

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2009

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- Results for announcement to the market
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2009 with the corresponding period being the half year ended 31 December 2008.

Results for announcement to the market

- Revenue from ordinary activities was \$10.8 million, down 18.6% from the prior period.
- Operating Profit after tax and before net realised losses on the investment portfolio was \$8.2 million, down 24.2% from the prior period.
- Earnings per share based on net operating profit after tax were 5.4 cents, a decrease of 29.9% from the prior period. Excluding special dividends received, earnings per share fell 30.3% to 5.3 cents. 9,442,625 new shares were issued in April 2009 through the share purchase plan.
- In the latest period special dividends and distributions of \$150,000 after tax were received. In the previous corresponding period special dividends of \$105,400 after tax were received.
- Net realised losses on the investment portfolio after income tax recognised in the income statement up to the date of adoption of AASB 9 on 7 December 2009 were \$1,128,000. Total net realised losses on the investment portfolio after income tax for the period were \$657,000 (previous corresponding period: net realised losses of \$2,527,000). After 7 December 2009 realised gains on the sale of investments are accounted for through the Statement of Comprehensive Income and the Asset Revaluation Reserve, as are all unrealised gains and losses.
- The total net profit for the period was \$7.0M (prior period loss \$2.5M after including unrealised impairment losses of \$10.8M after tax on the investment portfolio transferred from the revaluation reserve).
- The interim dividend for the half year is 6.0 cents per share (6.0 cents for the previous period) fully franked payable on 16 March 2010. The record date for determining entitlement to the interim dividend is 2 March 2010.
- The net tangible asset backing per share based on the market valuation of investments was \$3.36 at 31 December 2009, compared to \$2.50 at the end of the previous corresponding period. These calculations are after the tax effect of net realised gains/losses, before tax on 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 a 5% discount to the average selling price of shares traded on the Australian Securities Exchange on the Record Date of 2 March 2010 and the three business days immediately preceding that date. The last day for receipt of an election notice for participation in the plan is 2 March 2010.

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 2010

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

Dear Sir,

**Financial Report and Dividend Announcement
for the Half Year Ended 31 December 2009**

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

Operating Profit and Realised Capital Gains/Losses

Operating profit after income tax and before net realised and unrealised losses on the investment portfolio for the half year ended 31 December 2009 was \$8,175,000 (previous corresponding period: \$10,789,000). Operating profit includes special dividends and distributions received of \$150,000 (previously \$105,400).

Operating expenses (excluding interest) were 0.10% of the average market value of the portfolio (previously 0.10%).

Net realised losses on the investment portfolio after income tax recognised in the income statement up to the date of adoption of AASB 9 on 7 December 2009 were \$1,128,000. Total net realised losses on the investment portfolio after income tax for the period were \$657,000 (previous corresponding period: net realised losses of \$2,527,000). After 7 December 2009 realised gains on the sale of investments are accounted for through the Statement of Comprehensive Income and the Asset Revaluation Reserve, as are all unrealised gains and losses.

Earnings Per Share

The operating earnings per share based on the weighted average number of shares on issue for the half year were 5.4 cents per share (5.3 cents excluding the special dividends) compared to 7.7 cents for the half year to 31 December 2008 (7.6 cents excluding special dividends). 9,442,625 new shares were issued in April 2009 through the share purchase plan.

Dividends

The Directors have declared an interim dividend of 6.0 cents per share fully franked to shareholders registered on 2 March 2010, to be paid on 16 March 2010. The comparable 2009 interim dividend was 6.0 cents per share fully franked. The dividend contains no Listed Investment Company capital gains.

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 a 5% discount to the volume weighted average selling price of shares traded on the Australian Securities Exchange on the Record Date of 2 March 2010 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 2 March 2010.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$3.36 at 31 December 2009 and \$3.13 at 31 January 2010. These calculations are after the tax effect of net realised gains/losses, before tax on unrealised gains/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 unrealised gains were to be deducted, the above figures would be \$2.91 at 31 December 2009 and \$2.74 at 31 January 2010.

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Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2009 (assuming all dividends were reinvested) was 28.6%, compared to an increase of 25.7% in the S&P ASX 300 Accumulation index.

