

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2007

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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 2007 with the corresponding period being the half year ended 31 December 2006.

Results for announcement to the market

- Revenue from ordinary activities was \$12.2 million, 17% up from the prior period.
- Operating Profit after tax and before net realised gains on the investment portfolio was \$9.9 million, up 11% from the prior period.
- Earnings per share based on net operating profit after tax were 8.0 cents, an increase of 11% from the prior period
- Net realised gains on the investment portfolio after tax were \$11.0 million, up 80% from the prior period.
- Total net profits for the period were \$20.9 million, 39% up from the prior period.
- In the current period special dividends and distributions of \$1,047,000 after tax were received. In the previous corresponding period special dividends of \$867,000 after tax were received.
- The interim dividend for the half year is 6.0 cents per share (9% increase on 5.5 cents for the previous period) fully franked payable on Friday 11 April 2008. The record date for determining entitlement to the interim dividend is 18 March 2008.
- The net tangible asset backing per share based on the market valuation of investments was \$4.22 at 31 December 2007, up from \$3.70 at the end of the previous corresponding period. These calculations are after provision for tax on net realised gains, before tax on unrealised gains 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 18 March 2008 and the three business days immediately preceding that date. The last day for receipt of an election notice for participation in the plan is 18 March 2008.

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

14 February 2008

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

Dear Sir,

Half Yearly Financial Report and Dividend Announcement **for the Half Year Ended 31 December 2007**

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

Operating Profit and Realised Capital Gains

Operating profit after income tax and before net realised gains on the investment portfolio for the half year ended 31 December 2007 was \$9,885,000 (previous corresponding period: \$8,890,000). Operating profit includes special dividends and distributions received of \$1,047,000 (previously \$867,000).

Net realised gains on the investment portfolio after tax were \$10,997,000 (previously \$6,110,000).

Operating expenses (excluding interest) were 0.07% of the average market value of the portfolio (previously 0.11%).

Earnings Per Share

The operating earnings per share based on the weighted average number of shares on issue for the half year was 8.0 cents per share (7.1 cents excluding the special dividends) compared to 7.2 cents for the half year to 31 December 2006 (6.5 cents excluding special dividends).

Including capital gains and special dividends, earnings per share were 16.9 cents (previously 12.2 cents).

Dividends

The Directors also announce an interim dividend of 6.0 cents per share fully franked to shareholders registered on 18 March 2008, to be paid on 11 April 2008. The comparable 2007 interim dividend was 5.5 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 average selling price of shares traded on the Australian Securities Exchange on the Record Date of 18 March 2008 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 18 March 2008.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$4.22 at 31 December 2007 and \$3.75 at 31 January 2008. These calculations are after provision for tax on net realised gains, before tax on unrealised gains 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 \$3.48 at 31 December 2007 and \$3.15 at 31 January 2008.

The Company's net asset backing accumulation performance for the six months to 31 December 2007 (assuming all dividends were reinvested) was 3%.

Investment Portfolio

As at 31 December 2007 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	60,210	10.6%
2. Woodside Petroleum Ltd	50,390	8.9%
3. Rio Tinto Ltd	46,882	8.3%
4. QBE Insurance Group Ltd	33,340	5.9%
5. Commonwealth Bank of Australia Ltd	29,550	5.2%
6. ANZ Banking Group Ltd	27,460	4.9%
7. Westfield Group	25,200	4.5%
8. National Australia Bank Ltd	22,674	4.0%
9. Westpac Banking Corporation Ltd	22,336	3.9%
10. Alumina Ltd	20,702	3.7%
11. CSL Ltd	16,907	3.0%
12. Tabcorp Holdings Ltd	14,780	2.6%
13. Woolworths Ltd	13,596	2.4%
14. Perpetual Ltd	13,248	2.3%
15. Suncorp Metway Ltd	11,844	2.1%
16. Brambles Ltd	11,530	2.0%
17. St George Bank Ltd	10,741	1.9%
18. Transurban Group Ltd	10,260	1.8%
19. AGL Energy Ltd	8,658	1.5%
20. Australand Holdings Ltd	8,120	1.4%
21. AXA Asia Pacific Holdings Ltd	7,380	1.3%
22. News Corporation Inc Class A Common CDI	7,014	1.2%
23. ConnectEast Group	6,623	1.2%
24. Telstra – Instalment Receipts	6,340	1.1%
25. Crown Ltd	6,298	1.1%
	<hr/>	
	492,083	86.8%
	<hr/> <hr/>	
Total Investments at Market Value and Cash	<hr/> <hr/>	
	566,531	

