

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

APPENDIX 4D STATEMENT FOR THE HALF YEAR ENDING 31 DECEMBER 2004

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- Results for announcement to the market
- Letter to Australian Stock Exchange
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RESULTS FOR ANNOUNCEMENT TO THE MARKET

The reporting period is the half year ended 31 December 2004 with the corresponding period being the half year ended 31 December 2003.

Results for announcement to the market

- Revenue from ordinary activities including revenue from the sale of long-term investments was \$17.9 million, 47% down from the prior period.
- Profit from ordinary activities after tax was \$5.5 million, 17% down from the prior period.
- Net profit attributable to shareholders was \$5.5 million, 17% down from the prior period.
- After excluding special dividends received, profit from ordinary activities after tax was up 7.5% from the prior period. In the current period special dividends and distributions of \$1,240,000 were received including \$780,000 from Macquarie Infrastructure Group. In the previous corresponding period special dividends of \$2,690,000 were received as part of the Telstra Corporation Ltd and Foster's Group Ltd share buy-back arrangements.
- The interim dividend for the half year is 3.5 cents per share (2.75 cents previous period) fully franked payable on 12 April 2005. The record date for determining entitlement to the interim dividend is 22 March 2005.

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

18 February 2005

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 2004**

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 2004 was \$5,464,000 (previous corresponding period: \$6,620,000). If special dividends received are disregarded, operating profit increased 7.5%. In the current period special dividends and distributions of \$1,240,000 were received including \$780,000 from Macquarie Infrastructure Group. In the previous corresponding period special dividends of \$2,690,000 were received as part of the Telstra Corporation Ltd and Foster's Group Ltd share buy-back arrangements.

Operating expenses (excluding interest) were 0.13% of the average market value of the portfolio (previously 0.16%).

The earnings per share based on the weighted average number of shares on issue for the half year was 5.4 cents per share (4.2 cents excluding special dividends) compared to 6.7 cents for the half year to 31 December 2003 (4 cents excluding special dividends).

Dividends

The Directors also announce an interim dividend of 3.5 cents per share fully franked to shareholders registered on 22 March 2005, to be paid on 12 April 2005. The comparable 2004 interim dividend was 2.75 cents per share fully franked.

Dividend Reinvestment Plan

The last date for receipt of election notices under the Dividend Reinvestment Plan is 22 March 2005. 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 \$2.58 at 31 December 2004 and \$2.68 at 31 January 2005. 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 \$2.21 at 31 December 2004 and \$2.27 at 31 January 2005.

Investment Portfolio

At 31 December 2004 the investment portfolio at market values was invested 99% in Australian equities (including property companies and trusts) and 1% in fixed interest securities and cash.

As the company currently does not hold any international investments, and in future any such investments are unlikely to be significant, and as many property companies and trusts have been combined, Directors consider that target asset allocations are no longer particularly meaningful for the Company and have been discontinued.

As at 31 December 2004 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	20,590	6.9%
2. Woodside Petroleum Ltd	18,090	6.1%
3. Tabcorp Holdings Ltd	17,290	5.8%
4. Commonwealth Bank of Australia Ltd	16,050	5.4%
5. Westpac Banking Corporation Ltd	15,592	5.2%
6. QBE Insurance Group Ltd	13,815	4.7%
7. Alumina Ltd	13,068	4.4%
8. Perpetual Trustees Ltd	12,580	4.2%
9. Rio Tinto Ltd	11,736	4.0%
10. National Australia Bank Ltd	11,528	3.9%
11. Southern Cross Broadcasting (Aust) Ltd	10,787	3.6%
12. Westfield Group	9,858	3.3%
13. BHP Billiton Ltd	9,204	3.1%
14. Australian Gas Light Company Ltd	8,220	2.8%
15. WMC Resources Ltd	7,220	2.4%
16. Transurban Group Ltd	6,700	2.3%
17. Australand Holdings Ltd	6,335	2.1%
18. St George Bank Ltd	6,312	2.1%
19. Washington H. Soul Pattinson & Co Ltd	6,006	2.0%
20. Macquarie Communications Infrastructure Group	5,520	1.9%
21. Suncorp Metway Ltd	5,214	1.8%
22. Telstra Corporation Ltd	4,910	1.7%
23. Brambles Industries Ltd	4,865	1.6%
24. Alesco Corporation Ltd	4,860	1.6%
25. Foodland Associated Ltd	4,854	1.6%
	<hr/>	
	251,204	84.5%
	<hr/> <hr/>	
Total Investments at Market Value and Cash	<hr/> <hr/>	
	297,374	

Yours faithfully

A J Hancock
Company Secretary

DIVERSIFIED UNITED INVESTMENT LIMITED
(ABN 33 006 713 177)

HALF-YEAR FINANCIAL REPORT
31 DECEMBER 2004

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors

C B Goode AC - Chairman
G E Moir
M K Myer
R H Myer AM

Company Secretary

Andrew Justin 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
161 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 Stock Exchange Ltd.

