

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2003

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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 2003 with the corresponding period being the half year ended 31 December 2002.

Results for announcement to the market

- Revenue from ordinary activities including revenue from the sale of long-term investments was \$33.6 million, 46% up from the prior period.
- Profit from ordinary activities after tax was \$6.6 million, 83% up from the prior period.
- Net profit attributable to shareholders was \$6.6 million, 83% up from the prior period.
- After excluding special dividends received as part of the Company's participation in the Telstra Corporation Ltd and Foster's Group Ltd share buy-back arrangements, profit from ordinary activities after tax was up 8.7% from the prior period.
- The interim dividend for the half year is 2.75 cents per share (2.5 cents previous period) fully franked payable on 13 April 2004. The record date for determining entitlement to the interim dividend is 24 March 2004.

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

24 February 2004

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 2003**

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

Operating Profit

Operating profit after income tax for the half year ended 31 December 2003 was \$6,620,000 (previous corresponding period: \$3,615,000), an increase of 83%, or 8.7% if special dividends received of \$2,690,000 as part of the Telstra Corporation Ltd and Foster's Group Ltd share buy-back arrangements are disregarded.

Operating expenses (excluding interest and write downs) were 0.16% of the average market value of the portfolio (previously 0.15%).

The earnings per share based on the weighted average number of shares on issue for the half year was 6.7 cents per share (4 cents excluding the Telstra and Foster's special buy-back dividends) compared to 3.7 cents for the half year to 31 December 2002.

Dividends

The Directors also announce an interim dividend of 2.75 cents per share fully franked to shareholders registered on 24 March 2004, to be paid on 13 April 2004. The comparable 2003 interim dividend was 2.5 cents per share fully franked.

Dividend Reinvestment Plan

The last date for receipt of election notices under the Dividend Reinvestment Plan is 24 March 2004. The Plan offers shares lieu of the cash dividend, at current market prices without discount.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$1.99 at 31 December 2003 and \$1.97 at 31 January 2004. 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 \$1.79 at 31 December 2003 and \$1.77 at 31 January 2004.

Investment Portfolio

At 31 December 2003 the investment portfolio at market values was invested in the following areas:

Australian Equities	92%
Fixed Interest Securities	1%
Listed Property Securities	3%
Short Term Deposits	4%

The current asset allocation targets, which are subject to change in the light of the investment climate from time to time, are Australian equities 90%, fixed interest securities 3%, listed property securities 3% and short term deposits 4%.

As at 31 December 2003 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. ANZ Banking Group Ltd	17,384	7.8%
2. Commonwealth Bank of Australia Ltd	14,725	6.6%
3. Woodside Petroleum Ltd	13,320	6.0%
4. Westpac Banking Corporation Ltd	12,792	5.8%
5. National Australia Bank Ltd	11,980	5.4%
6. QBE Insurance Group Ltd	9,540	4.3%
7. Rio Tinto Ltd	9,300	4.2%
8. Tabcorp Holdings Ltd	8,984	4.0%
9. Alumina Ltd	8,705	3.9%
10. Perpetual Trustees Ltd	8,520	3.8%
11. Southern Cross Broadcasting (Aust) Ltd	7,469	3.4%
12. Australian Gas Light Company Ltd	6,738	3.0%
13. Foodland Associated Ltd	5,838	2.6%
14. WMC Resources Ltd	5,630	2.5%
15. Australand Holdings Ltd	4,969	2.2%
16. TAB Limited	4,620	2.1%
17. Transurban Group Ltd	4,460	2.0%
18. Telstra Corporation Ltd	4,438	2.0%
19. Foster's Group Ltd	4,039	1.8%
20. Westfield Trust	3,916	1.8%
21. Washington H. Soul Pattinson & Co Ltd	3,870	1.7%
22. Suncorp Metway Ltd	3,717	1.7%
23. Brambles Industries Ltd	3,696	1.7%
24. Macquarie Infrastructure Group	3,400	1.5%
25. Alesco Corporation Ltd	3,286	1.5%
	185,336	83.3%
Total Investments at Market Value and Cash	222,265	

