

DIVERSIFIED UNITED INVESTMENT LIMITED

ABN 33 006 713 177

LEVEL20
101 COLLINS STREET
MELBOURNE VIC 3000
AUSTRALIA

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

HALF YEARLY REPORT TO SHAREHOLDERS

15 March 2013

Dear Shareholder,

Dividend Payment Enclosed

Enclosed with this letter is payment of the 6¢ per share fully franked interim dividend, by way of cheque, notification of direct banking, or notification of allotment of shares under the Dividend Reinvestment Plan, according to your instructions.

Net Asset Backing 28 February 2013

At 28 February 2013 the unaudited net tangible asset backing of the Company's ordinary shares, based on investments at market value, after the tax effect of realised gains and before estimated tax on net unrealised gains/losses, and after provision for the interim dividend was \$3.45, or \$3.01 per share after providing for estimated tax on unrealised portfolio gains.

Results for Half Year Ended 31 December 2012

On 19 February 2013 the Directors made the following report to the Australian Securities Exchange concerning the company's performance and the interim dividend:-

Profit and Realised Capital Gains

Profit after income tax for the half year ended 31 December 2012 was \$11,582,000 (prior corresponding period: \$11,860,000) a fall of 2%. The profit includes a special dividend of \$99,368 received from Woolworths Ltd (prior corresponding period included an additional dividend received early of \$364,000). Excluding special dividends received Profit after tax fell 0.1%.*

The net profit for the half year excludes net realised gains and losses which are transferred directly to the Asset Revaluation Reserve. The net realised losses on the investment portfolio after tax for the half year were \$2,695,000 (prior period losses of \$2,264,000).

Operating expenses (excluding interest) for the half year were 0.09% of the average market value of the portfolio (previously 0.08%).

Earnings Per Share

Earnings per share based on the weighted average number of shares on issue for the half year were 6.9 cents per share (6.8 cents excluding special dividends) compared to 7.1 cents for the prior corresponding period (6.9* cents excluding special dividends). Excluding the special dividends, earnings per share fell 1.4%*. The weighted average number of ordinary shares for the period was 167,950,614 against 165,964,602 in the prior corresponding period, an increase of 1%.*

Dividends

The Directors also announce an interim dividend of 6 cents per share fully franked to shareholders registered on 1 March 2013, to be paid on 15 March 2013. The comparable 2012 interim dividend was 6 cents per share fully franked.

LIC Capital Gains

The interim dividend will not include any Listed Investment Company capital gain dividend.

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 the average selling price (without any discount) of shares traded on the Australian Securities Exchange on the Record Date of 1 March 2013 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 1 March 2013.

Asset Backing

The net tangible asset backing per share based on the market valuation of investments was \$3.12 at 31 December 2012 and \$3.29 at 31 January 2013. These calculations are after the tax effect of net realised gains, before estimated net tax on unrealised gains and losses and before provision for the interim dividend.

The Company is a long term investor and does not intend disposing of its total portfolio. If estimated tax on net unrealised gains were to be deducted, the above figures would be \$2.79 at 31 December 2012 and \$2.91 at 31 January 2013.

Performance

The Company's net asset backing accumulation performance (assuming all dividends were reinvested, and after all expenses and tax) for the half year to 31 December 2012 was a rise of 17.5% while the S&P/ASX 300 accumulation index rose 16.1% over the same period. The Company's accumulation performance is after tax and expenses and the impact of the Company's gearing for which no allowance is made in the S&P/ASX Index.

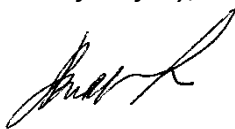
* Additional non IFRS information, unaudited.

Investment Portfolio

As at 31 December 2012 the twenty-five largest shareholdings of the company, at market values were:

Company	Market Value \$'000	% of Market Value of Total Investments
1. BHP Billiton Ltd	55,650	9.4%
2. Commonwealth Bank of Australia Ltd	49,744	8.4%
3. ANZ Banking Group Ltd	47,595	8.1%
4. Westpac Banking Corporation Ltd	46,872	7.9%
5. Woodside Petroleum Ltd	35,574	6.0%
6. Rio Tinto Ltd	34,003	5.8%
7. CSL Ltd	30,454	5.2%
8. National Australia Bank Ltd	30,000	5.1%
9. Woolworths Ltd	20,531	3.5%
10. Transurban Group	18,270	3.1%
11. QBE Insurance Group Ltd	17,167	2.9%
12. Wesfarmers Ltd PPS and Ordinary	16,930	2.9%
13. AGL Energy Ltd	14,355	2.4%
14. Washington H Soul Pattinson & Co Ltd	12,312	2.1%
15. Westfield Group	10,560	1.8%
16. AMP Ltd	9,620	1.6%
17. Worley Parsons Ltd	9,344	1.6%
18. Mystate Ltd	9,178	1.6%
19. Origin Energy Ltd	8,715	1.5%
20. Australian Infrastructure Fund	7,775	1.3%
21. Orica Ltd	7,521	1.3%
22. Monadelphous Group Ltd	7,326	1.2%
23. Asciano Ltd	6,990	1.2%
24. BT Investment Management Ltd	6,105	1.0%
25. Brickworks Ltd	5,770	1.0%
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	518,361	87.9%
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Total Investments at Market Value, Short Term Receivables and Cash	589,595	

Yours faithfully,



A J Hancock
Company Secretary