

# **DIVERSIFIED UNITED INVESTMENT LIMITED**

ABN 33 006 713 177

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## **APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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- Results for announcement to the market
- Letter to Australian Securities Exchange
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- Independent Audit Report

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## RESULTS FOR ANNOUNCEMENT TO THE MARKET

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The reporting period is the **half year ended 31 December 2013** with the prior corresponding period being the half year ended 31 December 2012.

### Results for announcement to the market

- Revenue from ordinary activities was \$15.4 million, up 11% from the prior corresponding period.
- Profit after tax was \$13.2 million, up 14% from the prior corresponding period.
- In the latest period special and demerger dividends of \$517,600 were received (prior corresponding period \$99,000).
- Excluding special and demerger dividends received Profit after tax rose 10%\*.
- Earnings per share based on profit after tax were 7.8 cents, an increase of 13% from the prior corresponding period. Excluding special and demerger dividends earnings per share rose 10%\* to 7.5 cents per share.
- The interim dividend is 6.5 cents per share (6 cents for the prior corresponding period) fully franked payable on 17 March 2014. The record date for determining entitlement to the interim dividend is 27 February 2014.
- The interim dividend will not include any Listed Investment Company capital gain dividend.
- The net tangible asset backing per share based on the market valuation of investments was \$3.74 at 31 December 2013, compared to \$3.12 at the end of the prior corresponding period. These calculations are after tax on realised gains, before estimated tax on net unrealised gains/losses and before provision for the interim dividend.
- The Company operates a Dividend Reinvestment Plan ("DRP") under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares will be at the average selling price of shares (without any discount) traded on the Australian Securities Exchange on the Record Date of 27 February 2014 and the three business days immediately preceding that date. The last day for receipt of an election notice for participation in the plan is 27 February 2014.

\* Additional non IFRS information, not subject to external review.

**DIVERSIFIED UNITED INVESTMENT LIMITED**

ABN 33 006 713 177

LEVEL20  
101 COLLINS STREET  
MELBOURNE VIC 3000  
AUSTRALIA

TEL (613) 9654 0499  
FAX (613) 9654 3499

18 February 2014

The General Manager  
Australian Securities Exchange Ltd  
10<sup>th</sup> Floor  
20 Bond Street  
Sydney NSW 2000

Dear Sir,

**Financial Results and Dividend Announcement**  
**for the Financial Half Year Ended 31 December 2013**

The Directors make the following report concerning the company's performance and interim dividend:-

**Profit and Realised Capital Gains**

Profit after income tax for the half year ended 31 December 2013 was \$13,190,000 (prior corresponding period: \$11,582,000) a rise of 14%. The profit includes special and demerger dividends of \$517,600 (prior corresponding period: \$99,368). Excluding special and demerger dividends received profit after tax rose 10%\*.

In the half year special dividends were received from Westpac Bank and The Trust Company and a non-cash demerger dividend was received from the Brambles/Recall demerger.

The net profit for the half year excludes net realised gains and losses which are transferred directly to the Asset Revaluation Reserve. The net realised gains on the investment portfolio after tax for the half year were \$495,000 (prior period losses of \$2,695,000).

Operating expenses (excluding interest) for the half year were .08% of the average market value of the portfolio (previously .09%).

\* Additional non IFRS information, not subject to external review.

### **Earnings Per Share**

Earnings per share based on the weighted average number of shares on issue for the half year were 7.8 cents per share (7.5\* cents excluding special and demerger dividends) compared to 6.9 cents for the prior corresponding period (6.8 \* cents excluding special and demerger dividends). Excluding the special and demerger dividends, earnings per share rose 10%\*. The weighted average number of ordinary shares for the period was 169,805,418 against 167,950,614 in the prior corresponding period, an increase of 1 %.

### **Dividends**

The Directors also announce an interim dividend of 6.5 cents per share fully franked to shareholders registered on 27 February 2014 to be paid on 17 March 2014. The comparable 2013 interim dividend was 6 cents per share fully franked.

### **LIC Capital Gains**

The interim dividend will not include any Listed Investment Company capital gain dividend.