Yours faithfully

A J Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2003

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors

C B Goode - Chairman
J W Hopkins (Retired 31 December 2003)
G E Moir
M K Myer
R H Myer

Company Secretary

A J Hancock
Level 4
45 Exhibition Street
Melbourne Vic 3000
Telephone: (03) 9654 0499

Registered Office

Diversified United Investment Limited
C/- KPMG
Level 4
161 Collins Street
Melbourne Vic 3000

Administration Managers

The Myer Family Office Ltd

Solicitors

Mallesons Stephen Jaques

Bankers

ANZ Banking Group Limited
National Australia Bank Limited

Auditors

KPMG
Chartered Accountants

Share Registry

Computershare Investor Services Pty Ltd
Level 12
565 Bourke Street
Melbourne Vic 3000
Telephone: (03) 9611 5711
Facsimilie: (03) 9611 5710

Stock Exchange

The Company is listed on the Australian Stock Exchange, ASX code: DUI.

Website

www.dui.com.au

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 2003 and the auditors review report thereon.

Directors

The names of each person who has been a director 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 B. Goode AC Chairman	Director since 1991 Appointed Chairman 1991
John W. Hopkins Director	Director since 1996 Retired 31 December 2003
Graeme E. Moir Director	Director since 1991
Martyn K. Myer Director	Director since 1991
Rupert H. Myer Director	Director since 2002

Review of Operations

The Company's target asset allocation and the portfolio's actual asset allocation will both vary from time to time and at 31 December 2003 were as follows:

	<i>Current Target %</i>	<i>Investments At Market Value %</i>
Australian Equities	90	93
International Equities	0	0
Fixed Interest Securities	3	1
Listed Property Securities	6	4
Short Term Deposits	1	2

For the half year ended 31 December 2003 the Company earned an operating profit after tax of \$6,620,000 (compared to \$3,615,000 in 2002). The increase in operating profit is primarily a result of franked dividends of \$2,686,982 received through the Company's participation in the Fosters Group Ltd and Telstra Corporation Ltd share buy back schemes.

Operating expenses (excluding interest and write downs) were 0.16% of the average market value of the portfolio (2002: 0.15%).

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors' Report (Continued)

Rounding Of Amounts

The Company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

Melbourne, February 2004

C B Goode
Director

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Financial Performance for the Half-Year Ended 31 December 2003

		<i>31 December 2003 \$'000's</i>	<i>31 December 2002 \$'000's</i>
Revenue from operating activities		7,913	4,556
Revenue from the sale of long term investments		25,649	18,427
		33,562	22,983
<i>Total ordinary revenue</i>	3		
Operating expenses		(345)	(312)
Borrowing costs		(698)	(673)
Carrying Value of investments sold – Trading Stock		(261)	(11)
Carrying Value of investments sold – Long Term Investments		(25,649)	(18,427)
		6,609	3,560
Profit from ordinary activities before related income tax expense			
Income tax benefit relating to ordinary activities		11	55
		6,620	3,615
Profit from ordinary activities after related income tax expense			
Net profit		6,620	3,615
Non-owner transaction changes in equity			
Increase/(decrease) in retained earnings arising from the sale of non-current assets (Net of Tax)	6	(11,676)	2,695
Increase/(Decrease) in reserves			
Asset Revaluation Reserve		30,248	(22,432)
		25,192	(16,122)
Total changes in equity from non-owner related transactions	7		
Basic earnings per share before net gains on long term Investments (cents per share)		6.7	3.7

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

The statement of financial performance is to be read in conjunction with the notes to the half year financial statements set out on pages 8 to 11.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Financial Position as at 31 December 2003