Investment Portfolio

As at 31 December 2009 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. BHP Billiton Ltd	64,680	11.3%
2. Woodside Petroleum Ltd	58,253	10.2%
3. Commonwealth Bank of Australia Ltd	43,880	7.7%
4. ANZ Banking Group Ltd	43,472	7.6%
5. Westpac Banking Corporation Ltd	40,480	7.1%
6. Rio Tinto Ltd	39,323	6.9%
7. QBE Insurance Group Ltd	35,840	6.2%
8. National Australia Bank Ltd	30,140	5.3%
9. Woolworths Ltd	19,600	3.4%
10. CSL Ltd	19,494	3.4%
11. Westfield Group	18,810	3.3%
12. Transurban Group Ltd	13,850	2.4%
13. Telstra Corporation Ltd	13,720	2.4%
14. Wesfarmers Ltd	13,380	2.3%
15. AGL Energy Ltd	11,248	2.0%
16. Alumina Ltd	11,040	1.9%
17. AXA Asia Pacific Holdings Ltd	9,840	1.7%
18. Consolidated Media Holdings Ltd	9,180	1.6%
19. Washington H Soul Pattinson & Co Ltd	8,148	1.4%
20. Perpetual Ltd	7,420	1.3%
21. Santos Ltd	7,045	1.2%
22. Mystate Ltd	6,890	1.2%
23. Brambles Ltd	6,780	1.2%
24. Leighton Holdings Ltd	6,479	1.1%
25. Australian Infrastructure Fund	5,340	0.9%
	544,332	95.0%
Total Investments at Market Value and Cash	573,100	

Yours faithfully

A J Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2009

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors

C B Goode AC - Chairman

G E Moir

M K Myer AO

R H Myer AM

A R Burgess

Company Secretary

Andrew 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

Website: www.oui.com.au

Bankers

Australia and New Zealand Banking Group Limited

National Australia Bank Limited

Auditors

KPMG

Chartered Accountants

Stock 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 2009 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 - appointed Chairman 1991
Graeme Moir	Director since 1991
Martyn Myer AO	Director since 1991
Rupert Myer AM	Director since 2002
Anthony Burgess	Director since 2008

Review of Operations

Operating profit (excluding net gains or losses on investment portfolio) after income tax for the half-year ended 31 December 2009 was \$8,175,000 (previous corresponding period: \$10,789,000). Operating profit after income tax includes \$150,000 of special dividends received (previous corresponding period: \$105,400). Net realised losses on the investment portfolio after income tax up to the date of adoption of AASB 9 on 7 December 2009 were \$1,128,000. Total net realised losses on the investment portfolio after income tax for the period were \$657,000 (previous corresponding period: net realised losses of \$2,527,000). Operating expenses (excluding finance expenses) were 0.10% of the average market value of the portfolio (previous corresponding period: 0.10%).

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 2009.

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 2010.

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 2009 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

MSomerville

Michelle Somerville
Partner

Melbourne

18 February 2010

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Income Statement for the Six Months Ended 31 December 2009

	<i>31 December 2009 \$'000's</i>	<i>31 December 2008 \$'000's</i>
Revenue from investment portfolio	10,813	13,290
Administration and other expenses	(518)	(447)
Finance expenses	(2,085)	(1,675)
	<hr/>	<hr/>
Operating profit before income tax expense and net gains/ (losses) on investment portfolio	8,210	11,168
Income tax expense ¹	(35)	(379)
	<hr/>	<hr/>
Net operating profit before net gains/ (losses) on investment portfolio	8,175	10,789
	<hr/>	<hr/>
Net realised losses on investment portfolio ²	(1,561)	(3,610)
Income tax benefit thereon ¹	433	1,083
	<hr/>	<hr/>
	(1,128)	(2,527)
	<hr/>	<hr/>
Unrealised impairment losses on investment portfolio	-	(14,928)
Income tax benefit/ (expense) thereon ¹	-	4,163
	<hr/>	<hr/>
	-	(10,765)
	<hr/>	<hr/>
	(1,128)	(13,292)
	<hr/>	<hr/>
Profit/ (Loss) for the period	7,047	(2,503)
	<hr/>	<hr/>
¹ Total income tax benefit/ (expense)	398	(4,867)
² Up to date of adoption of AASB 9 on 7 December 2009		
Basic and diluted earnings per share (cents)	4.6	(1.8)

Basic and diluted operating earnings per share (cents) before net realised gains on investment portfolio are shown in Note 4.

