding period. In the opinion of Directors, this is the better measure of the Company's performance in deriving on-going investment, trading and options income from the Company's portfolios.
- Reported profit for the half-year (including unrealised gains or losses on puttable instruments in the investment portfolio and on open options positions) was \$25.6 million, 68.9% up from \$15.1 million in the previous corresponding period which included realised capital losses on the Company's investment portfolio until its adoption of the new accounting standard AASB 9 on 7 December 2009.
- Revenue from operating activities (excluding capital gains) was \$22.3 million, 37.0% up from \$16.3 million in the previous corresponding period.
- The interim dividend of 10 cents per share fully franked, unchanged from the previous interim period, will be paid on 18 February 2011 to ordinary shareholders on the register on 3 February 2011.
- The final dividend for the 2010 financial year was 16 cents per share, fully franked, and it was paid to shareholders on 24 August 2010.
- The Company operates a Dividend Reinvestment Plan under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Shareholders should note that the Directors have determined that pricing of the new DRP shares will be based on a 2.5% discount (previously 5%) to the average selling price of shares traded on the Australian Securities Exchange in the five days from the day the shares begin trading on an ex-dividend basis. The last date for the receipt of an election notice for participation in the plan is 5.00 pm (Melbourne time) on 3 February 2011.
- Net tangible assets per share before any provision for deferred tax on the unrealised gains on the long-term investment portfolio as at 31 December 2010 were \$3.70 (before allowing for the interim dividend), down from \$4.06 (also before allowing for the interim dividend) at the end of the previous corresponding period.

RISING DIVIDEND INCOME INCREASES OPERATING PROFIT 16.2%
MEDIA RELEASE - HALF YEAR RESULT TO 31 DECEMBER 2010

17 January 2011

Net Operating Profit, which measures the underlying income generated from the investment and trading portfolios, for the six months to 31 December 2010 was \$23.4 million. This result is 16.2 percent higher than the corresponding figure of \$20.1 million last year. The increase was driven primarily by the recovery in dividends paid by companies in which Djerriwarrh invests, in particular the major banks, and by participation in the recent Woolworth's buy back of its shares.

Reported Profit for the half year was \$25.6 million versus \$15.1 million last year. These two figures are not directly comparable because of a change in accounting standards.

Djerriwarrh's interim dividend has been maintained at 10 cents per share fully franked. The discount on the Dividend Reinvestment Plan will be 2.5% (previously 5%). The current dividend yield on the share price is 6.2 percent fully franked.

The Australian market showed renewed confidence over the first half of this financial year as growth in China remained strong and evidence emerged of an improving economic environment in the United States. The Australian market benefited from these conditions with the resource and related sectors experiencing very strong returns with the S&P/ASX 200 Resources Accumulation Index up 23.5 percent over this six month period.

Djerriwarrh's portfolio return of 11.1 percent for the six months to 31 December 2010 was slightly behind the return of 12.8 percent for the S&P/ASX 200 Accumulation Index given the Company typically does not invest in the speculative end of the resources sector. However, these figures do not reflect the benefit of the fully-franked nature of the Company's high dividend yield, compared with the market.

Option writing activity which Djerriwarrh uses to enhance income was affected by the lower levels of option volatility given the more stable conditions that were experienced during the half. As a result the Company looked to increase its option coverage over the period particularly through buy-write activity in high yielding shares such as the ANZ and Commonwealth Bank. Djerriwarrh's other major purchases were in Orica, Coca Cola Amatil, Trust Company (which is a new stock in the portfolio with a high dividend yield) and Woolworths.

Major sales over the period occurred as a result of the strong rise in the share prices of Rio Tinto and Transurban which meant some call options on these stocks were exercised. However in most other instances a number of options in industrial and banking stocks expired out of the money as these sectors underperformed the market. In addition, where there was a prospect of being exercised on companies in rising sectors such as resources and energy, Djerriwarrh was also able to buy back option positions and move them to ones with higher exercise prices.

Please direct any enquiries to:

Bruce Teele
Chairman
(03) 9679 1361

Ross Barker
Managing Director
(03) 9924 0380

Geoff Driver
General Manager
(03) 9679 1659

MAJOR TRANSACTIONS IN THE INVESTMENT PORTFOLIO

Acquisitions (above \$5 million)	Cost (\$'000)
Australia and New Zealand Banking Group	12,132
Commonwealth Bank of Australia	9,813
Orica	6,437
Disposals (above \$5 million)	Proceeds (\$'000)
Rio Tinto*	9,061

*As a result of the exercise of call options.

