



**DJERRIWARRH
INVESTMENTS
LIMITED**

ABN 38 006 862 693

**APPENDIX 4D STATEMENT
FOR THE HALF-YEAR ENDING 31 DECEMBER 2006**

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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 2006 with the previous corresponding period being the half-year ended 31 December 2005

Results for announcement to the market

- Operating Profit after tax was \$23.3 million, 14.1% up from the previous corresponding period.
- Net profit attributable to members (including capital gains) was \$26.1 million, 12.3% down from the previous corresponding period due to a reduction in the number of securities sold from the investment portfolio (unrealised gains in the investment portfolio were \$65.9 million for the half-year, up from \$32.9 million during the corresponding period, before tax).
- Revenue from operating activities (excluding capital gains) was \$21.1 million, 9.8% up from the previous corresponding period.
- The interim dividend of 10 cents per share fully franked, unchanged from the previous interim period, will be paid on 12 March 2007 to ordinary shareholders on the register on 26 February 2007. Holders of the new shares issued under the recent 1-for-5 rights issue will receive half of this dividend, i.e. 5 cents, payable on the same day.
- The final dividend for the 2006 financial year was 13 cents per share, fully franked, and it was paid to shareholders on 10 August 2006.
- The Company operates a Dividend Reinvestment Plan 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 is based on the average selling price of shares traded on the Australian Stock Exchange in the five days from the day the shares begin trading on an ex-dividend basis. The last day for the receipt of an election notice for participation in the plan is 26 February 2007.
- The record date for the payment of interest on 31 March 2007 on the 6.5% Unsecured Convertible Notes on issue will be 26 March 2007. Notice to convert the Notes to Ordinary Shareholders needs to be received by the Company by 15 March 2007 in accordance with the Conditions of Issue.
- Net tangible assets per share before any provision for deferred tax on the unrealised gains on the long-term investment portfolio as at 31 December 2006 were \$4.72 (before allowing for the interim dividend), up from \$4.17 (also before allowing for the interim dividend) at the end of the previous corresponding period.

MEDIA RELEASE - HALF YEAR RESULT

15 February 2007

HEALTHY RESULT FROM RISING MARKET AND RIGHTS ISSUE

Djerriwarrh Investments Limited announced today its financial results for the half year to 31 December 2006.

Djerriwarrh's Net Operating Profit after tax was \$23.3 million up from \$20.4 million or 14.1% over the corresponding period last year. This operating profit is made up primarily of dividends received from the investment portfolio, option income and revenue from the trading portfolio. Directors believe this is the best measure of the Company's activities.

The Board has declared a fully franked interim dividend of 10 cents per share. Note as previously advised shares issued in the recent rights issue are eligible to participate in half this interim dividend.

SUMMARY OF RESULTS

- Net Operating Profit after tax was \$23.3 million (last year \$20.4 million), up 14.1% from the previous corresponding period
- AIFRS Reported Profit after tax was \$26.1 million (last year \$29.7 million). This includes realised gains on sale of investments and a revaluation of open option positions.
- Earnings per share based on Net Operating Profit were 12.9 cents compared with 12.8 cents last year.
- A fully franked final dividend of 10 cents per share will be paid on 12 March. This dividend is unchanged from last year.
- Rights Issue successfully completed raising \$140.3 million of new capital. The new shares issued under the rights issue are entitled to a 5 cent interim fully franked dividend and will rank equally with ordinary shares after the ex dividend date of 20 February 2007.
- Total portfolio return over the half (change in net asset backing per share plus dividends reinvested) was an increase of 12.2% after tax and management fees and 22.4% over the twelve months to 31 December 2006.
- Total shareholder return measured by change in share price plus dividends over the six month period was 8.5% and 23.0% over the twelve months to 31 December 2006.
- Management expense ratio on an annualised basis was 0.24%
- Total assets exceeded \$1.0 billion for the first time in the Company's history.
- Net asset backing at 31 January 2007 was \$4.84 (before providing for the 10 cent interim dividend).

Chairman's Comments

The Chairman, Mr Bruce Teele commented, "The market enjoyed solid gains over the six months to 31 December 2006 with those gains continuing on into the new calendar year. Domestic economic conditions have remained robust with good external growth supporting a relatively strong terms of trade position. Employment levels remain strong and ongoing business investment appears to be sound.

