

Diversified United Investment Limited

(ABN 33 006 713 177)

PROSPECTUS

Shares are not being offered on the basis of this electronic version of the Prospectus. Shares will only be issued on the basis of the Entitlement and Acceptance Form issued to shareholders with a hard copy of the Prospectus.

One for five renounceable rights issue of approximately 20,443,000 new fully paid ordinary shares at \$2.70 per share.

This document is important and requires your immediate attention. It should be read in its entirety. If you are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser without delay.

Corporate Directory

Directors

Charles B Goode AC, B.Com. (Hons) (Melb), MBA (Columbia), Hon.LLD (Melb), Hon LLD (Mon).
Graeme E Moir, B. Com (Univ. of NZ), ACA (NZ) ACIS.
Martyn K Myer, B.Eng, MEng.(Mon), MSM (MIT), FIE (Aust).
Rupert H Myer AM, B.Com (Hons) (Melb), MA Cantab.

Company Secretary

Andrew J Hancock, FCA, B.Ec (Mon), Grad.Dip.CDP (RMIT).

Principal Office

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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/- KMPG
161 Collins Street
Melbourne Vic 3000

Auditors

KPMG
Chartered Accountants

Solicitors

Minter Ellison, Lawyers
Level 23
Rialto
525 Collins Street
Melbourne Vic 3000

Share Registry

Computershare Investor Services Pty Limited
Yarra Falls
452 Johnston Street
Abbotsford Vic 3067
Tel: 1300 850 505 or (613) 9415 4000
Fax: (613) 9473 2529
Website: www.computershare.com

Stock Exchange

The Company is listed on the Australian Stock Exchange Ltd.

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Summary of Important Dates

Rights trading commences and ordinary shares quoted ex rights	7 April 2006
Record Date to determine entitlements to New Shares	13 April 2006
Last day of rights trading	4 May 2006
Closing date for receipt of applications (and/or renunciations) and payment	11 May 2006
Issuer Sponsored Statements for New Shares despatched	19 May 2006

This timetable is indicative only. The Company reserves the right to vary the above dates.

Glossary

In this Prospectus:

AEST means Australian Eastern Standard Time.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited ABN 98 008 624 691.

DUI or the Company means Diversified United Investment Limited ABN 33 006 713 177.

Existing Shares means fully paid ordinary shares in the Company on issue at the date of this Prospectus.

Form means the Entitlement and Acceptance Form.

Issue means the issue of New Shares pursuant to this Prospectus.

Listing Rules means the ASX listing rules.

New Shares means the fully paid ordinary shares in the Company to be issued pursuant to this Prospectus.

Person means Directors of DUI, Minter Ellison Lawyers, KPMG Chartered Accountants, Computershare Investor Services Pty Limited, or a promoter of DUI.

Share Registry means Computershare Investor Services Pty Limited ABN 48 078 279 277.

Important Notice

This Prospectus is dated 24 March 2006. A copy of this Prospectus was lodged with ASIC on 24 March 2006. ASIC takes no responsibilities for the contents of this Prospectus. No securities will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No guarantees as to future performance of, or future return from, DUI can be given by DUI or by any director or officer of DUI. Investment in shares is inherently subject to investment and other risks of loss of income and principal invested.

Chairman's letter

24 March 2006

Dear Shareholder

This Prospectus sets out details of a renounceable rights issue of approximately 20,443,000 fully paid ordinary shares in DUI, offered to existing shareholders on a one for five basis at a price of \$2.70 per New Share. The Issue is intended to raise approximately \$55,087,000.

The Directors see advantages in the Company raising additional funds in order to provide shareholders with the opportunity to commit further funds, to increase liquidity in the trading of shares in DUI and to provide additional funds to invest in new opportunities or reduce DUI's borrowings without having to sell long term investments.

The issue price of \$2.70 represents a discount of 18% on the latest available market sale price of Existing Shares on the ASX of \$3.30 on 23 March 2006.

The New Shares will not rank for any dividends in respect of the financial year to 30 June 2006. The New Shares will rank for dividends paid after the 2006 final dividend. Therefore the first dividend receivable on the New Shares will be the interim dividend for 2006/07, expected to be paid in April 2007. The New Shares will otherwise rank equally with Existing Shares.

The Issue is not underwritten.

Shareholders may either subscribe for the New Shares to which they are entitled or, subject to the availability of buyers, sell their rights to the entitlement. In respect of entitlements that are not taken up, New Shares may, subject to the availability of buyers above the issue price, be sold for the benefit of the shareholders concerned.

Proceeds of the Issue will be invested over time on the basis of DUI's investment philosophy which seeks to provide current income for shareholders together with longer term capital appreciation within an acceptable level of risk.