Yours faithfully

A J Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

INTERIM FINANCIAL REPORT
31 DECEMBER 2007

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors

Charles Goode AC - Chairman
Graeme Moir
Martyn Myer
Rupert Myer AM

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 2007 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	Director since 1991
Rupert Myer AM	Director since 2002

Review of Operations

Operating profit (excluding net realised gains) after income tax for the half-year ended 31 December 2007 was \$9,885,000 (previous corresponding period: \$8,890,000). Operating profit after income tax includes \$1,047,000 of special dividends received (previous corresponding period: \$867,000). Net realised gains on the investment portfolio after income tax were \$10,997,000 (previous corresponding period: \$6,110,000).

Operating expenses (excluding finance expenses) were 0.07% of the average market value of the portfolio (previous corresponding period: 0.11%).

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 2007.

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 14th day of February 2008.

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 2007 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

14 February 2008

DIVERSIFIED UNITED INVESTMENT LIMITED

Interim Income Statement for the Six Months Ended 31 December 2007

	<i>31 December 2007 \$'000's</i>	<i>31 December 2006 \$'000's</i>
Revenue from investment portfolio	12,217	10,419
Administration and other expenses	(393)	(490)
Finance expenses	(2,020)	(1,106)
	9,804	8,823
Operating profit before income tax expense and net realised gains on investment portfolio	9,804	8,823
Income tax benefit *	81	67
	9,885	8,890
Net operating profit before net realised gains on investment portfolio	9,885	8,890
Net realised gains on investment portfolio transferred from revaluation reserve	15,710	9,006
Income tax expense thereon *	(4,713)	(2,896)
	10,997	6,110
Profit for the period	20,882	15,000
Basic and diluted earnings per share (cents)	16.9	12.2
Basic and diluted operating earnings per share (cents) before net realised gains on investment portfolio are shown in Note 4.		
* Total income tax expense	(4,632)	(2,829)

The interim income statement is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Interim Balance Sheet as at 31 December 2007

	<i>Note</i>	<i>31 December 2007 \$'000's</i>	<i>30 June 2007 \$'000's</i>
ASSETS			
Cash assets		2,111	1,026
Receivables		1,238	2,883
Other		30	30
Total current assets		3,379	3,939
Investment portfolio		563,152	582,425
Deferred tax assets		-	269
Total non-current assets		563,152	582,694
Total assets		566,531	586,633
LIABILITIES			
Current tax liability		4,123	-
Payables		110	98
Total current liabilities		4,233	98
Borrowings – interest bearing		39,876	72,766
Deferred tax liability		91,625	92,927
Total non-current liabilities		131,501	165,693
Total liabilities		135,734	165,791
Net assets		430,797	420,842
EQUITY			
Issued capital	6a	173,417	171,647
Revaluation reserve	6b	197,491	202,160
Realisation reserve	6b	25,234	15,101
Retained earnings	6b	34,655	31,934
Total equity		430,797	420,842

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 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Interim Statement of Changes in Equity for the Six Months ended 31 December 2007

		<i>31 December 2007 \$'000's</i>	<i>31 December 2006 \$'000's</i>
	<i>Note</i>		
Total equity at the beginning of the period	6b	420,842	344,531
Revaluation of investment portfolio		9,499	43,243
Net realised gains on investment portfolio after tax transferred to income statement		(10,997)	(6,110)
Provision for tax on revaluation of investments		(3,171)	(13,166)
Total direct equity adjustments		(4,669)	23,967
Profit for the period		20,882	15,000
Total direct equity adjustments and profit for the period		16,213	38,967
Transactions with shareholders			
Dividend reinvestment plan		1,770	1,232
Dividends paid from retained earnings		(7,164)	(1,534)
Dividends paid from realisation reserve		(864)	(4,089)
Rights issue costs		-	(5)
		(6,258)	(4,396)
Total equity at the end of the period	6b	430,797	379,102

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 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Interim Statement of Cash Flows for the Six Months Ended 31 December 2007

	<i>31 December 2007 \$'000's</i>	<i>31 December 2006 \$'000's</i>
Cash flows from operating activities		
Interest received	418	108
Dividends and trust distributions received	12,979	11,892
Administration and other expenses paid	(381)	(1,349)
Finance costs paid	(1,910)	(1,371)
Income taxes paid	-	(1,416)
	11,106	7,864
Net cash from operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	45,229	8,026
Purchases of investments	(15,992)	(39,601)
	29,237	(31,575)
Net cash from (used in) investing activities		
Cash flows from financing activities		
Rights issue costs	-	(5)
Dividends paid	(6,258)	(4,391)
Proceeds from borrowings	-	23,033
Repayments of borrowings	(33,000)	-
	(39,258)	18,637
Net cash from (used in) financing activities		
Net increase (decrease) in cash held	1,085	(5,074)
Cash and cash equivalents at 1 July	1,026	8,523
	2,111	3,449
Cash and cash equivalents at 31 December	2,111	3,449

The interim statement of cash flows is to be read in conjunction with the condensed notes to the interim financial report set out on pages 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2007

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 2007 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 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 2007.