### **Dividend Reinvestment Plan**

The Company operates a Dividend Reinvestment Plan ("DRP") under which shareholders may elect to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares will be at the average selling price (without any discount) of shares traded on the Australian Securities Exchange on the Record Date of 27 February 2014 and the three business days immediately preceding that date. The last day for the receipt of an election notice for participation in the plan is 27 February 2014.

### **Asset Backing**

The net tangible asset backing per share based on the market valuation of investments was \$3.74 at 31 December 2013 and \$3.63 at 31 January 2014. These calculations are after tax on realised gains, before estimated tax on net unrealised gains and losses and before provision for the interim dividend.

The Company is a long term investor and does not intend disposing of its total portfolio. If estimated tax on net unrealised gains were to be deducted, the above figures would be \$3.23 at 31 December 2013 and \$3.15 31 January 2014.

### **Performance**

The Company's net asset backing accumulation performance (assuming all dividends were reinvested, and after all expenses and tax) for the half year to 31 December 2013 was a rise of 16.3% while the S&P/ASX 300 accumulation index rose 14% over the same period. The Company's accumulation performance is after tax, all expenses, and the impact of the Company's gearing, and such items are not included in the S&P/ASX Index.

\* Additional non IFRS information, not subject to external review.

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**Investment Portfolio**

As at 31 December 2013 the twenty-five largest shareholdings of the company, at market values were:

<b>Company</b>	<b>Market Value \$'000</b>	<b>%Market Value of Total Investments</b>
1 Commonwealth Bank of Australia Ltd	62,240	8.9%
2 ANZ Banking Group Ltd	61,237	8.7%
3 BHP Billiton Ltd	60,784	8.7%
4 Westpac Banking Corporation Ltd	58,284	8.3%
5 National Australia Bank Ltd	41,796	6.0%
6 Woodside Petroleum Ltd	40,845	5.8%
7 CSL Ltd	38,962	5.6%
8 Rio Tinto Ltd	37,499	5.3%
9 Woolworths Ltd	23,695	3.4%
10 Transurban Group	20,520	2.9%
11 Wesfarmers Ltd	19,572	2.8%
12 Origin Energy Ltd	15,899	2.3%
13 Washington H Soul Pattinson & Co Ltd	14,610	2.1%
14 Mystate Ltd	12,662	1.8%
15 QBE Insurance Group Ltd	12,085	1.7%
16 Asciano Ltd	11,520	1.6%
17 BT Investment Management Ltd	11,500	1.6%
18 Oil Search Ltd	11,354	1.6%
19 AMP Ltd	10,975	1.6%
20 Westfield Group	10,090	1.4%
21 Computershare Ltd	9,104	1.3%
22 Perpetual Ltd	7,722	1.1%
23 Brickworks Ltd	7,150	1.0%
24 Worley Parsons Ltd	6,640	0.9%
25 Brambles Ltd	6,405	0.9%
	<hr/> 613,151	<hr/> 87.4%
<b>Total Investments at Market Value, Short Term Receivables and Cash</b>	<hr/> 701,395	

Yours faithfully,

**A J Hancock**  
Company Secretary

# **DIVERSIFIED UNITED INVESTMENT LIMITED**

**(ABN 33 006 713 177)**

## **INTERIM FINANCIAL REPORT**

**31 DECEMBER 2013**

# DIVERSIFIED UNITED INVESTMENT LIMITED

## **Directors**

C B Goode AC - Chairman

A R Burgess

S G Hiscock

P R Prentice

## **Company Secretary**

Andrew J Hancock FCA

## **Registered Office**

Level 20

101 Collins Street

Melbourne Vic 3000

Tel: (613) 9654 0499

Fax: (613) 9654 3499

Email: [info@dui.com.au](mailto:info@dui.com.au)

Website: [www.dui.com.au](http://www.dui.com.au)

## **Bankers**

ANZ Banking Group Limited

National Australia Bank Limited

## **Auditors**

KPMG

Chartered Accountants

## **Share Registry**

Link Market Services Ltd

Level 12

680 George Street

Sydney NSW 2000

Tel: (612) 8280 7644

Fax: (612) 9287 0303

E-mail: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)

Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

## **Securities Exchange**

The Company is listed on the Australian Securities Exchange Ltd.

