

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2008

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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2008 with the corresponding period being the half year ended 31 December 2007.

Results for announcement to the market

- Revenue from ordinary activities was \$13.3 million, up 9% from the prior period.
- Operating Profit after tax and before net realised losses on the investment portfolio was \$10.8 million, up 9% from the prior period.
- Earnings per share based on net operating profit after tax were 7.7 cents, a decrease of 2.5% from the prior period. Excluding special dividends received, earnings per share rose 8.6% to 7.6 cents.
- In the current period special dividends and distributions of \$105,400 after tax were received. In the previous corresponding period special dividends of \$1,047,000 after tax were received.
- Net realised losses on the investment portfolio after tax were \$2.5 million. (Prior period net realised gains: \$11.0M).
- After including unrealised losses of \$11.5M after tax on the investment portfolio transferred from the revaluation reserve, the total net loss for the period was \$3.2M, (prior period profit \$20.9M). Directors do not regard unrealised losses as part of the Company's ordinary operating profit which is used to determine the amount proposed to be paid as dividends.
- The interim dividend for the half year is 6.0 cents per share (6.0 cents for the previous period) fully franked payable on 25 March 2009. This payment date is around two weeks earlier than in previous years and it is the intention of the Company to pay future interim dividends on or around this date. The record date for determining entitlement to the interim dividend is 10 March 2009.
- The net tangible asset backing per share based on the market valuation of investments was \$2.50 at 31 December 2008, compared to \$4.22 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 10 March 2009 and the three business days immediately preceding that date. The last day for receipt of an election notice for participation in the plan is 10 March 2009.

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

LEVEL 4
45 EXHIBITION STREET
MELBOURNE VIC 3000
AUSTRALIA

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

26 February 2009

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 2008

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 2008 was \$10,789,000 (previous corresponding period: \$9,885,000). Operating profit includes special dividends and distributions received of \$105,400 (previously \$1,047,000).

Operating expenses (excluding interest) were 0.10% of the average market value of the portfolio (previously 0.07%).

Net realised losses on the investment portfolio after tax were \$2,527,000 (previously gains of \$10,997,000).

Unrealised Losses

Unrealised losses of \$11,502,000 on the investment portfolio after tax were transferred from the revaluation reserve to the income statement. Directors do not regard these unrealised losses as part of the normal operating profit of the Company which is used to determine the amount proposed to be paid as dividends.

Accounting standard AASB139 requires the company to assess whether any of its investments are "impaired" and if so transfer the unrealised loss on those investments, previously recognised in the revaluation reserve, to the Income Statement. As the company revalues its investments to current market values continuously through the revaluation reserve, this does not affect the balance sheet valuation of net assets or the value of shareholder equity.

The accounting standard requires recognition of impairment in the Income Statement to be based primarily on shorter term movements in the listed market price of an investment.

The Company is aware that the share market will recognise fair value over the longer term but in the short term the share price may well undervalue or overvalue a company.

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The Company is a long term investor and only makes a sale when there has been a fundamental change in the long term outlook for an investment, usually arising from significant changes in economic, regulatory or industry structural factors, or an alternative investment looks more attractive over the long term, or in response to a takeover offer. This long term investment approach is recognised in the Australian taxation legislation through the recognition of Listed Investment Company status for the Company.

Consistent with this long term investment horizon, where at balance date the market price of a listed investment is below cost, directors undertake an assessment as to whether the long term fair value of the investment is less than the cost of that investment, in particular having regard to the earnings and expected dividends from the underlying investment over the long term. This assessment of long term fair value differs from the accounting standard requirement to recognise impairment in the income statement based on shorter term movements in market prices.

Directors are of the view that the shorter term approach required by this international accounting standard is inappropriate for an Australian long term listed equity investment company. In particular, Directors are of the view that the unrealised losses on the investment portfolio recognised in the Income Statement in this half year do not represent a permanent impairment in the long term fair values of the investments in question. Nevertheless, the Corporations Law requires us to comply with AASB139 thereby requiring the Company to recognise these unrealised losses in the Income Statement.

Dividends

The Directors have declared an interim dividend of 6.0 cents per share fully franked to shareholders registered on 10 March 2009, to be paid on 25 March 2009. The comparable 2008 interim dividend was 6.0 cents per share fully franked. The dividend contains no Listed Investment Company capital gains. This payment date is around two weeks earlier than in previous years and it is the intention of the Company to pay future interim dividends on or around this date.