TOP INVESTMENTS AS AT 31 DECEMBER 2010

Includes investments held in both the Investment and Trading Portfolios

Valued at closing prices at 31 December 2010

	Total Value \$ million
1 * BHP Billiton	111.6
2 * Westpac Banking Corporation	70.7
3 * Commonwealth Bank of Australia	55.7
4 * Australia & New Zealand Banking Group	49.1
5 * National Australia Bank	44.2
6 * Woodside Petroleum	40.2
7 Telstra Corporation	37.0
8 * Oil Search	33.6
9 * Santos	23.8
10 * QBE Insurance Group	23.0
11 Hastings Diversified Utilities Fund	20.7
12 * Woolworths	19.6
13 * AMP	18.8
14 * Brambles	18.1
15 AXA Asia Pacific Holdings	16.2
16 * Transurban Group	16.0
17 * Origin Energy	15.8
18 * Wesfarmers (a)	15.2
19 * Rio Tinto	14.9
20 * West Australian Newspapers Holdings	14.5
	<hr/> 658.7 <hr/>
As % of Total Portfolio Value (excludes Cash)	81.2%

(a) Includes \$4.2m WESN partially protected securities

*Indicates that options were outstanding against all or part of the holding



**DJERRIWARRH
INVESTMENTS
LIMITED**

ABN 38 006 862 693

**HALF-YEAR REPORT
31 DECEMBER 2010**

COMPANY PARTICULARS

Djerriwarrh Investments Limited (DJW)

ABN 38 006 862 693

DJW is a Listed Investment Company. As such it is an investor in equities and similar securities on the stock market primarily in Australia.

Directors: Bruce B. Teele, Chairman
Ross E. Barker, Managing Director
Peter C. Barnett
Terrence A. Campbell AO
Andrew F. Guy
Graham J. Kraehe AO
John Paterson, Deputy Chairman
Alice J. M. Williams

Company

Secretaries: Simon M. Pordage
Andrew J. B. Porter

Auditor: PricewaterhouseCoopers, Chartered Accountants

Country of incorporation: Australia

Registered office: Level 21
101 Collins Street
Melbourne, Victoria 3000

Contact Details: Mail Address: GPO Box 2114, Melbourne, Victoria 3001
Telephone: (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@djerricom.au
Internet address: www.djerricom.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone: 1800 780 784 (toll free)

Share Registrar: Computershare Investor Services Pty Limited

Mail Address: Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067

DJW Shareholder enquiry line: 1300 653 915
+613 9415 4190 (from overseas)

Facsimile: (03) 9473 2500
Email: web.queries@computershare.com.au
Internet: www.computershare.com.au

For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar as above.

Stock Exchange

Code: DJW Ordinary shares

DIRECTORS' REPORT

This report in relation to the half-year to 31 December 2010 is presented by the Directors of Djerriwarrh Investments Limited ('the Company') in accordance with a resolution of Directors.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

B.B. Teele (appointed November 1989)
R.E. Barker (appointed May 1988)
P.C. Barnett (appointed October 2007)
T.A. Campbell AO (appointed November 1989)
A.F. Guy (appointed December 1989)
G.J. Kraehe AO (appointed July 2002)
J. Paterson (appointed July 2002)
A.J.M. Williams (appointed May 2010)

Company operations and results

Overview

The Company offers its shareholders a medium for generating income from a diversified portfolio of equity and similar securities, predominantly in entities listed on the Australian Securities Exchange. There have been no changes in the nature of the Company's activities during the period. Its major objective is to provide attractive returns to its shareholders through dividends and capital growth. A high proportion of profits are paid out as dividends, which to date, have all been fully franked.

Performance Indicators and Outcomes

Djerriwarrh's Net Operating profit after tax was \$23.4 million, up from \$20.1 million or 16.2% over the corresponding period last year. This operating profit is made up primarily of dividends received from the investment portfolio, option income and revenue from the trading portfolio, and is reflective of the Company's investment activities.

The reported profit of the Company for the six months to 31 December 2010, which includes the unrealised gains or losses on open option positions in the options written portfolio and on puttable instruments in the investment portfolio, was \$25.6 million, up from \$15.1 million at the previous corresponding period. The profit for the comparative period also included realised losses on sales from the investment portfolio until 7 December 2009 which was the date of the adoption of a new accounting standard dealing with, amongst other things, the treatment of realised gains and losses from sales from the investment portfolio.

The Board has determined a fully franked interim dividend of 10 cents per share.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 10.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.