Dividends paid and underlying earnings per share in respect of each of the last 5 completed financial years are as follows:

	Dividends (cents per share)	Underlying Earnings (cents per share)
• 2000/01	6.25	7.2
• 2001/02	6.50	7.1
• 2002/03	7.00	7.4
• 2003/04	7.50	8.2
• 2004/05	8.50	8.9

Underlying earnings per share excludes both special dividends received by the Company and net realised capital gains or losses on long term investments.

An interim dividend of 4.0 cents per share has been declared in the current financial year (the interim dividend that was paid in 2005 was 3.5 cents).

The Directors' present intention is to continue the practice of paying out on an annualised basis dividends (including any Listed Investment Company capital gain component) which represent a reasonably high proportion of underlying earnings per share.

All dividends referred to above were fully franked. The balance of the Company's franking account at 31 December 2005 (after adjusting for the interim dividend payable on 12 April 2006) was \$6.9 million and, accordingly, it is the Directors' intention to fully frank the 2006 final dividend (not to be paid on the New Shares) and the following interim dividend.

The record date for the Issue will be 13 April 2006, and accordingly valid transfers lodged before 5.00pm AEST on that day will be registered for the purpose of determining entitlements to the New Shares.

Shares issued under the Company's Dividend Reinvestment Plan for the interim dividend to be paid on 12 April 2006 will rank for participation in the Issue.

Your Directors have confidence in the future of Diversified United Investment Limited and invite you to participate in the Issue.

Yours faithfully,
Charles Goode
Chairman

1. Action Required by shareholders

The number of New Shares to which you are entitled is shown on the Entitlement and Acceptance Form accompanying this Prospectus.

1.1 If you wish to take up all of your entitlement

Complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out on the Form. Forward your completed Form together with your cheque for the amount shown on the Form, to reach the Share Registry no later than 5.00pm AEST on 11 May 2006. Cheques should be made payable to "Diversified United Investment Limited" and crossed "Not Negotiable". Shareholders located in Australia may use the reply paid envelope enclosed with this Prospectus. Alternatively, the Form does not have to be completed or returned to the Share Registry if your payment by BPay for all of your entitlement is received no later than 5.00pm AEST on 11 May 2006.

1.2 If you wish to sell all of your entitlement on the ASX

Fill in the section on the back of the accompanying Entitlement and Acceptance Form marked "Instruction to Your Stockbroker" and lodge the Form with your stockbroker. Please note that quotation of rights on the ASX will commence on 7 April 2006. Sale of your entitlement must be completed by close of trading on 4 May 2006, when rights trading ceases.

1.3 If you wish to sell part of your entitlement on the ASX and take up the balance

Fill in the accompanying Entitlement and Acceptance Form where indicated, complete the section on the back of the Form marked "Instruction to Your Stockbroker" and lodge the Form with your stockbroker, together with your cheque (or BPay confirmation) for the amount due in respect of the New Shares accepted. Please note that quotation of rights on the ASX will commence on 7 April 2006. Sale of part of your entitlement must be completed by close of trading on 4 May 2006, when rights trading ceases.

1.4 If you wish to transfer your entitlement to another person other than on the ASX

Forward a completed standard renunciation form(s) (obtainable from your stockbroker or from the Share Registry) together with your Entitlement and Acceptance Form to the Share Registry so as to reach it no later than 5.00pm AEST on 11 May 2006.

1.5 Payment for New Shares

Payments made by cheque must be in Australian currency in favour of "Diversified United Investment Limited" and crossed "Not Negotiable". Payments may also be made by BPay using the biller code and your reference number as described in the Entitlement and Acceptance Form. Cash payments will not be accepted. Receipts for payments will not be issued.

1.6 Entitlements not taken up

Entitlements not exercised by the closing date may be offered to a trustee appointed by DUI to be dealt with for the benefit of the shareholders concerned. The trustee may take up the shares concerned and sell them for the benefit of the shareholders to whom they were originally offered. The net proceeds from such sale (being the gross proceeds from the sale less the costs incurred by the trustee and the issue price of the shares sold) will be distributed in due proportion among the shareholders for whose benefit the shares have been sold. **As there can be no guarantee that there will be such a distribution, it is important that you take action either to exercise or to sell your entitlement in accordance with the instructions on paragraphs 1.1 – 1.5.** Neither DUI nor the trustee will be liable for any failure to offer or to sell any New Shares at a particular price or time, or at all.

1.7 Enquiries

If you have any queries regarding your entitlement, please contact Computershare Investor Services Pty Limited by telephone on 1300 850 505 or your stockbroker or professional adviser.

2. Details of the Issue

2.1 Purpose of the Issue

The funds of approximately \$55,087,000 raised by the Issue will be used to increase the funds available for investment in accordance with DUI's investment objectives and policy (see paragraph 3.1).