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 2004 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
Graeme E. Moir	Director since 1991
Martyn K. Myer	Director since 1991
Rupert H. Myer AM	Director since 2002

Review of Operations

Operating profit after income tax for the half year ended 31 December 2004 was \$5,464,000 (previous corresponding period: \$6,620,000). If special dividends received are disregarded, operating profit increased 7.5%. In the current period special dividends and distributions of \$1,240,000 were received including \$780,000 from Macquarie Infrastructure Group. In the previous corresponding period special dividends of \$2,690,000 were received as part of the Telstra Corporation Ltd and Foster's Group Ltd share buy-back arrangements.

At 31 December 2004 the investment portfolio at market values was invested 99% in Australian equities (including property companies and trusts) and 1% in fixed interest securities and cash.

As the company currently does not hold any international investments, and in future any such investments are unlikely to be significant, and as many property companies and trusts have been combined, Directors consider that target asset allocations are no longer particularly meaningful for the Company and have been discontinued.

Operating expenses (excluding interest) were 0.13% of the average market value of the portfolio (2003: 0.16%).

DIVERSIFIED UNITED INVESTMENT LIMITED

Directors' Report (Continued)

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 5 and forms part of the directors' report for the half-year ended 31 December 2004.

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 2005

C B Goode
Director



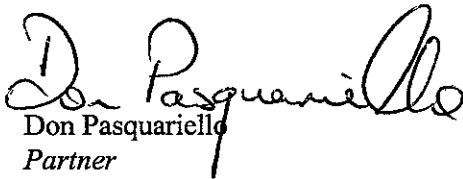
Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the directors of Diversified United Investment Limited

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2004 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


Don Pasquariello
Partner

Melbourne

February 2005



DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Financial Performance for the Half-Year Ended 31 December 2004

		<i>31 December 2004 \$'000's</i>	<i>31 December 2003 \$'000's</i>
Revenue from operating activities		7,118	7,913
Revenue from the sale of long term investments		10,806	25,649
<i>Total ordinary revenue</i>	3	17,924	33,562
Operating expenses		(346)	(345)
Borrowing costs		(1,082)	(698)
Carrying value of investments sold – trading stock		-	(261)
Carrying value of investments sold – long term investments		(10,806)	(25,649)
Profit from ordinary activities before related income tax expense		5,690	6,609
Income tax (expense)/benefit relating to ordinary activities		(226)	11
Profit from ordinary activities after related income tax expense		5,464	6,620
Net profit		5,464	6,620
Non-owner transaction changes in equity			
Increase/(decrease) in retained earnings arising from the sale of non-current assets net of tax		1,715	(11,676)
Increase in reserves			
Asset revaluation reserve		41,386	30,248
Total changes in equity from non-owner related transactions	7	48,565	25,192
Basic earnings per share before net gains on long term investments (cents per share)		5.4	6.7

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 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Financial Position as at 31 December 2004

	<i>Note</i>	<i>31 December 2004 \$'000's</i>	<i>30 June 2004 \$'000's</i>
CURRENT ASSETS			
Cash assets		3,074	1,166
Receivables		1,228	1,705
Other		89	80
TOTAL CURRENT ASSETS		4,391	2,951
NON-CURRENT ASSETS			
Investments		294,300	248,023
Deferred tax assets		239	322
TOTAL NON-CURRENT ASSETS		294,539	248,345
TOTAL ASSETS		298,930	251,296
CURRENT LIABILITIES			
Payables		2,397	38
Interest-bearing liabilities		24	-
TOTAL CURRENT LIABILITIES		2,421	38
NON-CURRENT LIABILITIES			
Deferred tax liability		667	405
Interest-bearing liabilities		34,500	34,500
Provisions		577	527
TOTAL NON-CURRENT LIABILITIES		35,744	35,432
TOTAL LIABILITIES		38,165	35,470
NET ASSETS		260,765	215,826
EQUITY			
Contributed equity	5	110,220	109,079
Asset Revaluation Reserve		123,361	81,975
Retained profits	6	27,184	24,772
TOTAL EQUITY		260,765	215,826

The statement of financial position is to be read in conjunction with the notes to the half-year financial statements set out on pages 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Statement of Cash Flows for the Half-Year Ended 31 December 2004