John Paterson
Deputy Chairman
Melbourne

17 January 2011

PricewaterhouseCoopers
ABN 52 780 433 757

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2 Southbank Boulevard
SOUTHBANK VIC 3006
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Auditor's Independence Declaration

As lead auditor for the review of Djerriwarrh Investments Limited for the half year ended 31 December 2010, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Djerriwarrh Investments Limited during the period.



David Coogan
Partner
PricewaterhouseCoopers

Melbourne
17 January 2011

INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Note	Half-year 2010 \$'000	Half-year 2009 \$'000
Dividends and distributions		21,368	15,973
Revenue from deposits and bank bills		962	321
Total revenue		22,330	16,294
Net gains on trading portfolio		1,168	1,586
Income from options written portfolio		4,190	6,829
Other income		-	93
Income from operating activities	3	27,688	24,802
Finance costs		(1,987)	(2,015)
Administration expenses		(1,718)	(1,633)
Share of net profit from Associate		109	139
Operating profit before income tax expense		24,092	21,293
Income tax expense*		(692)	(1,152)
Net operating profit for the half-year		23,400	20,141
Net gains/(losses) on open options positions		(1,914)	(4,647)
Deferred tax on net gains/(losses) on open options positions*		574	1,394
Net losses on securities sold from the investment portfolio before 7 December 2009		-	(11,050)
Tax credit on losses on securities sold from the investment portfolio*		-	9,294
Net gains/(losses) on puttable instruments		4,996	-
Tax (expense)/credit on net gains/(losses) on puttable instruments*		(1,499)	-
		2,157	(5,009)
Profit for the half-year		25,557	15,132
		Cents	Cents
Basic earnings per share	9	11.98	7.23
		Half-year 2010 \$'000	Half-year 2009 \$'000
* Total Tax Expense/(Credit)		1,617	(9,536)

This Income Statement should be read in conjunction with the accompanying notes

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-Year to 31 December 2010			Half-Year to 31 December 2009		
	Revenue \$'000	Capital \$'000	Total \$000	Revenue \$'000	Capital \$'000	Total \$'000
Net Profit	23,400	2,157	25,557	20,141	(5,009)	15,132
Other Comprehensive Income						
Unrealised gains/(losses) for the period on securities in the portfolio at 31 December	-	54,813	54,813	-	154,097	154,097
Deferred tax (expense)/credit on above	-	(16,925)	(16,925)	-	(45,878)	(45,878)
Plus gains/(losses) for the period on securities realised before 7 December 2009	-	-	-	-	38	38
Tax credit/(expense) on above	-	-	-	-	(27)	(27)
Plus gains/(losses) for the period on securities realised after 7 December 2009	-	(953)	(953)	-	1,523	1,523
Tax credit/(expense) on above	-	289	289	-	(1,035)	(1,035)
Transfer to Income Statement of cumulative losses on investments realised prior to 7 December 2009	-	-	-	-	11,050	11,050
Tax credit on above	-	-	-	-	(9,294)	(9,294)
Net movement in fair value of swap contracts	-	473	473	-	279	279
Total other comprehensive income ^{1,3}	-	37,697	37,697	-	110,753	110,753
Total comprehensive income ²	23,400	39,854	63,254	20,141	105,744	125,885

¹ Net capital gains/(losses) not recorded through the Income Statement.

² This is the company's Net Return for the year, which includes the Net Operating Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio and net gains/(losses) on open options positions.

³ Total tax movement in Other Comprehensive Income : 2010 - \$(16.6)m; 2009 - \$(56.2)m.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 31 DECEMBER 2010

		31 Dec 2010 \$'000	30 June 2010 \$'000
	Note		
Current assets			
Cash		28,750	69,706
Receivables		1,623	6,459
Interest-rate hedging contracts		149	-
Trading portfolio	4	18,651	10,497
Total current assets		49,173	86,662
Non-current assets			
Investment portfolio		800,222	712,993
Shares in associate		540	465
Deferred tax assets		-	1,214
Total non-current assets		800,762	714,672
Total assets		849,935	801,334
Current liabilities			
Payables		1,423	2,563
Tax payable		174	4,794
Borrowings – bank debt		50,000	50,000
Interest-rate hedging contracts		-	324
Options written portfolio	5	7,367	3,235
Total current liabilities		58,964	60,916
Non-current liabilities			
Deferred tax liabilities - other		198	-
Deferred tax liabilities - investment portfolio	6	30,098	14,202
Total non-current liabilities		30,296	14,202
Total liabilities		89,260	75,118
Net Assets		760,675	726,216
Shareholders' equity			
Share Capital	7	616,628	611,436
Revaluation Reserve		46,724	4,045
Realised Capital Gains Reserve		38,905	49,360
Interest-rate Hedging Reserve		149	(324)
Retained Profits		58,269	61,699
Total shareholders' equity		760,675	726,216

This Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

Half-Year 2010	Note	Share Capital \$000	Revaluation Reserve \$000	Realised Capital Gains \$000	Interest- Rate Hedging \$000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		611,436	4,045	49,360	(324)	61,699	726,216
Dividends paid	8	-	-	(8,497)	-	(25,490)	(33,987)
Shares issued - Dividend Reinvestment Plan	7	5,192	-	-	-	-	5,192
Total transactions with share-holders		5,192	-	(8,497)	-	(25,490)	(28,795)
Profit for the half-year		-	3,497	-	-	22,060	25,557
Other Comprehensive Income							
Net unrealised gains for the period for investments held at 31 December		-	37,888	-	-	-	37,888
Net losses for the period on investments sold		-	(664)	-	-	-	(664)
Transfer to Realised Capital Gains Reserve of net cumulative losses on investments sold		-	1,958	(1,958)	-	-	-
Net movement in fair value of swap contracts		-	-	-	473	-	473
Other Comprehensive Income for the half-year		-	39,182	(1,958)	473	-	37,697
Total equity at the end of the half-year		616,628	46,724	38,905	149	58,269	760,675

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2010 (2009 COMPARATIVES)

Half-Year 2009	Note	Share Capital \$000	Revaluation Reserve \$000	'Impairment' Revaluation Charge \$000	Realised Capital Gains \$000	Interest- Rate Hedging \$000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year (as reported)		587,649	(11,350)	(49,690)	86,600	(279)	64,746	677,676
Adoption of AASB 9		-	(47,417)	47,417	-	-	-	-
Revised total equity at the beginning of the half-year		587,649	(58,767)	(2,273)	86,600	(279)	64,746	677,676
Dividends paid	8	-	-	-	(8,256)	-	(24,769)	(33,025)
Shares issued - Dividend Reinvestment Plan		4,916	-	-	-	-	-	4,916
- Exercise of Convertible Notes		15,752	-	-	-	-	-	15,752
Total transactions with share-holders		20,668	-	-	(8,256)	-	(24,769)	(12,357)
Profit for the half-year		-	-	-	(1,756)	-	16,888	15,132
Transfer of Impairment Charge Reserve		-	-	2,273	(2,273)	-	-	-
Other Comprehensive Income								
Net unrealised gains for the period for investments held at 31 December		-	108,219	-	-	-	-	108,219
Net gains for the period on investments realised before 7 December 2009		-	11	-	-	-	-	11
Transfer to Income Statement of cumulative losses on investments realised before 7 December 2009		-	1,756	-	-	-	-	1,756
Net gains for the period on investments realised after 7 December 2009		-	488	-	-	-	-	488
Transfer to Realised Capital Gains serve of cumulative gains on investments realised after 7 December 2009		-	(527)	-	527	-	-	-
Net movement in fair value of swap contracts		-	-	-	-	279	-	279
Other Comprehensive Income for the half-year		-	109,947	-	527	279	-	110,753
Total equity at the end of the half-year		608,317	51,180	-	74,842	-	56,865	791,204

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

	Half-year 2010 \$'000 INFLOWS/ (OUTFLOWS)	Half-year 2009 \$'000 INFLOWS/ (OUTFLOWS)
Cash flows from operating activities		
Sales from trading portfolio	6,875	11,254
Purchases for trading portfolio	(10,165)	(14,417)
Interest received	1,413	462
Proceeds from entering into options in options written portfolio	12,526	24,810
Payment to close out options in options written portfolio	(6,118)	(22,447)
Dividends and distributions received	15,136	11,573
	<u>19,667</u>	<u>11,235</u>
Other receipts	-	93
Administration expenses	(1,709)	(1,629)
Finance costs paid	(2,020)	(3,091)
Taxes paid	(5,535)	(4,228)
Net cash inflow/(outflow) from operating activities	<u>10,403</u>	<u>2,380</u>
Cash flows from investing activities		
Sales from investment portfolio	15,756	108,941
Purchases for investment portfolio	(38,319)	(24,665)
Net cash inflow/(outflow) from investing activities	<u>(22,563)</u>	<u>84,276</u>
Cash flows from financing activities		
Proceeds from borrowings	-	145,000
Repayment of borrowings	-	(221,250)
Payment for shares bought back	-	-
Share Issue Costs	(13)	-
Dividends paid	(28,783)	(28,106)
Net cash inflow/(outflow) from financing activities	<u>(28,796)</u>	<u>(104,356)</u>
Net increase/(decrease) in cash held	(40,956)	(17,700)
Cash at the beginning of the half-year	69,706	57,905
Cash at the end of the half-year	<u>28,750</u>	<u>40,205</u>

This cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2010

1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2010 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

In the interests of transparency in its reporting, the Company uses the phrase "market value" in place of the AASB terminology "fair value for actively traded securities as quoted on the ASX."