The Directors see advantages in the Company raising additional funds in order to provide shareholders with the opportunity to commit further funds, to increase liquidity in the trading of shares in DUI, and to provide additional funds to invest in new opportunities or reduce DUI's borrowings without having to sell long term investments.

2.2 The Issue

Shareholders who are registered at 5.00pm AEST on 13 April 2006 will be offered New Shares in the ratio of one New Share for every five Existing Shares then held at a price of \$2.70 per New Share. Approximately 20,443,000 New Shares will be issued to raise approximately \$55,087,000.

Shares issued under the Company's Dividend Reinvestment Plan for the interim dividend to be paid on 12 April 2006 will rank for participation in the Issue.

Your entitlement to New Shares is shown on the accompanying Entitlement and Acceptance Form. In calculating entitlements to New Shares, fractional entitlements have been rounded up to the nearest whole share. Shares held on separate sub-registers for the same holder have not been aggregated.

The closing time and date for acceptance of the Issue is 5.00pm AEST on 11 May 2006.

The issue price for New Shares is payable in full on application.

2.3 Rights of New Shares

The New Shares will not rank for any dividends in respect of the financial year to 30 June 2006. The New Shares will rank for dividends paid after the 2006 final dividend. Therefore the first dividend receivable on the New Shares will be the interim dividend for 2006/07, expected to be paid in April 2007. The New Shares will otherwise rank equally with Existing Shares.

2.4 Rights trading and ASX quotation

The rights to the New Shares are renounceable. Subject to ASX approval, trading in rights will commence on the ASX on 7 April 2006 and will cease on 4 May 2006.

Application will be made within seven days of the date of this Prospectus for the New Shares to be granted quotation on the official list of the ASX. The ASX does not take responsibility for the contents of this Prospectus.

2.5 Market prices

The highest and lowest market sale prices of the Existing Shares quoted on the ASX during the 3 months immediately preceding 24 March 2006 and the respective dates of those sales, were \$3.55 on 7 March 2006 and \$2.80 on 28 December 2005.

The latest available market sale price of the Existing Shares on the ASX at close of trading on 23 March 2006 was \$3.30.

2.6 Minimum subscription

There is no minimum subscription in relation to the Issue.

2.7 Issue

No issue of New Shares will be made until the proceeds of the Issue have been received and permission is granted for quotation of the New Shares on ASX. If ASX does not permit quotation, the application monies will be refunded in full. Interest will not be paid on any refunds.

It is expected that New Shares will be issued on or about 17 May 2006. DUI will not issue a person with a share certificate in respect of any New Shares under this Prospectus. Following the issue of the new Shares under this Prospectus, DUI will provide each person with a statement that sets out the number of New Shares issued to that person and which shows their aggregate holding of DUI shares. The statement is expected to be issued on or about 19 May 2006.

2.8 Overseas shareholders

This Prospectus and the accompanying documents do not constitute an offer in any jurisdiction outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer.

The offer of rights to New Shares has not been, and will not be, registered under the securities laws of any country other than Australia. This rights offer is not being made, and does not qualify for distribution or sale to, and no New Shares will be issued to, or may be acquired directly or indirectly by or for the benefit of, any shareholder whose registered address is in any country other than Australia and New Zealand.

For that reason, no Entitlement and Acceptance Form is being sent to any person whose registered address is in any country other than Australia and New Zealand and this Prospectus is being sent to them for information only.

The entitlements of shareholders whose registered addresses are in a country other than Australia and New Zealand will be sold (provided there is an available market for them and a premium over the expenses of sale can be obtained) by a nominee appointed by DUI, at prices and in the manner determined by the nominee in its discretion for the benefit of those shareholders. Neither DUI nor the nominee will be liable for any failure to sell the rights at a particular price or time, or at all. The net proceeds of any sale will be distributed in Australian dollars to shareholders on whose behalf the rights were sold. If the nominee considers that there is not an available market for the rights, the entitlements will be allowed to lapse.

2.9 Underwriting and expenses of the issue

The issue will not be underwritten.

The total expenses of the Issue payable by DUI, are estimated to be approximately \$110,000.

3. Investment Policy and Performance

3.1 Investment Policy

The objective of the Company is to seek a mixture of current income and longer term capital gain within an acceptable level of risk.

The investment philosophy of the Company is to take a medium to long term view and to invest in a diversified portfolio of Australian equities, fixed interest securities, listed property trusts and short term deposits. From time to time the Company may hold investments in international equities, but does not currently hold any other than an investment in News Corporation Inc.

Investments are purchased or subscribed for on the basis of the Directors' assessment of their individual prospects for income and growth. The Directors do not invest by reference to any pre-determined policy that any particular proportions of the capital will be invested in particular investment sectors.

3.2 Investment Portfolio

As at 28 February 2006, the equity portfolio of DUI was invested in Australian equities and was spread over 41 companies. The market value of the investment portfolio (including the cash management trust investments) was \$377,990,000.