Earnings Per Share

The operating earnings per share based on the weighted average number of shares on issue for the half year were 7.7 cents per share (7.6 cents excluding the special dividends) compared to 7.9 cents for the half year to 31 December 2007 (7.0 cents excluding special dividends).

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 10 March 2009 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 10 March 2009.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$2.50 at 31 December 2008 and \$2.39 at 31 January 2009. 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 \$2.34 at 31 December 2008 and \$2.26 at 31 January 2009.

Performance

The Company's net asset backing accumulation performance for the six months to 31 December 2008 (assuming all dividends were reinvested) was a decline of 27.9%, compared to a decline of 27.2% in the S&P ASX 300 Accumulation index.

Investment Portfolio

As at 31 December 2008 the twenty-five largest shareholdings of the company, at market values were:

<i>Company</i>	<i>Market Value \$'000</i>	<i>% of Market Value of Total Investments</i>
1. BHP Billiton Ltd	45,660	11.4%
2. Woodside Petroleum Ltd	36,700	9.1%
3. QBE Insurance Group Ltd	30,972	7.7%
4. Westpac Banking Corporation Ltd	25,455	6.3%
5. Commonwealth Bank of Australia Ltd	20,706	5.2%
6. National Australia Bank Ltd	18,783	4.7%
7. ANZ Banking Group Ltd	18,348	4.6%
8. CSL Ltd	16,850	4.2%
9. Westfield Group	15,540	3.9%
10. Rio Tinto Ltd	13,300	3.3%
11. Woolworths Ltd	10,668	2.7%
12. AGL Energy Ltd	9,919	2.5%
13. Transurban Group Ltd	8,100	2.0%
14. Telstra Corporation Ltd	7,660	1.9%
15. Brambles Ltd	7,420	1.9%
16. Perpetual Ltd	7,418	1.9%
17. Tabcorp Holdings Ltd	6,990	1.7%
18. Suncorp Metway Ltd	5,880	1.5%
19. Alumina Ltd	5,838	1.5%
20. Washington H Soul Pattinson & Co Ltd	5,610	1.4%
21. Wesfarmers Ltd PPS	5,400	1.4%
22. AXA Asia Pacific Holdings Ltd	4,940	1.2%
23. Australian Infrastructure Fund	3,800	1.0%
24. News Corporation Inc Class A Common CDI	3,783	1.0%
25. ConnectEast Group	3,300	0.8%
	339,040	84.8%
Total Investments at Market Value and Cash	401,381	

Yours faithfully

A J Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2008

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

Principal Office

Level 4
45 Exhibition Street
Melbourne Vic 3000
Tel: (613) 9654 0499
Fax: (613) 9654 3499
Email: info@dui.com.au
Website: www.dui.com.au

Registered Office

Diversified United Investment Limited
C/- KPMG
147 Collins Street
Melbourne Vic 3000

Bankers

Australia and New Zealand Banking Group Limited
National Australia Bank Limited

Auditors

KPMG
Chartered Accountants

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067
Tel: 1300 850 505 or (613) 9415 5000
Fax: (613) 9473 2500
Website: www.computershare.com

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 2008 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	Appointed September 2008

Review of Operations

Operating profit (excluding net gains or losses) after income tax for the half-year ended 31 December 2008 was \$10,789,000 (previous corresponding period: \$9,885,000). Operating profit after income tax includes \$105,400 of special dividends received (previous corresponding period: \$1,047,000). Net realised losses on the investment portfolio after income tax were \$2,527,000 (previous corresponding period: net realised gains of \$10,997,000). Net unrealised losses on the investment portfolio after income tax transferred from the revaluation reserve were \$11,502,000 (previous corresponding period: nil). Directors do not regard unrealised losses as part of the Company's ordinary operating profit which is used to determine the amount proposed to be paid as dividends. Operating expenses (excluding finance expenses) were 0.10% of the average market value of the portfolio (previous corresponding period: 0.07%).

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, except that the market value of the investment portfolio moves broadly in line with the overall Australian share market and the Australian All Ordinaries index fell 10% from 31 December 2008 to 25 February 2009.

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 2008.

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 26th day of February 2009.