This interim financial report was approved by the Board of Directors on 14 February 2008.

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 2007.

4. Earnings per share

	<i>31 December 2007</i>	<i>31 December 2006</i>
	<i>Cents</i>	<i>Cents</i>
Basic earnings per share	16.9	12.2
Basic earnings per share before net realised gains on investment portfolio	8.0	7.2
Basic earnings per share before special dividends and net realised gains on investment portfolio	7.1	6.5

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 123,645,536 taking into account the shares issued in the dividend re-investment program. The 2006 figure is based on a weighted average number of ordinary shares of 122,815,236.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2007

	<i>31 December 2007 \$'000's</i>	<i>31 December 2006 \$'000's</i>
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5. *Dividends*

Dividends recognised in the current period by the Company are:

Final fully franked dividend of 6.5 cents per share paid on 15 October 2007

	<u>8,028</u>	<u>5,623</u>
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Subsequent to reporting date:

Since 31 December 2007, the directors have declared the following dividend payable on 11 April 2008:

- Interim dividend of 6.0 cents per share fully franked

	<u>7,434</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 2007.

	<i>31 December 2007 \$'000's</i>	<i>30 June 2007 \$'000's</i>
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6. *Capital and Reserves*

(a) Issued Capital

123,907,309 ordinary fully paid shares
(30 June 2007: 123,457,107)

	<u>173,417</u>	<u>171,647</u>
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Movements in issued capital

Balance at beginning of period

	171,647	168,912
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Shares Issued

- Dividend re-investment plan (i)

	1,770	2,740
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- Rights issue capitalised costs

	-	(5)
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	<u>173,417</u>	<u>171,647</u>
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(i) In respect of the 2007 final dividend paid on 15 October 2007, 450,272 shares were issued at \$3.93 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 2007

6. *Capital and Reserves (continued)*

(b) Reconciliation of movements in capital and reserves

	<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>
Balance at 1 July 2006	168,912	137,900	14,167	23,552	344,531
Revaluation of investment portfolio	-	43,243	-	-	43,243
Provision for tax on unrealised gains	-	(13,166)	-	-	(13,166)
Net realised gains on investment portfolio	-	(9,006)	-	9,006	-
Income tax on net realised gains	-	2,896	-	(2,896)	-
Transfer of tax relating to previously recognised gains	-	1,155	(1,155)	-	-
Net operating profit for the period	-	-	-	8,890	8,890
Rights issue capitalised costs	(5)	-	-	-	(5)
Dividend reinvestment plan	1,232	-	-	-	1,232
Dividends paid	-	-	(4,089)	(1,534)	(5,623)
Realised gains transferred after tax	-	-	6,110	(6,110)	-
Balance at 31 December 2006	170,139	163,022	15,033	30,908	379,102
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

7. *Segment Reporting*

The Company operates as an investment company in Australia.

DIVERSIFIED UNITED INVESTMENT LIMITED

Condensed Notes to the Interim Financial Report for the Six Months Ended 31 December 2007

8. *Contingent Liabilities and Capital Commitments*

There were no contingent liabilities or capital commitments as at 31 December 2007 with the exception of the final call payable on the Telstra Corporation Limited Instalment Receipts. Based on the Company's current holding of 2,000,000 instalment receipts, the Company expects to pay \$3,200,000 in May 2008 if the shares are held at that time.

9. *Related Parties*

All arrangements with related parties are consistent with those disclosed in the 30 June 2007 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 12.6% from 31 December 2007 to 13 February 2008.

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 2007 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 14th day of February 2008.

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 2007, income statement, statement of changes in equity and cash flow statement for the interim period ended on that date, a statement of accounting policies, other explanatory notes 1 to 10 and the directors' declaration set out on pages 5 to 13 of the company.

Directors' responsibility for the 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 Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This responsibility includes designing, implementing 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 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 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 2007 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.

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 2007 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
14 February 2008