As at 28 February 2006, the value of the twenty five largest shareholdings of the Company calculated at market prices as was follows:

<i>Company</i>	<i>Market Value \$'000</i>	<i>% of Market Value of Total Investments</i>
1. Woodside Petroleum Ltd	36,441	9.6%
2. ANZ Banking Group Ltd	25,720	6.8%
3. Commonwealth Bank of Australia Ltd	22,425	5.9%
4. Rio Tinto Ltd	21,360	5.7%
5. Alumina Ltd	20,820	5.5%
6. BHP Billiton Ltd	19,400	5.1%
7. Westpac Banking Corporation Ltd	18,888	5.0%
8. QBE Insurance Group Ltd	18,630	4.9%
9. Tabcorp Holdings Ltd	15,190	4.0%
10. National Australia Bank Ltd	14,672	3.9%
11. Perpetual Trustees Ltd	13,600	3.6%
12. Australian Gas Light Company Ltd	11,490	3.0%
13. Westfield Group	10,680	2.8%

14.	St George Bank Ltd	9,018	2.4%
15.	Southern Cross Broadcasting (Aust) Ltd	8,463	2.2%
16.	CSL Ltd	8,168	2.2%
17.	Transurban Group Ltd	7,854	2.1%
18.	Australand Holdings Ltd	7,105	1.9%
19.	Brambles Industries Ltd	7,035	1.9%
20.	News Corporation Inc. Class A Common CDI	6,549	1.7%
21.	Suncorp Metway Ltd	6,138	1.6%
22.	Alesco Corporation Ltd	5,994	1.6%
23.	AXA Asia Pacific Holdings Ltd	5,850	1.6%
24.	Washington H. Soul Pattinson & Co Ltd	5,760	1.5%
25.	Macquarie Communications Infrastructure Group	5,670	1.5%

		332,920	88.0%
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Total Investments at Market Value and Cash

377,990

3.3 Dividends and Underlying Earnings Per Share

Dividends paid and underlying earnings per share in respect of each of the last 5 completed financial years are as follows:

	Dividends (cents per share)	Underlying earnings (cents per share)
• 2000/01	6.25	7.2
• 2001/02	6.50	7.1
• 2002/03	7.00	7.4
• 2003/04	7.50	8.2
• 2004/05	8.50	8.9

Underlying earnings per share excludes both special dividends received by the Company and net realised capital gains or losses on long term investments.

An interim dividend of 4.0 cents per share has been declared in the current financial year (the interim dividend that was paid in 2005 was 3.5 cents).

All dividends referred to above were fully franked. The balance of the Company's franking account at 31 December 2005 (after adjusting for the interim dividend payable on 12 April 2006) was \$6.9 million and, accordingly, it is the Directors' intention to fully frank the 2006 final dividend (not to be paid on the New Shares) and the following interim dividend.

The Directors' present intention is to continue the practice of paying out on an annualised basis dividends (including any Listed Investment Company capital gain component) which represent a reasonably high proportion of underlying earnings per share.

From time to time the Company may be able to include Listed Investment Company capital gains in its usual dividend. When distributed, Listed Investment Company capital gains may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement. The final dividend paid in respect of the 2004/05 financial year included 1¢ per share of Listed Investment Company capital gains. The interim dividend payable on 12 April 2006 does not include any Listed Investment Company capital gains. If no further Listed Investment Company net capital gains or losses were realised between the date of this Prospectus and 30 June 2006, the balance of the Company's Listed Investment Company Capital Gain Account at the end of the financial year would be approximately \$3.9 million.

3.4 Net Tangible Asset Backing

DUI's net tangible asset backing per share (based on investments at market values, after provision for tax on net realised gains but not on unrealised gains and before provision for the final dividend) has moved over the last 5 years as follows:

- 30 June 2001 \$2.18
- 30 June 2002 \$1.98
- 30 June 2003 \$1.79
- 30 June 2004 \$2.15
- 30 June 2005 \$2.76

The unaudited net tangible asset backing of DUI's ordinary shares at 28 February 2006 was \$3.33 after provision for the interim dividend. This net asset backing calculation is based on investments at market value and is after provision for tax on net realised gains and without making any provision for tax on unrealised gains. DUI is a long term investor and does not intend disposing of its portfolio. If, however, estimated tax on unrealised portfolio gains were to be deducted, the above figure would be \$2.74.

4. Risk factors

There are a number of factors, both specific to DUI and of a general nature, which may affect the future operating and financial performance of DUI and the value of an investment in DUI. Some of these factors can be mitigated by appropriate commercial action. However many are outside the control of DUI and are dependent on the policies adopted and approaches taken by regulatory authorities or otherwise cannot be mitigated. This section describes some of the risks associated with an investment in DUI.