The half-year income statement is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT COMPANY LIMITED

Half-Year Statement of Comprehensive Income for the Six Months Ended 31 December 2009

	<i>31 December 2009</i>	<i>31 December 2008</i>
	<i>\$</i>	<i>\$</i>
	<i>\$'000's</i>	<i>\$'000's</i>
Profit/ (loss) for the period	7,047	(2,503)
Other Comprehensive income		
Revaluation/ (devaluation) of investment portfolio for the period	106,451	(148,234)
Provision for tax (expense)/ benefit on revaluation/ (devaluation) of investment portfolio for the period	(32,059)	44,212
Net realised losses on investments transferred to the income statement from the asset revaluation reserve ²	1,128	2,527
Net unrealised impairment losses transferred to the income statement from the asset revaluation reserve	-	10,765
	<hr/>	<hr/>
Total other comprehensive income/ (loss) net of income tax	75,520	(90,730)
	<hr/>	<hr/>
Total comprehensive income ¹	<u>82,567</u>	<u>(93,233)</u>

¹This is the Company's total net return for the period, which includes the net operating profit plus the net realised and unrealised gains and losses on the Company's investment portfolio.

²Up to date of adoption of AASB 9 on 7 December 2009.

The half-year statement of comprehensive income is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Balance Sheet as at 31 December 2009

	<i>Note</i>	<i>31 December 2009 \$'000's</i>	<i>30 June 2009 \$'000's</i>
ASSETS			
Cash assets		4,157	18,416
Receivables		2,431	2,970
Investments		-	35,000
Other		44	-
Total current assets		6,632	56,386
Investment portfolio		566,468	409,852
Total non-current assets		566,468	409,852
Total assets		573,100	466,238
LIABILITIES			
Current tax liability		127	584
Payables		150	460
Borrowings – interest bearing		19,894	-
Total current liabilities		20,171	1,044
Borrowings – interest bearing		44,761	64,629
Deferred tax liability	7	63,177	31,130
Total non-current liabilities		107,938	95,759
Total liabilities		128,109	96,803
Net assets		444,991	369,435
EQUITY			
Issued capital	6	257,011	253,392
Reserves		187,980	116,043
Total equity		444,991	369,435

The half-year balance sheet is to be read in conjunction with the condensed notes to the half-year financial report set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Statement of Changes in Equity for the Six Months ended 31 December 2009

	<i>Issued Capital</i>	<i>Revaluation Reserve</i>	<i>Realisation Reserve</i>	<i>Impairment Reserve</i>	<i>Retained Earnings</i>	<i>Total Equity</i>
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Balance at 1 July 2008 (as reported)	229,491	139,019	23,961	-	37,362	429,833
Comprehensive income						
Devaluation of investment portfolio	-	(148,234)	-	-	-	(148,234)
Tax benefit on devaluation	-	44,212	-	-	-	44,212
Net realised and unrealised losses on investment portfolio	-	18,538	-	(14,928)	(3,610)	-
Tax benefit on net realised and unrealised losses	-	(5,246)	-	4,163	1,083	-
Net operating profit for the period	-	-	-	-	10,789	10,789
Realised losses transferred after tax	-	-	(2,527)	-	2,527	-
	-	(90,730)	(2,527)	(10,765)	10,789	(93,233)
Transactions with shareholders						
Dividend reinvestment plan	2,378	-	-	-	-	2,378
Dividends paid	-	-	(8,970) ⁽⁴⁾	-	(843)	(9,813)
	2,378	-	(8,970)	-	(843)	(7,435)
Balance at 31 December 2008	231,869	48,289	12,464	(10,765)	47,308	329,165
Balance at 1 July 2009 (as reported)	253,392	76,619	2,657	(9,430)	46,197	369,435
Adoption of AASB 9 – refer note 3	-	(3,386)	-	3,386	-	-
Balance at 1 July 2009 (restated)	253,392	73,233	2,657	(6,044)	46,197	369,435
Comprehensive income						
Revaluation of investment portfolio	-	106,451	-	-	-	106,451
Tax expense on revaluation	-	(32,059)	-	-	-	(32,059)
Net realised gains and losses on investment portfolio	-	809	752 ⁽¹⁾	-	(1,561) ⁽²⁾	-
Tax expense or benefit on net realised gains and losses	-	(152)	(281) ⁽¹⁾	-	433 ⁽²⁾	-
Net operating profit for the period	-	-	-	-	8,175	8,175
Realised losses transferred after tax	-	-	(7,172)	6,044 ⁽³⁾	1,128	-
	-	75,049	(6,701)	6,044	8,175	82,567
Transactions with shareholders						
Dividend reinvestment plan	3,619	-	-	-	-	3,619
Dividends paid	-	-	-	-	(10,630)	(10,630)
	3,619	-	-	-	(10,630)	(7,011)
Balance at 31 December 2009	257,011	148,282	(4,044)	-	43,742	444,991