2. Financial reporting by segments

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

3. Income from operating activities

	Half-year 2010 \$'000	Half-year 2009 \$'000
Income from operating activities is comprised of the following:		
Dividends & distributions		
• securities held in investment portfolio	20,966	15,917
• securities held in trading portfolio	402	56
	<u>21,368</u>	<u>15,973</u>
Interest income		
• securities held in investment portfolio	-	-
• deposits and income from bank bills	962	321
	<u>962</u>	<u>321</u>
Net gains/(losses) and write downs		
• realised gains from trading portfolio sales	446	1,032
• realised gains on options written portfolio	4,190	6,829
• unrealised gains in trading portfolio	722	554
	<u>5,358</u>	<u>8,415</u>
Other income	-	93
Income from operating activities	<u>27,688</u>	<u>24,802</u>

4. Current assets – trading portfolio

The Company enters into option contracts in the trading portfolio for the purpose of enhancing returns, offsetting risk or providing opportunities to acquire or sell securities at advantageous prices.

As at balance date there were call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of \$9.5 million (30 June 2010 : \$8.3 million).

5. Current liabilities – options written portfolio

As at balance date there were call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of \$240.7 million (30 June 2010: \$160.4 million). The total income for the half-year of \$4.2 million (2009 : \$6.8 million) less the unrealised loss on the open options position of \$1.9 million (2009 : \$4.6 million) was a pre-tax net gain of \$2.3 million (2009: \$2.2 million).

6. Deferred tax liabilities – investment portfolio

In accordance with AASB 112 *Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax liabilities on the unrealised gains in the investment portfolio at current tax rates (30%) totalling \$30.1 million (30 June 2010 : \$14.2 million). As the Directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at this amount.

7. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Issue price \$	Paid-up Capital \$'000
01/07/2010	Opening Balance		212,420		611,436
24/08/2010	Dividend Reinvestment Plan	i	1,338	3.89	5,205
Various	Share Issue Costs		-		(13)
31/12/2010	Balance		<u>213,758</u>		<u>616,628</u>

- i The Company has a Dividend Reinvestment Plan under which shareholders elected to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares was based at a 5% discount to the average selling price of shares traded on the Australian Securities Exchange in the five days from the day the shares begin trading on an ex-dividend basis.

8. Dividends	Half-year 2010 \$'000	Half-year 2009 \$'000
Dividends paid during the period	33,987 (16 cents per share)	33,025 (16 cents per share)

Dividends not recognised at period end

Since the end of the half-year the Directors have determined an interim dividend of 10 cents per share fully franked. The aggregate amount of the proposed interim dividend expected to be paid on 18 February 2011, but not recognised as a liability at the end of the half-year is

9. Earnings per Share	Half-year 2010	Half-year 2009
	Number	Number
Weighted average number of ordinary shares used as the denominator	21,376	
	\$'000	\$'000
Basic earnings per share		
Net profit for half-year	213,358,203	209,276,373
	Cents	Cents
Basic earnings per share	25,557	15,132
Net operating profit per share	\$'000	\$'000
Net operating profit for half-year	11.98	7.23
	Cents	Cents
Net operating profit per share	23,400	20,141
	Cents	Cents
Net operating profit per share	10.97	9.62

As at 31 December 2010, there were no dilutive instruments extant, and therefore the diluted earnings per share and net operating per share figure is the same as basic earnings per share.

10. Events subsequent to balance date

Since 31 December 2010 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

11. Contingencies

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

12. Associated Entity

The Company owns 25% of Australian Investment Company Services Ltd ("AICS").

AICS provides administration services to the Company and to other Listed Investment Companies in Australia.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 11 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2010 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



John Paterson
Deputy Chairman
Melbourne

17 January 2011

Independent auditor's review report to the members of Djerriwarrh Investments Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Djerriwarrh Investments Limited, which comprises the balance sheet as at 31 December 2010, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Djerriwarrh Investments Limited (the company).

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Djerriwarrh Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

**Independent auditor's review report to the members of
Djerriwarrh Investments Limited
(continued)**

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Djerriwarrh Investments Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



PricewaterhouseCoopers



David Coogan
Partner

Melbourne
17 January 2011