Before deciding to invest in DUI, prospective investors should consider carefully the following factors, as well as the other information contained in this Prospectus and, if they consider appropriate, take professional advice from their accountant, stockbroker, financial planner, solicitor or other professional adviser.

4.1 General risk factors

General factors which may have a significant impact on the future performance of DUI include:

- domestic and international economic conditions;
- regulatory and Governmental policy changes;
- the level of interest rates;
- movements in foreign exchange rates;
- the impact of the global security situation, possible terrorist disturbances and possible pandemics;
- any changes which may occur to the taxation of company income and capital gains; and
- any changes to the system of dividend imputation in Australia.

4.2 Risk factors specific to DUI

Company specific factors which may have a significant impact on the future performance of DUI include:

- the success of the investment strategies of DUI;
- the performance of the specific entities in which DUI invests;
- the level of distributions paid by the entities in which DUI invests;
- the market prices of the securities in which DUI invests;
- the market liquidity of the securities in which DUI invests;
- the level of borrowing which DUI undertakes (also known as gearing);

- the impact of the Australian financial services licensing requirements under the Corporations Act should DUI's business become a financial services business under that law; and
- requirements of Australian tax law in relation to Listed Investment Companies. DUI currently complies with the conditions set out in the Australian tax law for it to be regarded as a Listed Investment Company. As such it may be able from time to time to distribute Listed Investment Company capital gains which may entitle certain shareholders to a special deduction in their taxation return, as set out in the relevant dividend statement. DUI's ability to continue to pass on such benefits, should they arise in future, depends on it continuing to satisfy the particular requirements of Australian tax law.

4.3 Dividend risk factors

The ability of DUI to maintain its current level of fully franked dividends is dependant on a number of issues, the most important of which is DUI's profit performance. DUI's profit is affected by a number of items in any financial year:

- the dividend and distribution policies of the entities in which DUI invests, including the level of franking attached to the payment of dividends to DUI;
- other sources of income, if any, such as interest, option premiums, trading profits from a trading account and underwriting fees;
- the level of fees and expenses incurred in administering DUI;
- the level of borrowings, if any, that DUI has and the consequent interest charge;
- the amount of tax payable by DUI;
- the amount of net realised capital gains or losses; and
- the accounting treatment of write-downs, if any, on the investment portfolio. Under Accounting Standards in Australia, if, as a result of market falls, DUI were required to write off against the investment portfolio more than the balance in the Revaluation reserve, the additional write-down would need to be included in the annual net profit. Further, write downs resulting from a permanent impairment in the fair value of any particular investment would also need to be included in the net profit. This could affect DUI's earnings per share, and therefore the level of dividends.

DUI is also able to source the dividends it pays to shareholders from retained earnings and from realised gains made on the sale of investments which are included in the Realisation reserve. In certain circumstances, Directors would consider accessing these reserves where they deem it appropriate.

5. Additional Information

5.1 Nature of this Prospectus

This Prospectus is a prospectus for continuously quoted securities. The information in this Prospectus principally concerns the terms and conditions of the Issue and information necessary to make an informed assessment of:

- the effect of the Issue on DUI; and
- the rights and liabilities attaching to the New Shares.

This Prospectus does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity not already listed on the ASX. DUI has been listed on the ASX since 19 December 1991. During this time DUI has been subject to disclosure requirements under the Corporations Act 2001 (and its predecessor legislation) and the Listing Rules.

DUI has, since listing, provided the ASX with a substantial amount of information regarding its activities and that information is publicly available. This Prospectus is intended to be read in conjunction with that publicly available information. Investors considering the sale or acceptance of their rights, and taking up their entitlement to New Shares, should therefore also have regard to that publicly available information before making an investment decision.

This Prospectus contains general information only, which has been prepared without taking account of the objectives, financial situation or needs of any particular person. Because of that, before acting on the Prospectus, any prospective investor should consider the appropriateness of the information to their objectives, financial situation and needs and consult a financial advisor where necessary.

5.2 Regular reporting and disclosure obligations

DUI is a disclosing entity for the purposes of the Corporations Act 2001 and it is subject to regular reporting and disclosure obligations under the Corporations Act 2001 and the Listing Rules. These obligations require DUI to notify the ASX of information about specified events and matters as they arise for the purposes of the ASX making that information available to the financial market conducted by the ASX. In particular, DUI has an obligation under the Listing Rules (subject to certain limited exceptions) to notify the ASX immediately of any information of which it becomes aware concerning DUI which a reasonable person would expect to have a material effect on the price or value of its shares. Copies of documents lodged in relation to DUI may be obtained from, or inspected at, an office of ASIC.

5.3 Availability of other documents

DUI will provide, free of charge, a copy of any of the following documents to any person who requests a copy during the application period in relation to this Prospectus:

- the annual financial report for the year ended 30 June 2005 (being the annual financial report most recently lodged with ASIC by DUI);
- the half yearly financial report lodged with ASIC by DUI for the period ended 31 December 2005; and
- any continuous disclosure notices given by DUI after lodgement with ASIC of the annual financial report referred to above and before the lodgement of this Prospectus with ASIC.