	<i>Note</i>	<i>31 December 2004 \$'000's</i>	<i>31 December 2003 \$'000's</i>
		<i>Inflows/ (Outflows)</i>	<i>Inflows/ (Outflows)</i>
Cash Flows from Operating Activities			
Interest received		75	305
Dividends & trust distributions received		7,512	6,660
Interest paid		(1,096)	(93)
Cash payments in the course of operations		(275)	(243)
Income taxes paid		-	(17)
		<hr/>	<hr/>
Net cash provided by operating activities		6,216	6,612
		<hr/>	<hr/>
Cash Flows from Investing Activities			
Payments for investments		(8,324)	(30,146)
Proceeds from the sale of investments		7,617	24,197
		<hr/>	<hr/>
Net cash used in investing activities		(707)	(5,949)
		<hr/>	<hr/>
Cash Flows from Financing Activities			
Dividends paid (excluding dividend re-investment plan)		(3,625)	(3,386)
Bank loan - overdraft		24	-
		<hr/>	<hr/>
Net cash used in financing activities		(3,601)	(3,386)
		<hr/>	<hr/>
Net increase/(decrease) in cash held		1,908	(2,723)
		<hr/>	<hr/>
Cash at the beginning of the financial period		1,166	7,118
		<hr/>	<hr/>
Cash at the end of the financial period		3,074	4,395
		<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 9 to 12.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

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 2004 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 2004 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 2004.

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 and trust income. Dividend income is recognised at the ex-dividend date and in accordance with Generally Accepted Accounting Principles.

(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 2004

	<i>31 December 2004 \$'000's</i>	<i>31 December 2003 \$'000's</i>
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4. *Dividends*

Dividends recognised in the current period by the Company are:

Final dividend paid on 8 October 2004	4,767	4,473
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Subsequent to reporting date:

Since 31 December 2004, the directors have declared the following dividend payable on 12 April 2005:

- Interim dividend of 3.5 cents per share fully franked	3,532	
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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 2004.

	<i>31 December 2004 \$'000's</i>	<i>30 June 2004 \$'000's</i>
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5. *Contributed Equity*

Issued and Paid-Up Capital 100,905,323 ordinary fully paid shares (30 June 2004: 100,328,914)	110,220	109,079
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Movements in ordinary share capital		
Balance at beginning of period	109,079	107,343
Shares Issued		
- Dividend re-investment plan	(i) 1,141	1,736
	110,220	109,079

(i) In respect of the 2004 final dividend paid on 8 October 2004, 576,409 shares were issued at \$1.98 each under the dividend re-investment plan.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

	<i>31 December 2004 \$'000's</i>	<i>31 December 2003 \$'000's</i>
6. Retained Profits		
Retained profits at the beginning of the half-year	24,772	31,601
Net profit	5,464	6,620
Increase in retained earnings arising from the sale of non-current assets	1,833	(11,676)
Tax on disposal of long term investments	(118)	-
Dividends provided for or paid	(4,767)	(4,473)
Retained profits at the end of the half-year	<u>27,184</u>	<u>22,072</u>
7. Total Equity Reconciliation		
Total equity at the beginning of the half-year	215,826	177,426
Total changes in equity recognised in the statement of financial performance	48,565	25,192
Dividends paid	(4,767)	(4,473)
Shares issued under dividend reinvestment plan	1,141	1,087
Total equity at the end of the half-year	<u>260,765</u>	<u>199,232</u>

8. Segment Reporting

The Company operates as an investment company in Australia.

9. Contingent Liabilities and Capital Commitments

There were no contingent liabilities or capital commitments as at 31 December 2004.

DIVERSIFIED UNITED INVESTMENT LIMITED

Notes to the Financial Statements for the Half-Year Ended 31 December 2004

10. Event subsequent to reporting date

International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Company must comply with the Australian equivalent to International Financial Reporting Standards (AIFRS) as issued by the Australian Accounting Standards Board.

This half-year financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP) applicable for reporting periods ending on 31 December 2004. The differences between Australian GAAP and AIFRS identified to date as potentially having a significant effect on the Company's financial performance and financial position are summarised below.

The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and AIFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Company has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the Company's financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with AIFRS.

Implementation project

The board has established a formal implementation project, to assess the impact of transition to AIFRS and to achieve compliance with AIFRS reporting for the financial year commencing 1 July 2005.

The key potential implications of the conversion to AIFRS on the Company identified to date are as follows:

- The Company must recognise an additional deferred tax liability amount for the capital gains tax payable on unrealised gains in the investment portfolio. This liability will be offset against the unrealised gains on the investment portfolio recognised in the Asset Revaluation Reserve.
- Revaluation increments or decrements from prior years realised on disposal of investments (net of tax) will be included in the Net Profit of the Company. Previously these amounts were transferred directly from the Asset Revaluation Reserve to Retained Earnings.

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 6 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 2004 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, 2005

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 ("the Company") for the half-year ended 31 December 2004, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 10 and the directors' declaration set out on pages 6 to 13. 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 the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and statutory requirements, 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 its 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 Australian Auditing Standards applicable to review engagements. A 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 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 2004 and its performance for the half-year ended on that date; and
 - ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory financial reporting requirements in Australia.

KPMG

Don Pasquariello
Partner

Melbourne
18 February 2005