ASX Code: DUI

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Directors' Report*

The directors of Diversified United Investment Limited present their report together with the financial report for the half-year ended 31 December 2013 and the auditors' review report thereon.

### *Directors*

The directors of the Company at any time during or since the end of the half-year are:

<i>Name</i>	<i>Period of Directorship</i>
Charles Goode AC (Chairman)	Director since 1991
Anthony Burgess	Director since 2008
Stephen Hiscock	Director since 2011
Pierre Prentice	Director since 2012

### *Review of Operations*

Operating profit after income tax for the half-year ended 31 December 2013 was \$13,190,000 (previous corresponding period: \$11,582,000). Operating profit after income tax includes \$518,000 of special and demerger dividends received (previous corresponding period: \$99,000).

Operating expenses (excluding finance expenses) were 0.08% of the average market value of the portfolio (previous corresponding period: 0.09%).

### *Dividends*

The board has declared an interim dividend of 6.5 cents per share fully franked, (previous corresponding period: 6 cents per share fully franked).

### *Lead Auditor's Independence Declaration*

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2013.

### *Rounding Off*

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Melbourne this 18th day of February 2014.

Signed in accordance with a resolution of the directors, for and on behalf of the board.

Charles Goode  
*Director*





*Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001*

To: the directors of Diversified United Investment Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

*Michelle Hinchliffe*

Michelle Hinchliffe  
Partner

Melbourne

18 February 2014

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Interim Statement of Profit or Loss and Other Comprehensive Income for the Six Months Ended 31 December 2013*

	<i>Note</i>	<i>31 December 2013 \$'000's</i>	<i>31 December 2012 \$'000's</i>
Revenue from investment portfolio		15,412	13,842
Administration and other expenses		(502)	(478)
Finance expenses		(1,711)	(1,970)
<b>Profit before income tax</b>		<b>13,199</b>	<b>11,394</b>
Income tax (expense)/ benefit		(9)	188
<b>Profit</b>		<b>13,190</b>	<b>11,582</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation of investment portfolio		77,484	67,196
Provision for tax expense on revaluation of the investment portfolio		(23,327)	(20,312)
<b>Other comprehensive income net of income tax</b>		<b>54,157</b>	<b>46,884</b>
<b>Total comprehensive income for the period</b>		<b>67,347</b>	<b>58,466</b>
Basic and diluted earnings per share (cents)	4	7.8	6.9

The Interim Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 11.

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Interim Balance Sheet as at 31 December 2013*

	<i>Note</i>	<i>31 December 2013 \$'000's</i>	<i>30 June 2013 \$'000's</i>
<b>ASSETS</b>			
Cash assets		15,417	10,732
Receivables		869	5,772
Other		60	43
<b>TOTAL CURRENT ASSETS</b>		<b>16,346</b>	<b>16,547</b>
Investment portfolio	7	685,118	603,824
<b>TOTAL NON-CURRENT ASSETS</b>		<b>685,118</b>	<b>603,824</b>
<b>TOTAL ASSETS</b>		<b>701,464</b>	<b>620,371</b>
<b>LIABILITIES</b>			
Payables		98	72
Borrowings – interest bearing		9,942	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,040</b>	<b>72</b>
Borrowings – interest bearing		54,683	64,710
Deferred tax liability	8	86,925	63,589
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>141,608</b>	<b>128,299</b>
<b>TOTAL LIABILITIES</b>		<b>151,648</b>	<b>128,371</b>
<b>NET ASSETS</b>		<b>549,816</b>	<b>492,000</b>
<b>EQUITY</b>			
Issued capital	6	307,382	304,214
Reserves		242,434	187,786
<b>TOTAL EQUITY</b>		<b>549,816</b>	<b>492,000</b>

The Interim Balance Sheet is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 11.