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 2008 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

26 February 2009

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Income Statement for the Six Months Ended 31 December 2008

	<i>31 December 2008 \$'000's</i>	<i>31 December 2007 \$'000's</i>
Revenue from investment portfolio	13,290	12,217
Administration and other expenses	(447)	(393)
Finance expenses	(1,675)	(2,020)
	11,168	9,804
Operating profit before income tax expense and net gains/ (losses) on investment portfolio	11,168	9,804
Income tax (expense)/ benefit *	(379)	81
	10,789	9,885
Net operating profit before net gains/ (losses) on investment portfolio	10,789	9,885
Net realised (losses)/ gains on investment portfolio transferred from revaluation reserve	(3,610)	15,710
Income tax benefit/ (expense) thereon *	1,083	(4,713)
	(2,527)	(4,713)
Unrealised losses on investment portfolio transferred from revaluation reserve	(15,980)	-
Income tax benefit/ (expense) thereon *	4,478	-
	(11,502)	-
	(14,029)	10,997
(Loss)/ Profit for the period	(3,240)	20,882
Basic and diluted earnings per share (cents)	(2.3)	16.8
Basic and diluted operating earnings per share (cents) before net realised gains on investment portfolio are shown in Note 4.		
* Total income tax benefit / (expense)	5,182	(4,632)

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 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Balance Sheet as at 31 December 2008

	<i>Note</i>	<i>31 December 2008 \$'000's</i>	<i>30 June 2008 \$'000's</i>
ASSETS			
Cash assets		4,449	7,954
Receivables		1,128	3,583
Investments		35,500	34,623
Other		30	26
Total current assets		41,107	46,186
Investment portfolio		360,274	494,674
Deferred tax assets		796	-
Total non-current assets		361,070	494,674
Total assets		402,177	540,860
LIABILITIES			
Current tax liability		4,842	4,443
Payables		109	95
Total current liabilities		4,951	4,538
Borrowings – interest bearing		44,886	39,880
Deferred tax liability		23,175	66,609
Total non-current liabilities		68,061	106,489
Total liabilities		73,012	111,027
Net assets		329,165	429,833
EQUITY			
Issued capital	6a	231,869	229,491
Revaluation reserve	6b	49,026	139,019
Realisation reserve	6b	12,464	23,961
Retained earnings	6b	35,806	37,362
Total equity		329,165	429,833

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 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Statement of Changes in Equity for the Six Months ended 31 December 2008

	<i>Note</i>	<i>31 December 2008 \$'000's</i>	<i>31 December 2007 \$'000's</i>
Total equity at the beginning of the period	6b	429,833	420,842
Revaluation of investment portfolio		(148,234)	9,499
Tax benefit/ (Provision for tax) on revaluation of investments		44,212	(3,171)
Net losses/ (gains) on investment portfolio after tax transferred to income statement		14,029	(10,997)
Total direct equity adjustments		(89,993)	(4,669)
(Loss)/ Profit for the period		(3,240)	20,882
Total direct equity adjustments and profit for the period		(93,233)	16,213
Transactions with shareholders			
Dividend reinvestment plan		2,378	1,770
Dividends paid from retained earnings		(843)	(7,164)
Dividends paid from realisation reserve *		(8,970)	(864)
		(7,435)	(6,258)
Total equity at the end of the period	6b	329,165	430,797

* 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 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Half-Year Statement of Cash Flows for the Six Months Ended 31 December 2008

	<i>31 December 2008 \$'000's</i>	<i>31 December 2007 \$'000's</i>
Cash flows from operating activities		
Interest received	1,451	418
Dividends and trust distributions received	14,388	12,979
Administration and other expenses paid	(434)	(381)
Finance costs paid	(1,669)	(1,910)
	<hr/>	<hr/>
Net cash from operating activities	13,736	11,106
	<hr/>	<hr/>
Cash flows from investing activities		
Proceeds from sale of investments	44,216	45,229
Purchases of investments	(59,022)	(15,992)
	<hr/>	<hr/>
Net cash from (used in) investing activities	(14,806)	29,237
	<hr/>	<hr/>
Cash flows from financing activities		
Dividends paid	(7,435)	(6,258)
Proceeds from borrowings	5,000	-
Repayments of borrowings	-	(33,000)
	<hr/>	<hr/>
Net cash from (used in) financing activities	(2,435)	(39,258)
	<hr/>	<hr/>
Net increase (decrease) in cash held	(3,505)	1,085
Cash and cash equivalents at 1 July	7,954	1,026
	<hr/>	<hr/>
Cash and cash equivalents at 31 December	4,449	2,111
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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 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2008

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 2008 is available upon request from the Company's office at Level 4, 45 Exhibition 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 2008.

This half-year financial report was approved by the Board of Directors on 26 February 2009.