¹ Net realised gains/ (losses) after 7 December 2009 and tax thereon transferred directly to realisation reserve.

² Net realised gains/ (losses) before 7 December 2009 and tax thereon.

³ Impairment realised on investments sold in the period prior to 7 December 2009.

⁴ LIC dividend

The half-year statement of changes in equity should be read in conjunction with the condensed notes to the half-year financial report set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Statement of Cash Flows for the Six Months Ended 31 December 2009

	<i>31 December 2009 \$'000's</i>	<i>31 December 2008 \$'000's</i>
Cash flows from operating activities		
Interest received	926	1,451
Dividends and trust distributions received	12,001	14,388
Other income	158	-
Administration and other expenses paid	(521)	(434)
Finance costs paid	(2,060)	(1,669)
Income taxes paid	(503)	-
	10,001	13,736
Net cash from operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	55,713	44,216
Purchases of investments	(72,962)	(59,022)
	(17,249)	(14,806)
Net cash used in investing activities		
Cash flows from financing activities		
Dividends paid	(7,011)	(7,435)
Proceeds from borrowings	-	5,000
	(7,011)	(2,435)
Net cash used in financing activities		
Net decrease in cash held	(14,259)	(3,505)
Cash and cash equivalents at 1 July	18,416	7,954
	4,157	4,449
Cash and cash equivalents at 31 December		

The half-year statement of changes in equity should be read in conjunction with the condensed notes to the half-year financial report set out on pages 10 to 13.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2009

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 2009 is available upon request from the Company's office at Level 20, 101 Collins Street Melbourne Vic 3000 or at www.dui.com.au.

2. Statement of compliance

The half-year 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 half-year 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 2009.

This half-year financial report was approved by the Board of Directors on 18 February 2010.

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 half-year financial report are the same as those applied by the Company in the financial report at 30 June 2009 with the following exceptions:

AASB 101 (revised): *Presentation of Financial Statements*

With effect from 1 July 2009 the Company has adopted AASB 101 (revised) which requires the presentation of a new Statement of Comprehensive Income separate from changes in equity arising from transactions with shareholders.

The adoption of this new standard changes the presentation of the financial statements by disclosing the unrealised gains and losses on the investment portfolio in the Statement of Comprehensive Income rather than the Statement of Changes in Equity.

AASB 9: *Financial Instruments*

The Company has early adopted AASB 9 Financial Instruments (AASB 9) with initial application from 7 December 2009 (being the earliest available date of application). The standard has been applied retrospectively to investments held at 7 December 2009 and comparative amounts have been restated.

In accordance with AASB 9 the Company has designated its investments in equity securities, that were formerly designated as "available-for-sale", as "fair value through other comprehensive income" as disclosed below. This results in all realised and unrealised gains and losses from the investment portfolio being recognised directly in equity through "other comprehensive income" in the Statement of Comprehensive Income. Dividend income is recognised in the income statement.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2009

3. *Significant Accounting Policies (continued)*

Realised net gains and losses from the investment portfolio arising from transactions prior to 7 December 2009 are recognised in the income statement. Realised net gains and losses from the investment portfolio arising from transactions after 7 December 2009 are recognised as “other comprehensive income”.

There is no longer a requirement to assess individual investments for impairment under AASB 9. The impact of this has been to restate net profit, asset revaluation reserve and impairment reserve for the period to 31 December 2008 to remove impairment losses that were booked in previous periods against investments that were held in the portfolio at 7 December 2009. This has also resulted in a restatement of earnings per share for the comparative period as disclosed in note 4.