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Interim Statement of Changes in Equity for the Six Months ended 31 December 2013*

	<i>Issued Capital</i>	<i>Revaluation Reserve</i>	<i>Realisation Reserve</i>	<i>Retained Earnings</i>	<i>Total Equity</i>
	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>
<b>Balance at 1 July 2012</b>	298,782	89,663	(12,568)	43,731	419,608
<b>Comprehensive income</b>					
Revaluation of investment portfolio	-	67,196	-	-	67,196
Tax expense on revaluation	-	(20,312)	-	-	(20,312)
Net realised gains and losses on investment portfolio	-	3,580	(3,580)	-	-
Tax benefit on net realised gains and losses	-	(885)	885	-	-
Net profit for the period	-	-	-	11,582	11,582
	-	49,579	(2,695)	11,582	58,466
<b>Transactions with shareholders</b>					
Dividend reinvestment plan	2,905	-	-	-	2,905
Dividends	-	-	-	(11,715)	(11,715)
	2,905	-	-	(11,715)	(8,810)
<b>Balance at 31 December 2012</b>	301,687	139,242	(15,263)	43,598	469,264
<b>Balance at 1 July 2013</b>	304,214	160,783	(18,541)	45,544	492,000
<b>Comprehensive income</b>					
Revaluation of investment portfolio	-	77,484	-	-	77,484
Tax expense on revaluation	-	(23,327)	-	-	(23,327)
Net realised gains and losses on investment portfolio	-	(472)	472	-	-
Tax benefit on net realised gains and losses	-	(23)	23	-	-
Net profit for the period	-	-	-	13,190	13,190
	-	53,662	495	13,190	67,347
<b>Transactions with shareholders</b>					
Dividend reinvestment plan	3,168	-	-	-	3,168
Dividends	-	-	-	(12,699)	(12,699)
	3,168	-	-	(12,699)	(9,531)
<b>Balance at 31 December 2013</b>	307,382	214,445	(18,046)	46,035	549,816

The interim statement of changes in equity should be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 11.

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Interim Statement of Cash Flows for the Six Months Ended 31 December 2013*

	<i>31 December 2013 \$'000's</i>	<i>31 December 2012 \$'000's</i>
<b>Cash flows from operating activities</b>		
Interest received	188	427
Dividends and trust distributions received	19,420	17,320
Other income	-	56
Administration and other expenses paid	(493)	(476)
Finance costs paid	(1,795)	(2,119)
Income taxes refunded/ (paid)	-	(40)
<b>Net cash from operating activities</b>	<b>17,320</b>	<b>15,168</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	21,304	27,013
Purchases of investments	(24,408)	(31,898)
<b>Net cash used in investing activities</b>	<b>(3,104)</b>	<b>(4,885)</b>
<b>Cash flows from financing activities</b>		
Dividends paid net of dividend reinvestment plan	(9,531)	(8,810)
<b>Net cash used in financing activities</b>	<b>(9,531)</b>	<b>(8,810)</b>
Net increase in cash held	4,685	1,473
Cash and cash equivalents at 1 July	10,732	13,877
<b>Cash and cash equivalents at 31 December</b>	<b>15,417</b>	<b>15,350</b>

The interim statement of cash flows should be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 11.

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2013*

### **1. Reporting Entity**

Diversified United Investment Limited (the 'Company') is a company domiciled in Australia.

The annual financial report of the Company as at and for the year ended 30 June 2013 is available upon request from the Company's office at Level 20, 101 Collins Street Melbourne Vic 3000 or at [www.dui.com.au](http://www.dui.com.au).

### **2. Statement of compliance**

The interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Company as at and for the year ended 30 June 2013.

This interim financial report was approved by the Board of Directors on 18 February 2014.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

### **3. Significant Accounting Policies**

The accounting policies applied by the Company in this interim financial report are the same as those applied by the Company in the financial report at 30 June 2013 except for the adoption of AASB 13 Fair Value Measurement, which establishes a single framework for measuring fair value and making disclosures about fair value measurements. In particular, it defines fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date. It also replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 Financial Instruments: Disclosures. Some of these disclosures are now specifically required in interim financial statements and have been disclosed in Note 7. Notwithstanding the above, the policy change had no impact on the measurements of the Company's assets and liabilities.