The documents referred to in the two bullet points immediately above are the following:

- Appendix 4D Statement for the Half Year Ended 31 December 2005;
- Monthly Net Asset Backing Announcements for months ended from 30 September 2005 to 28 February 2006 (both inclusive);
- Letter dated 26 September 2005 declaring the Dividend Reinvestment Plan price for the final dividend payable on 11 October 2005;
- Chairman's Address to the Annual General Meeting;
- Appendix 3B New Issue Announcement relating to Dividend Reinvestment Plan shares issued on 11 October 2005;
- 2 Change of Directors' Interest Notices dated 11 October 2005;
- ASIC Form 484, Change to company details, dated 13 December 2005;
- ASIC Form 484, Change to company details, dated 9 March 2006;
- Letter dated 23 March 2006 declaring the Dividend Reinvestment Plan price for the interim dividend payable on 12 April 2006; and
- Announcement of the Issue and Appendix 3B New Issue Announcement relating to the Issue, dated 24 March 2006.

5.4 Effect of the Issue on DUI

The Directors consider that the Issue provides the opportunity for an increase in the liquidity in the trading of the shares in DUI and will provide additional funds to enable DUI to invest in new opportunities or reduce its borrowings without having to sell long term investments.

The funds raised from the Issue will initially be held in short term investments in bank bills, on deposit in the short term money market or in cash management trust units.

The effect on DUI of the offer to shareholders made under this Prospectus is dependent on the success of the Issue. If all the New Shares had been issued on 28 February 2006, and after allowing for shares to be issued under the Dividend Reinvestment Plan following payment of the interim dividend on 12 April 2006, the offer would have resulted in the issued capital and net asset backing per share of DUI altering approximately as shown below:

Issued Capital	Number	Share Capital \$
Ordinary Shares as at 28 February 2006	101,904,470	112,787,149
Shares to be issued under DRP on 12 April 2006 - approximately	311,766	1,025,710
Shares to be issued under the Issue - approximately	20,443,247	55,196,767
Cost of the Issue (estimated)		(110,000)
Total issued Capital after the Issue – approximately	122,659,483	168,899,626

Net Asset Backing

Pre-issue Net Asset Backing per share at 28 February 2006	Post-issue effect on Net Asset Backing per share at 28 February 2006
\$3.33 ⁽¹⁾	Approximately \$3.23 ⁽¹⁾
\$2.74 ⁽²⁾	Approximately \$2.74 ⁽²⁾

- (1) After allowing for tax on realised but not unrealised capital gains, and after provision for the interim dividend.
- (2) After allowing for tax on both realised and unrealised capital gains, and after provision for the interim dividend.

A pro forma Condensed Balance Sheet for DUI is provided below showing the net effect of the payment of the dividend on 12 April 2006 and of the Issue, as if those events had occurred on 31 December 2005 without allowance for rounding and assuming the Issue is fully subscribed. The pro forma Condensed Balance Sheet is based on DUI's financial statements for the half year ended 31 December 2005 which have been subject to an audit review.

Condensed Balance Sheet as at 31 December 2005

		<i>Adjustments for Interim Dividend (Note 1)</i>	<i>Adjustments for Rights Issue (Note 2)</i>	<i>Pro forma Condensed Balance Sheet</i>
	<i>\$'000's</i>	<i>\$'000's</i>	<i>\$'000's</i>	<i>\$'000's</i>
CURRENT ASSETS				
Cash assets	3,368	(3,050)	55,197	55,515
Receivables	918			918
Other	29			29
TOTAL CURRENT ASSETS	4,315			56,462
NON-CURRENT ASSETS				
Investment portfolio	363,228			363,228
Deferred tax assets	227			227
TOTAL NON-CURRENT ASSETS	363,455			363,455
TOTAL ASSETS	367,770			419,917
CURRENT LIABILITIES				
Current tax	1,612			1,612
Payables	60		110	170
Borrowings	23			23
TOTAL CURRENT LIABILITIES	1,695			1,805
NON-CURRENT LIABILITIES				
Deferred tax liability	56,794			56,794
Borrowings	35,932			35,932
Provisions	757			757
TOTAL NON-CURRENT LIABILITIES	93,483			93,483
TOTAL LIABILITIES	95,178			95,288
NET ASSETS	272,592			324,629
EQUITY				
Issued capital	112,787	1,026	55,087	168,900
Revaluation reserve	124,567			124,567
Realisation reserve	14,350			14,350
Retained profits	20,888	(4,076)		16,812
TOTAL EQUITY	272,592			324,629

Note 1: Adjustments for fully franked interim dividend of 4.0 cents, to be paid 12 April 2006 and new shares issued under the dividend reinvestment plan (**DRP**). The new DRP shares are eligible to participate in the one for five renounceable rights issue.