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 2008.

4. Earnings per share

	<i>31 December 2008</i>	<i>31 December 2007</i>
	<i>Cents</i>	<i>Cents *</i>
Basic earnings per share	(2.3)	16.8
Basic earnings per share before net gains / (losses) on investment portfolio	7.7	7.9
Basic earnings per share before special dividends and net gains / (losses) on investment portfolio	7.6	7.0

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 140,468,698 taking into account the shares issued in the dividend re-investment program. The 2007 figure is based on a weighted average number of ordinary shares of 124,626,663.

* Adjusted for bonus element resulting from the share placement on 5 March 2008 and the share purchase plan on 4 April 2008.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2008

<i>31 December 2008 \$'000's</i>	<i>31 December 2007 \$'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 17 October 2008

<u>9,813</u>	<u>8,025</u>
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Subsequent to reporting date:

Since 31 December 2008, the directors have declared the following dividend payable on 25 March 2009:

Interim dividend of 6.0 cents per share fully franked

<u>8,456</u>	
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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 2008.

<i>31 December 2008 \$'000's</i>	<i>30 June 2008 \$'000's</i>
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6. *Capital and Reserves*

(a) Issued Capital

140,932,100 ordinary fully paid shares
(30 June 2008: 140,149,844)

<u>231,869</u>	<u>229,491</u>
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Movements in issued capital

Balance at beginning of period

229,491	171,647
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Shares Issued

- Dividend re-investment plan (i)

2,378	3,644
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- Share Placement

-	53,045
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- Share Purchase Plan

-	1,155
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<u>231,869</u>	<u>229,491</u>
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(i) In respect of the 2008 final dividend paid on 17 October 2008, 782,256 shares were issued at \$3.04 each under the dividend re-investment plan.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2008

6. *Capital and Reserves (continued)*

(b) Reconciliation of movements in capital and reserves

	<i>Issued Capital (\$'000)</i>	<i>Revaluation Reserve (\$'000)</i>	<i>Realisation Reserve (\$'000)</i>	<i>Retained Earnings (\$'000)</i>	<i>Total Equity (\$'000)</i>
Balance at 1 July 2007	171,647	202,160	15,101	31,934	420,842
Revaluation of investment portfolio	-	9,499	-	-	9,499
Provision for tax on unrealised gains	-	(3,171)	-	-	(3,171)
Net realised gains on investment portfolio	-	(15,710)	-	15,710	-
Income tax on net realised gains	-	4,713	-	(4,713)	-
Net operating profit for the period	-	-	-	9,885	9,885
Dividend reinvestment plan	1,770	-	-	-	1,770
Dividends paid	-	-	(864)	(7,164)	(8,028)
Realised gains transferred after tax	-	-	10,997	(10,997)	-
Balance at 31 December 2007	173,417	197,491	25,234	34,655	430,797
Balance at 1 July 2008	229,491	139,019	23,961	37,362	429,833
Revaluation of investment portfolio	-	(148,234)	-	-	(148,234)
Tax benefit on revaluation	-	44,212	-	-	44,212
Net realised and unrealised losses on investment portfolio	-	19,590	-	(19,590)	-
Tax benefit on net realised and unrealised losses	-	(5,561)	-	5,561	-
Net operating profit for the period	-	-	-	10,789	10,789
Dividend reinvestment plan	2,378	-	-	-	2,378
Dividends paid	-	-	(8,970)*	(843)	(9,813)
Realised losses transferred after tax	-	-	(2,527)	2,527	-
Balance at 31 December 2008	231,869	49,026	12,464	35,806	329,165

* LIC dividend

7. *Segment Reporting*

The Company operates as an investment company in Australia.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Half-Year Financial Report for the Six Months Ended 31 December 2008

8. *Contingent Liabilities and Capital Commitments*

There were no contingent liabilities or capital commitments as at 31 December 2008.

9. *Related Parties*

All arrangements with related parties are consistent with those disclosed in the 30 June 2008 annual financial report.

10. *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, except that the market value of the investment portfolio moves broadly in line with the overall Australian share market and the Australian All Ordinaries index fell 10% from 31 December 2008 to 25 February 2009.

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 12, 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 2008 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 26th day of February 2009.

Signed in accordance with a resolution of the Directors.

Charles Goode
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 balance sheet as at 31 December 2008, income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 10 and the directors' declaration set out on pages 5 to 13 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 2008 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 2008 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

26 February 2009