### **4. Earnings per share**

	<i>31 December 2013 Cents</i>	<i>31 December 2012 Cents</i>
Basic earnings per share	7.8	6.9
Earnings per share excluding special and demerger dividends	7.5	6.8

There are no factors which cause diluted earnings per share to be different from basic earnings per share.

The basic earnings per share for the half-year are calculated on a weighted average adjusted number of ordinary shares of 169,805,418 (previous corresponding period: 167,950,614) taking into account the shares issued in the dividend re-investment program.

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2013*

<i>31 December</i>	<i>31 December</i>
<i>2013</i>	<i>2012</i>
<i>\$'000's</i>	<i>\$'000's</i>

### **5. Dividends**

Dividends recognised in the current period by the Company are:

Final fully franked dividend of 7.5 cents per share paid on 25 September 2013, (previous corresponding period: 7.0 cents)

12,699	11,715
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Subsequent to reporting date:

Since 31 December 2013, the directors have declared the following dividend payable on 17 March 2014:

Interim dividend of 6.5 cents per share fully franked, (previous corresponding period: 6.0 cents)

11,067	10,111
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The financial effect of this dividend has not been brought to account in the financial statements for the period ended 31 December 2013.

<i>31 December</i>	<i>30 June</i>
<i>2013</i>	<i>2013</i>
<i>\$'000's</i>	<i>\$'000's</i>

### **6. Issued Capital**

170,263,884 ordinary fully paid shares  
(30 June 2013: 169,282,980)

307,382	304,214
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Movements in issued capital

Balance at beginning of period

304,214	298,782
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Shares Issued

- Dividend re-investment plan

(i)

3,168	5,432
307,382	304,214

(i) In respect of the 2013 final dividend paid on 25 September 2013, 980,904 shares were issued at \$3.2294 each under the dividend re-investment plan.

# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2013*

### **7. Net Fair Values of Financial Assets and Liabilities**

#### *Valuation Approach*

The Company's investments are readily traded on organised markets in a standard form.

The net fair value of investments is determined by valuing them at market prices quoted at balance date.

In accordance with Australian Accounting Standards, this is considered "level 1" under the fair value measurement hierarchy, which is defined as quoted prices (unadjusted) in active markets for identical assets or liabilities.

For all other financial assets and liabilities, the carrying amount closely approximates its fair value.

<i>31 December</i>	<i>30 June</i>
<i>2013</i>	<i>2013</i>
<i>\$'000's</i>	<i>\$'000's</i>

### **8. Deferred Tax Assets and Liabilities**

Revaluation reserve – Provision for tax on unrealised gains on investment portfolio	97,147	74,965
Other	-	29
Tax benefit of capital losses carried forward	(9,868)	(11,059)
Tax benefit of excess franking credits carried forward	(354)	(346)
Net tax liabilities	<u>86,925</u>	<u>63,589</u>

### **9. Segment Reporting**

The Company's only segment of operations is as an investment company in Australia.

### **10. Contingent Liabilities and Capital Commitments**

There were no contingent liabilities or capital commitments as at 31 December 2013.

### **11. Related Parties**

All arrangements with related parties are consistent with those disclosed in the 30 June 2013 annual financial report.

### **12. Events Subsequent to Balance Date**

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial periods.



# DIVERSIFIED UNITED INVESTMENT LIMITED

## *Directors' Declaration*

In the opinion of the directors of Diversified United Investment Limited ("the Company"):

1. The interim financial statements and notes set out on pages 5 to 11, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the Company as at 31 December 2013 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 18th day of February 2014.

Signed in accordance with a resolution of the Directors.

Charles Goode AC  
*Director*



## **Independent auditor's review report to the members of Diversified United Investment Limited**

We have reviewed the accompanying interim financial report of Diversified United Investment Limited, which comprises the balance sheet as at 31 December 2013, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the interim period ended on that date, notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim 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 interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a 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 interim 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 2013 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Diversified United Investment Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. 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.

### *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 interim financial report of Diversified United Investment 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 2013 and of its performance for the interim period ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

A handwritten signature in black ink, appearing to read 'm Hinchliffe'.

Michelle Hinchliffe  
*Partner*

Melbourne

18 February 2014