Note 2: Adjustments for the one for five renounceable rights issue at \$2.70 per share made in this Prospectus. An accrual for \$110,000 relating to the costs of the issue has been made.

5.5 Borrowings

At 28 February 2006 bank borrowings were \$36.0 million (30 June 2005 \$36.0 million) modestly gearing the portfolio by around 9.5% (30 June 2005 11.0%).

The level of gearing will vary from time to time as a result of market fluctuations and the Directors' view of the appropriate level of borrowings.

5.6 Rights attaching to the New Shares

The New Shares will not rank for any dividends in respect of the financial year to 30 June 2006. The New Shares will rank for dividends paid after the 2006 final dividend. Therefore, the first dividend receivable on the New Shares will be the interim dividend for 2006/07, expected to be paid in April 2007. The New Shares will otherwise rank equally with Existing Shares.

The Issue is not underwritten.

Shareholders may either subscribe for the New Shares to which they are entitled or, subject to the availability of buyers, sell their rights to the entitlement. In respect of entitlements that are not taken up New Shares may, subject to the availability of buyers above the issue price, be sold for the benefit of the shareholders concerned.

The following is a summary of the rights which attach to Existing Shares and will attach to the New Shares when they are issued. This summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of DUI's shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of DUI's constitution with statutory and common law requirements. For an existing shareholder to obtain a definitive statement of the rights and liabilities which attach to their shares in any specific circumstances, the shareholder should seek legal advice.

Meeting Rights

Each shareholder who is entitled to vote at a general meeting is entitled to receive notice of a general meeting in accordance with the requirements of the Corporations Act 2001.

Voting Rights

At a general meeting, on a show of hands, every shareholder present in person, or by proxy, attorney or representative, has one vote and every fully paid ordinary shareholder present in person or by proxy, attorney or representative, has one vote per share on a poll.

Dividend

The power to declare dividends is vested in the Directors. Subject to the rights of persons (if any) entitled to shares with special rights as to dividends (at present there are none, although New Shares issued under this prospectus will not receive dividends paid in respect of the financial year to 30 June 2006), all dividends are to be declared and paid according to the amounts paid or credited as paid on the shares in respect of which the dividend is paid.

Rights on Winding Up

If DUI is wound up, the liquidator may, with the sanction of a special resolution, divide among the shareholders in kind the whole or any part of the property of DUI and may for that purpose set such value as they consider fair on any property to be so divided and may determine how the division is to be carried out as between shareholders or different classes of shareholders.

Transfer of Shares

Fully paid ordinary shares in DUI are transferable, except insofar as:

- the Directors may refuse to register a transfer if permitted or required by the Listing Rules to do so or the transfer would be in breach of any escrow agreement relating to restricted securities; and
- the Directors may not register a transfer resulting from a proportional takeover offer contrary to DUI's constitution.

Future increases in capital

The issue of shares is under the control of the Directors. The Directors may increase the share capital on such terms and conditions as they think fit, subject to the Corporations Act 2001, DUI's constitution, the Listing Rules and any special rights conferred on holders of shares.

Variation of Rights

At present, DUI has only fully paid ordinary shares on issue. The rights and privileges attaching to each class of shares may be altered by consent in writing of the holders of three quarters of the relevant class or by special resolution (ie passed by not less than 75% of those present and voting) of shareholders in the relevant class.

5.7 Interests of Directors

The particulars of shares in the Company in which the Directors have an interest at the date of this Prospectus are:

	1	2
Charles B Goode	984,527	1,530,961
Graeme E Moir	100,000	-
Martin K Myer	5,008	-
Rupert H Myer	-	50,458

1. Beneficially owned.
2. Beneficial interest through an associated person, proprietary company or a superannuation fund.

Directors receive emoluments within the levels approved by shareholders. The emoluments for the financial year ended 30 June 2005 are set out in DUI's annual report. As stated in section 5.3, DUI will provide, free of charge, a copy of the annual report for the financial year ended 30 June 2005 to any person who requests a copy during the application period of this Prospectus.

Other than as set out above or elsewhere in this Prospectus:

- no Person has, or has had in the 2 years before the date of this Prospectus, any interests in:
 - the formation or promotion of DUI;
 - property acquired or proposed to be acquired by DUI in connection with its formation or promotion of the Issue; or
 - the Issue; and

- no amounts have been paid or agreed to be paid by anyone and no benefit has been given by anyone or agreed to be given:
 - to any Director to induce him or her to become, or to qualify as a Director;
 - for the services provided by a Person in connection with:
 - the formation or promotion of DUI; or
 - the Issue.