	<i>Note</i>	<i>31 December 2003 \$'000's</i>	<i>30 June 2003 \$'000's</i>
<i>CURRENT ASSETS</i>			
Cash assets		4,395	7,118
Receivables		3,646	1,491
Investments		263	261
Other		654	1,268
		8,958	10,138
<i>NON-CURRENT ASSETS</i>			
Investments		216,155	193,091
Deferred tax assets		294	166
		216,449	193,257
		225,407	203,395
<i>CURRENT LIABILITIES</i>			
Payables		112	72
Interest-bearing liabilities		25,000	25,000
		25,112	25,072
<i>NON-CURRENT LIABILITIES</i>			
Deferred tax liability		488	367
Provisions		575	530
		1,063	897
		26,175	25,969
		199,232	177,426
<i>EQUITY</i>			
Contributed equity	5	108,430	107,343
Asset Revaluation Reserve		68,730	38,482
Retained profits	6	22,072	31,601
		199,232	177,426
		199,232	177,426

The statement of financial position is to be read in conjunction with the notes to the half year financial statements set out on pages 8 to 11.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Cash Flows for the Half Year Ended 31 December 2003

	<i>Note</i>	<i>31 December 2003 \$'000's</i>	<i>31 December 2002 \$'000's</i>
		<i>Inflows/ (Outflows)</i>	<i>Inflows/ (Outflows)</i>
Cash Flows from Operating Activities			
Cash receipts in the course of operations			
Interest received		305	117
Dividends & trust distributions received		6,660	5,456
Proceeds from the trading portfolio		-	120
Interest paid		(93)	(104)
Cash payments in the course of operations		(243)	(187)
Income taxes paid		(17)	(239)
		<hr/>	<hr/>
Net cash provided by operating activities		6,612	5,163
		<hr/>	<hr/>
Cash Flows from Investing Activities			
Payments for investments		(30,146)	(6,350)
Proceeds from the sale of investments		24,197	6,285
		<hr/>	<hr/>
Net cash used in investing activities		(5,949)	(65)
		<hr/>	<hr/>
Cash Flows from Financing Activities			
Dividends paid (excluding dividend re-investment plan)		(3,386)	(2,982)
		<hr/>	<hr/>
Net cash used in financing activities		(3,386)	(2,982)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(2,723)	2,116
		<hr/>	<hr/>
Cash at the beginning of the financial period		7,118	(106)
		<hr/>	<hr/>
Cash at the end of the financial period		4,395	2,010
		<hr/> <hr/>	<hr/> <hr/>

The statement of cash flows is to be read in conjunction with the notes to the half year financial statements set out on pages 8 to 11.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half Year Ended 31 December 2003

1. *Statement of Significant Accounting Policies*

(a) *Basis of Preparation of half year financial report*

The half-year financial report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This half year financial report is to be read in conjunction with the 30 June 2003 Annual Financial Report and any public announcements by Diversified United Investment Limited during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

These accounting policies have been consistently applied and, except where there is a change in accounting policy as disclosed in Note 2, are consistent with those applied in the 30 June 2003 Annual Financial Report.

The half-year report does not include full note disclosures of the type normally included in the annual financial report.

2. *Changes in Accounting Policy*

There have been no material changes in the accounting policies of the Company from those adopted at 30 June 2003.

3. *Revenue from Ordinary Activities*

(a) Revenue from operating activities

The activity of the Company is that of an investment company, returns being in the form of dividends, interest income, trust income, trading income, options income and sub-underwriting income. Dividend income is recognised at the ex-dividend date.

(b) Revenue from other than operating activities

The proceeds on sale of long term investments are considered to be other revenue of the Company.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half Year Ended 31 December 2003 (Continued)

4. <i>Dividends</i>	<i>31 December 2003 \$'000's</i>	<i>31 December 2002 \$'000's</i>
During the period, Diversified United Investment Limited has paid or provided for dividends not previously recognised in retained profits as follows:		
Final dividend paid on 9 October 2002	-	3,940
Final dividend paid on 9 October 2003	4,473	-
	4,473	3,940

Subsequent to reporting date:

Since 31 December 2003, the directors have declared the following dividend payable on 13 April 2004:

- Interim dividend of 2.75 cents per share	2,750
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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 2003.