We are very pleased with the results for Djerriwarrh as the Company generated strong returns from its underlying investment activities. We were able to take advantage of the upturn in volatility in the early stages of the financial year and the continued strength of the market overall. Net Operating Profit was up to \$23.3 million from \$20.4 million after a solid increase in dividends received, improved income from option activities and greater return from the trading portfolio.

Djerriwarrh also successfully raised \$140 million in additional new funds through a rights issue completed in October 2006. This issue has allowed us to build the portfolio further during the period, taking advantage of this upturn in volatility. The new shares issued under the rights issue have performed very strongly since listing.

Outlook

It is interesting to note that the trend in market volatility has been increasing perhaps reflecting some uncertainty about the immediate outlook and the relative high valuation of the market.

The Company is well positioned as we move into the second half of the financial year. Whilst the level of option coverage declined over the half year as the market reached record highs, the level of option coverage was at just over 31% at the end of December 2006. We will be looking for opportunities to increase this. This provides a sound basis for further capturing income from option premiums and dividend income in line with the Company's objectives. We also have available to us approximately \$55 million in cash from the rights issue to further invest as appropriate opportunities arise."

Profit and Dividend Performance

Income from operating activities which is a key outcome of the Company's operations was up 17.5% over the corresponding period last year. There was an improvement in dividends and distributions received to \$19.6 million. We were very pleased with this outcome as last year's figure included \$2.1 million associated with participation in the Westpac buy back of its shares. Excluding this one off, dividend and distributions received rose 18.6%.

Net gains in the Trading Portfolio increased 81.0% to \$5.5 million over the corresponding period last year. The major contributors to this return were positions in AMCIL Limited, National Australia Bank and Telstra (including the instalment receipts).

There was also an increase in interest received on deposits primarily as a result of the additional cash held from the rights proceeds through the half year period. This was up to \$1.5 million from \$0.5 million last year.

Under Australian equivalents to International Financial Reporting Standards (“AIFRS”), the reported profit after tax of the Company for the six months to 31 December 2006 was \$26.1 million. This figure includes after tax profits on the sale of securities from the investment account and the marking to market of open option positions (i.e. the amount it would cost to buy back open option positions). It can therefore vary considerably between periods. The corresponding figure last year was \$29.7 million.

In line with the Company’s accounting policy which only recognises income when a disposal of an investment occurs from the Investment Portfolio, the impact of the re-organisation of assets relating to Brambles Industries Limited, Alinta Limited and Australian Gas Light Company which occurred during the half have not been recognised in Reported Profit.

Realised gains on the disposal of investments as a result of exercise of call options and the sale of some investments in the investment portfolio were \$7.3 million before tax. Last year this figure was \$16.9 million.

As Directors forecast in the Prospectus to the Rights Issue, a fully franked interim dividend of 10 cents per share has been declared, the same as last year. This will mean holders of the shares issued under the rights issue will receive a fully franked dividend of 5 cents per share.

Use of Options

Over the six month period Djerriwarrh operated typically at the higher end of its option coverage range with an option written portfolio well above 40% of the total portfolio (the typical range of option exposure is between 20 to 40 per cent of the portfolio by value). In particular, we took the opportunity to invest the funds raised through the rights issue in a number of positions given the spike in volatility at the time where we could generate higher option premiums in a market which in general looked to be reaching the upper limits of value.

We also took advantage of these conditions toward the end of the reporting period by buying back a number of call options and selling new ones on favorable terms with expiry dates that occur in the second half of the financial year.

Toward the end the six month period option coverage declined to 31% as some option positions were exercised and a number of option contracts expired against major positions in Alumina, BHP Billiton and Rio Tinto.

This level of coverage means we are well positioned with capacity to write more options in a market which has further strengthened since the conclusion of the calendar year. In addition the recent pick up in volatility may also assist in capturing income from option premiums.

Portfolio

As part of the process of deploying funds from the rights issue we made a number of additions to the portfolio during the period. Major net acquisitions in the investment portfolio during the six month period were BHP Billiton, Telstra Instalment Receipts (under the institutional entitlement), Woodside Petroleum, Westpac Banking Group and Rinker Group.

The total return on our portfolio activities over the six months to 31 December 2006 (measured by the change in net asset backing per share plus dividends reinvested) was an increase of 12.2% after tax and management fees, 22.4% over the twelve months to 31 December 2006.

Given the strength of the market and additional funds raised, the investment portfolio at the end of the calendar year stood at close to \$941 million up from \$785 million over the

corresponding period last year and total assets exceeded \$1.0 billion for the first time in the Company's history.