5.8 Experts' and advisors' consents, interest and disclaimer

Minter Ellison have acted as solicitors to DUI in respect of the Issue and have given and not withdrawn their consent to be named as such in this Prospectus. Minter Ellison's fees for the work up to the date of lodgement of this Prospectus will be approximately \$33,650.

KPMG has given its consent to be named in this Prospectus as Auditor of DUI. KPMG have further consented to the inclusion of extracts from the Company's audited annual financial statements and interim financial statements that were subject to audit review in this Prospectus in the form and context in which they appear. KPMG has not withdrawn this consent before this Prospectus is lodged with ASIC. KPMG's fees for their work in relation to the Issue up to the date of lodgement of this Prospectus will be approximately \$3,500.

Computershare Investor Services Pty Limited has given its consent to be named in this Prospectus as the share registrar in respect of the Issue.

None of Minter Ellison, Computershare Investor Services Pty Limited, or KPMG:

- have authorised or caused the issue of this Prospectus;
- have made, or purport to have made, any statement in this Prospectus except in this paragraph 5.8; or
- assume responsibility for any part of this Prospectus except for statements in this paragraph 5.8,

and to the maximum extent permitted by law disclaims any responsibility or liability for any part of this Prospectus other than a statement on its part contained in this paragraph 5.8.

5.9 Interest on application moneys

DUI will be entitled to all interest paid or accrued on application moneys held in trust by DUI from the date of receipt of the application moneys to the date of issue of the New Shares to which the application moneys relate.

5.10 Taxation

As the circumstances of shareholders vary, the tax consequences of disposing of or exercising the rights offered in this Prospectus may also vary. Accordingly, shareholders should seek independent tax advice in relation to their individual tax position.

This taxation summary addresses the likely Australian income tax consequences for investors that receive rights, sell rights or exercise their rights under this offer. It does not address potential tax consequences under the laws of any other jurisdiction to which investors may be subject. This summary does not cover investors who acquire their New Shares on revenue account. The summary is necessarily of a general nature and does not constitute legal or taxation advice to the

investors. As the personal taxation position of each investor may vary according to their individual circumstances, investors should seek their own professional income tax advice.

This summary does not address the taxation implications that may be relevant for a person who acquires rights on the ASX following the disposal of those rights by a holder of Existing Shares.

It also does not address the taxation implications for investors who are not Australian tax residents.

The summary of income tax matters set out below is based on current income tax law as at the date of this summary, and is subject to change as a result of legislative changes or changes in the interpretation of tax laws.

Australian tax residents

The following discussion is relevant for investors who are Australian tax residents.

(a) Receiving the rights

The initial issue of the rights to a holder of Existing Shares by DUI should not give rise to any adverse Australian income tax implications. The rights will constitute a CGT asset separate from the investor's underlying shares and will have the following income tax attributes:

- The rights are deemed to have been acquired at the same time that the investor acquired the original shares that gave rise to the entitlement to the rights.
- As the rights are to be granted to the investor for no consideration, the rights will have a nil cost base for CGT purposes.

(b) Selling the rights

An investor who does not wish to exercise their rights may sell them on the ASX in accordance with the timetable of the offer.

As the rights constitute a separate CGT asset, their disposal will be subject to income tax under the CGT rules as follows:

- The proceeds from the disposal of the rights on the market will constitute consideration for the disposal of a CGT asset.
- The investor will make a capital gain by comparing the consideration received with the cost base of the rights.
- As the cost base of the rights should be nil, the taxable gain should be the amount of consideration received for the disposal of the rights, less relevant incidental costs of disposal, if any.
- As the rights are deemed to be acquired at the same time as the underlying shares to which they relate, an investor that is an individual or trustee of a trust will be entitled to a 50% CGT discount if the underlying shares were acquired at least 12 months prior to the disposal of the rights.
- An investor that is the trustee of a complying superannuation fund will be entitled to a 33 $\frac{1}{3}$ % discount if the underlying shares were acquired at least 12 months prior to the disposal of the rights.

- Where an investor has acquired multiple parcels of shares at different times, some gains from the disposal of rights may qualify for the CGT discount and some may not.

(c) Exercising the rights

If an investor exercises their rights and acquires New Shares, the following income tax implications should arise:

- The exercise of the rights results in the asset ceasing to exist for income tax purposes. Any capital gain or loss that may arise from the exercise of rights is specifically disregarded for CGT purposes.
- As a result of the exercise of the rights, the investor will acquire additional shares in DUI. Those shares will be subject to CGT if they are subsequently sold.
- The cost base of the New Shares acquired as a result of the exercise of the rights should be an amount equal to the price paid to exercise the rights, being the offer price of \$2.70 per New Share and other incidental costs of acquisition, if any.
- The date of exercise will be the relevant acquisition date of the New Shares to determine eligibility to the CGT discount for a subsequent sale of the New Shares.