The adoption of this standard has no impact on the valuation of the Company’s investments and therefore has no impact on the Company’s net assets.

Restatement of comparatives:

	<i>31 December 2008</i>		
	<i>As reported</i>	<i>Reversal of impairment</i>	<i>Restated</i>
	<i>\$'000's</i>	<i>\$'000's</i>	<i>\$'000's</i>
Asset revaluation reserve	49,026	(737)	48,289
Loss for the period	(3,240)	737	(2,503)
	<i>Cents</i>	<i>Cents</i>	<i>Cents</i>
Earnings per share	(2.3)	0.5	(1.8)

4. *Earnings per share*

	<i>31 December</i>	<i>31 December</i>
	<i>2009</i>	<i>2008</i>
	<i>Cents</i>	<i>Cents</i>
Basic earnings per share	4.6	(1.8) *
Basic earnings per share before net gains/ (losses) on investment portfolio	5.4	7.7
Basic earnings per share before special dividends and net gains/ (losses) on investment portfolio	5.3	7.6

* Restated on adoption of AASB 9 (refer note 3).

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 152,534,286 taking into account the shares issued in the dividend re-investment program. The 2008 figure is based on a weighted average number of ordinary shares of 140,468,698.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2009

<i>31 December 2009 \$'000's</i>	<i>31 December 2008 \$'000's</i>
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5. Dividends

Dividends recognised in the current period by the Company are:

Final fully franked dividend of 7.0 cents per share paid on 21 September 2009

<u>10,630</u>	<u>9,813</u>
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Subsequent to reporting date:

Since 31 December 2009, the directors have declared the following dividend payable on 16 March 2010:

Interim dividend of 6.0 cents per share fully franked

<u>9,188</u>

The financial effect of this dividend has not been brought to account in the financial statements for the period ended 31 December 2009.

<i>31 December 2009 \$'000's</i>	<i>30 June 2009 \$'000's</i>
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6. Issued Capital

153,125,983 ordinary fully paid shares
(30 June 2009: 151,814,270)

<u>257,011</u>	<u>253,392</u>
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Movements in issued capital

Balance at beginning of period

253,392	229,491
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Shares Issued

- Dividend re-investment plan

(i)

3,619	5,099
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- Share Purchase Plan

(ii)

-	18,802
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<u>257,011</u>	<u>253,392</u>
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(i) In respect of the 2009 final dividend paid on 21 September 2009, 1,311,713 shares were issued at \$2.76 each under the dividend re-investment plan.

(ii) On 30 April 2009, the Company issued 9,442,625 fully paid ordinary shares in accordance with the terms of the Company's Share Purchase Plan. The issue raised \$18,885,250 at the purchase price of \$2.00 per share.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2009

	<i>31 December 2009 \$'000's</i>	<i>30 June 2009 \$'000's</i>
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7. *Deferred Tax Assets and Liabilities*

Revaluation reserve – Provision for tax on unrealised gains on investment portfolio	(69,957)	(35,620)
Other	-	(12)
Tax benefit of capital losses carried forward	6,780	4,502
Net Tax assets/(liabilities)	<u>(63,177)</u>	<u>(31,130)</u>

8. *Segment Reporting*

The Company operates as an investment company in Australia.

9. *Contingent Liabilities and Capital Commitments*

There were no contingent liabilities or capital commitments as at 31 December 2009.

10. *Related Parties*

All arrangements with related parties are consistent with those disclosed in the 30 June 2009 annual financial report.

11. *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 financial statements and notes set out on pages 5 to 13, 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 2009 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 2010.

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

Report on the financial report

We have reviewed the accompanying interim financial report of Diversified United Investment Limited, which comprises the statement of financial position as at 31 December 2009, income statement and statement of comprehensive income, statement of changes in equity and statement of cash flows for the interim period ended on that date, a description of accounting policies and other explanatory notes 1 to 11 and the directors' declaration set out on pages 5 to 14 of the company.

Directors' responsibility for the interim financial report

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 Group's financial position as at 31 December 2009 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 a 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 2009 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

MSomerville

Michelle Somerville
Partner

Melbourne

18 February 2010