Investment Team

An investment team has been recently appointed to support the Investment Committee's of listed investment companies Australian Foundation Investment Company, Djerriwarrh Investments, Mirrabooka Investments and AMCIL Limited. The establishment of these investment management, research and dealing skills internally further strengthens our capabilities.

Mr Mark Freeman has accepted an invitation to join as Chief Investment Officer, Mr Alan Dunn as Senior Investment Analyst/Dealer and Mr Kieran Kennedy returns to the Company and is taking up the position of Investment Analyst/Dealer. We intend to grow the team further over time. Both Mr Freeman and Mr Dunn have been assisting the investment companies with their investment and dealing activities as employees of Goldman Sachs JBWere for some time. As such they have a depth of knowledge and experience of the companies' investment approaches, policies and processes.

Please direct any enquiries to:

Bruce Teele
Chairman
(03) 9679 1361

Ross Barker
Managing Director
(03) 9924 0380

Geoff Driver
General Manager
(03) 9679 1659

TOP 20 INVESTMENTS AS AT 31 DECEMBER 2006

Valued at closing prices at 29 December 2006		Total Value \$ million
1	* BHP Billiton	77.2
2	* National Australia Bank	75.4
3	* Westpac Banking Corporation	68.6
4	* Commonwealth Bank of Australia	66.7
5	* Telstra Corporation (a)	48.5
6	* St. George Bank	44.2
7	* The News Corporation (b)	42.3
8	* Australia and New Zealand Banking Group	35.4
9	* Rio Tinto	34.6
10	* Alumina	24.4
11	* Transurban Group	24.2
12	* West Australian Newspapers Holdings	23.8
13	* AMP	23.0
14	* Wesfarmers	22.6
15	* Woodside Petroleum	22.5
16	* Brambles	20.0
17	* Woolworths	18.5
18	* Rinker Group	17.3
19	* Toll Holdings	15.2
20	* Computershare	15.0
		719.5
As % of Total Portfolio Value (excludes Cash & Bank Bills)		74.1%

(a) Includes \$15.0m TLSCA instalment receipts

(b) Includes \$20.3m News Corporation Class A Non-Voting Common Stock

* Indicates that options were outstanding against part or all of the holding

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ABN 38 006 862 693

**HALF-YEAR REPORT
31 DECEMBER 2006**

COMPANY PARTICULARS

Djerriwarrh Investments Limited (DJW)

ABN 38 006 862 693

DJW is a Listed Investment Company. As such it is an investor in equities and similar securities on the stock market primarily in Australia.

Directors: Bruce B. Teele, Chairman
Ross E. Barker, Managing Director
Terrence A. Campbell AO
Russell J. Fynmore AO
Andrew F. Guy
Graham J. Kraehe AO
John Paterson

Secretary: Sue Crook

Auditor: PricewaterhouseCoopers, Chartered Accountants

Country of incorporation: Australia

Registered office: Level 21
101 Collins Street
Melbourne, Victoria 3000

Contact Details: Mail Address: GPO Box 2114, Melbourne, Victoria 3001
Telephone (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@djerri.com.au
Internet address: www.djerri.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Stock Exchange):

Telephone: 1800 780 784 (toll free)

Share Registrar: Link Market Services Limited

Mail Address: Locked Bag A14, South Sydney, NSW 1235
12/680 George Street, Sydney, NSW 2000

DJW Shareholder
enquiry line: 1300 554 474
+612 8280 7111 (from overseas)

Facsimile: (02) 9287 0303
Email: registrars@linkmarketservices.com.au
Internet: www.linkmarketservices.com.au

Share Registrar For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar as above.

Stock Exchange Code: DJW Ordinary shares
DJWGA 6.5% Unsecured convertible Notes

Trustee for Noteholders: Permanent Nominees (Aust) Limited
Address: 35 Clarence Street Sydney, NSW 2000
Telephone: (02) 9229 9000

DIRECTORS' REPORT

This report in relation to the half-year to 31 December 2006 is presented by the Directors of Djerriwarrh Investments Limited ('the Company') in accordance with a resolution of Directors.