5. <i>Contributed Equity</i>	<i>31 December 2003 \$'000's</i>	<i>30 June 2003 \$'000's</i>
Issued and Paid-Up Capital 99,982,327 ordinary fully paid shares (2003: 99,384,743)	108,430	107,343
	108,430	107,343
Movements in ordinary share capital		
Balance at beginning of period	107,343	105,783
Shares Issued		
- Dividend re-investment plan	(i) 1,087	1,560
	108,430	107,343

- (i) In respect of the 2003 final dividend 597,584 shares were issued at \$1.82 (2002 Final: 532,386 shares issued at \$1.80, 2003 Interim: 358,863 shares issued at \$1.68) each under the dividend re-investment plan.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half Year Ended 31 December 2003(Continued)

6. Retained Profits	<i>31 December 2003 \$'000's</i>	<i>31 December 2002 \$'000's</i>
Retained profits at the beginning of the period	31,601	30,542
Net profit	6,620	3,615
Increase/(decrease) in retained earnings arising from the sale of non-current assets*	(11,676)	3,544
Tax on disposal of long term investments	-	(849)
Dividends provided for or paid	<u>(4,473)</u>	<u>(3,940)</u>
Retained profits at end of the period	<u>22,072</u>	<u>32,912</u>

*The Company had previously written up the book value of its investment in Faulding Ltd by \$9,363,845 at the time of takeover by Mayne Group Ltd in accordance with generally accepted accounting principles and the Company's accounting policies. During the current period the Company sold its investment in Mayne Group Ltd resulting in a reversal of the write-up against retained earnings.

7. Total Equity Reconciliation	<i>31 December 2003 \$'000's</i>	<i>31 December 2002 \$'000's</i>
Total equity at the beginning of the half-year	177,426	195,056
Total changes in equity recognised in the statement of financial performance	25,192	(16,122)
Dividends paid	(4,473)	(3,940)
Shares issued under dividend reinvestment plan	<u>1,087</u>	<u>957</u>
Total equity at the end of the half-year	<u>199,232</u>	<u>175,951</u>

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half Year Ended 31 December 2003(Continued)

8. *Segment Reporting*

GEOGRAPHICAL SEGMENTS – Primary

	31 December 2003			31 December 2002		
	Aust \$'000	Foreign \$'000	Total \$'000	Aust \$'000	Foreign \$'000	Total \$'000
Revenue	33,562	-	33,562	18,156	4,827	22,983
Operating profit before tax	6,609	-	6,609	3,552	8	3,560
Income tax (expense)/benefit			<u>11</u>			<u>55</u>
			<u>6,620</u>			<u>3,615</u>
Segment Assets	225,417	-	225,417	202,838	-	202,838

INDUSTRY SEGMENTS – Secondary

All the company's operating revenue and operating profit is derived from investment.

9. *Contingent Liabilities, Capital Commitments and Subsequent Events*

There were no contingent liabilities or capital commitments as at 31 December 2003. There have been no significant events from 31 December 2003 to the date of this report.

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors' Declaration

In the opinion of the directors of Diversified United Investment Limited:

1. The financial statements of the company and accompanying notes as 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 2003 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 Accounting Standard AASB 1029 "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 day of February, 2004

Signed in accordance with a resolution of the Directors:

C B Goode
Director

Independent Review Report to the Members of
DIVERSIFIED UNITED INVESTMENT LIMITED

Scope

We have reviewed the financial report of Diversified United Investment Limited for the half year ended 31 December 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 9 and the directors' declaration set out on pages 5 to 12. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on the basis of procedures described, anything has come to our attention that would indicate that the half year financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", and other mandatory professional reporting requirements and statutory requirements in Australia so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of the operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with the Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half year financial report of Diversified United Investment Limited is not in accordance with:

- (a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the company's financial position as at 31 December 2003 and its performance for the half-year ended on that date; and
 - ii) complying with Accounting Standard AASB 1029 " Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

KPMG

D Pasquariello
Partner
Melbourne
February 2004