Directors

The following persons were directors of the Company during the half-year and up to the date of this report:

B.B. Teele
R.E. Barker
T.A. Campbell AO
R.J. Fynmore AO
A.F. Guy
G.J. Kraehe AO
J. Paterson

Company operations and results

Overview

The Company offers its shareholders and noteholders a medium for generating income from a diversified portfolio of equity and similar securities, predominantly in entities listed on the Australian Stock Exchange. There have been no changes in the nature of the Company's activities during the year. Its major objective is to provide attractive returns to its shareholders through dividends and capital growth. A high proportion of profits are paid out as dividends, which to date, have all been fully franked.

Performance Indicators and Outcomes

Djerriwarrh's Net Operating profit after tax was \$23.3 million up from \$20.4 million or 14.1% over the corresponding period last year. This operating profit is made up primarily of dividends received from the investment portfolio, option income and revenue from the trading portfolio which is more reflective of the Company's investment activities.

Under Australian equivalents to International Financial Reporting Standards ("AIFRS"), the reported profit after tax of the Company for the six months to 31 December 2006 was \$26.1 million. This figure includes after tax profits on the sale of securities from the investment account and the marking to market of open option positions (i.e. the amount it would cost to buy back open option positions). It can therefore vary considerably between periods. The corresponding figure last year was \$29.7 million. Realised gains on the disposal of investments as a result of exercise of call options and the sale of some investments in the investment portfolio were \$7.3 million before tax. This figure last year was \$16.9 million.

The Board has declared a fully franked interim dividend of 10 cents per share. Note as previously advised shares issued in the recent rights issue are eligible to participate in half this interim dividend.

Auditors' independence declaration

A copy of the auditors' independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 21.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, appearing to read 'Bruce B Teele', with a large, sweeping flourish extending to the right.

Bruce B Teele
Chairman
Melbourne

15 February 2007

INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	Half-year 2006 \$'000	Half-year 2005 \$'000
Dividends and distributions		19,596	18,621
Revenue from deposits and bank bills		1,457	550
Total revenue		21,053	19,171
Net gains on trading portfolio		5,494	3,035
Income from options written portfolio		4,909	4,559
Income from operating activities before net gains on investments	3	31,456	26,765
Finance costs		(3,584)	(3,929)
Administration expenses		(1,185)	(948)
Operating profit before income tax expense and net gains on investments		26,687	21,888
Income tax expense*		(3,428)	(1,511)
Net operating profit before net gains on investments		23,259	20,377
Net gains on Ordinary Securities sold from the investment portfolio		7,311	16,876
Net losses on open options positions		(6,395)	(2,669)
Net gains/(losses) on Other Securities		(7)	202
Tax (expense)/credit on net gains on investments*		1,914	(5,056)
		2,823	9,353
Profit for the half year		26,082	29,730
		Cents	Cents
Basic earnings per share	10	14.41	18.66
Diluted earnings per share	10	14.02	17.85
		Half-year 2006 \$'000	Half-year 2005 \$'000
* Total Tax Expense		1,514	6,567

This Income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 31 DECEMBER 2006

	Note	31 Dec 2006 \$'000	30 June 2006 \$'000
Current assets			
Cash		69,658	928
Receivables		2,421	50,562
Trading portfolio	4	51,115	39,794
Interest-rate hedging contracts		654	362
Total current assets		123,848	91,646
Non-current assets			
Investment portfolio		940,981	784,706
Deferred tax assets		4,714	4,536
Total non-current assets		945,695	789,242
Total assets		1,069,543	880,888
Current liabilities			
Payables		2,857	3,224
Tax payable		1,459	12,040
Borrowings		60,000	80,000
Options written portfolio	5	20,528	14,443
Total current liabilities		84,844	109,707
Non-current liabilities			
Borrowings	6	43,291	45,297
Deferred tax liabilities - investment portfolio	7	94,141	72,624
Total non-current liabilities		137,432	117,921
Total liabilities		222,276	227,628
Net Assets		847,267	653,260
Shareholders' equity			
Share Capital	8	558,884	414,384
Revaluation Reserve		179,308	134,961
Realised Capital Gains Reserve		84,385	79,122
Interest-rate Hedging Reserve		654	362
Retained Profits		24,036	24,431
Total shareholders' equity		847,267	653,260

This balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Note	Half-year 2006 \$'000	Half-year 2005 \$'000
Total equity at the beginning of the half-year		653,260	568,987
Dividends paid	9	(21,214)	(19,841)
Shares issued - Dividend Reinvestment Plan - 1-for-5 Rights Issue		3,402 140,326	3,287 -
Cost of Share Issue		(1,082)	-
On-market share buy-backs		(14)	(4)
Other Share Capital Adjustments		1,868	120
Total transactions with share-holders		123,286	(16,438)
Revaluation of investment portfolio		65,866	32,944
Provision for tax on unrealised gains		(21,519)	(10,664)
Net unrealised gains on investment portfolio		44,347	22,280
Net movement in fair value for interest rate swaps		292	134
Net income recognised directly in equity		44,639	22,414
Profit for the half-year		26,082	29,730
Total recognised income (including unrealised gains) & expense for the half-year		70,721	52,144
Total equity at the end of the half-year		847,267	604,693

This statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

	Half-year 2006 \$'000	Half-year 2005 \$'000
	INFLOWS/ (OUTFLOWS)	INFLOWS/ (OUTFLOWS)
Cash flows from operating activities		
Sales from trading portfolio	23,503	16,029
Purchases for trading portfolio	(19,178)	(36,541)
Interest received	1,422	588
Proceeds from entering into options in options written portfolio	21,972	14,351
Payment to close out options in options written portfolio	(17,372)	(8,925)
Dividends and distributions received	23,339	22,177
	33,686	7,679
Administration expenses	(1,109)	(921)
Finance costs paid	(3,433)	(3,912)
Income taxes paid	(12,236)	(5,783)
Net cash inflow/(outflow) from operating activities	16,908	(2,937)
Cash flows from investing activities		
Sales from investment portfolio	85,239	73,766
Purchases for investment portfolio	(135,092)	(113,348)
Net cash inflow/(outflow) from investing activities	(49,853)	(39,582)
Cash flows from financing activities		
Proceeds from borrowings	238,000	27,500
Repayment of borrowings	(258,000)	(27,500)
Share issues	140,326	-
Share issues transaction costs	(877)	-
Payment for shares bought back	(14)	(4)
Dividends paid	(17,760)	(16,454)
Net cash inflow/(outflow) from financing activities	101,675	(16,458)
Net increase/(decrease) in cash held	68,730	(58,977)
Cash at the beginning of the half-year	928	65,045
Cash at the end of the half-year	69,658	6,068

This cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2006 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The Company has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market Value	Fair Value for Actively Traded Securities

2. Financial reporting by segments

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

3. Income from operating activities

	Half-year 2006 \$'000	Half-year 2005 \$'000
Income from operating activities is comprised of the following:		
Investment Portfolio		
• dividends & distributions	18,136	16,356
• interest	65	65
	18,201	16,421
Trading Portfolio		
• dividends & distributions	1,395	2,200
• realised gains/(losses)	605	527
• unrealised gains/(losses)	4,889	2,508
	6,889	5,235
Options Written Portfolio		
• realised gains/(losses) on options written	4,909	4,559
Other Revenue		
• interest from cash deposits	1,457	550
	31,456	26,765

4. Current assets – trading portfolio

The Company enters into option contracts in the trading portfolio for the purpose of enhancing returns, offsetting risk or providing opportunities to acquire or sell securities at advantageous prices.

As at balance date there were call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of \$17.7 million (2005: \$59.3 million).

5. Current liabilities – options written portfolio

As at balance date the Company had sold put options which at the option of the purchaser may require the Company to buy prior to the respective expiry dates, if they were exercised, certain securities at prices which in aggregate totalled \$30.1 million (2005: \$33.0 million). As at balance date there were call options outstanding which potentially required the Company, if they were exercised, to deliver securities to the value of \$290.3 million (2005: \$229.1 million). The total income for the half-year of \$4.91 million (2005 : \$4.56 million) plus the unrealised loss on the open options position of \$6.40 million (2005 : \$2.67 million) was a net loss of \$1.49 million (2005 : gain of \$1.89 million).

6. Non-current liabilities - borrowings

The Company has on issue at balance date 11,027,989 convertible notes with a face value of \$3.90. These notes pay interest semi-annually at a rate of 6.5% per annum and are convertible into one ordinary share per note at the option of the holder on 31 March or 30 September each year.

7. Deferred tax liabilities – investment portfolio

If the investment portfolio had been sold immediately after balance date a net capital gains tax liability of \$94.1 million based upon a tax rate of 30% (30 June 2006: \$72.6 million) would have arisen and is provided for in accordance with AASB 112 *Income Taxes*. However, Directors do not intend to dispose of the portfolio and therefore may not be crystallised at the amount disclosed.

8. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Issue price \$	Paid-up Capital \$'000
01/07/2006	Opening Balance		163,184		414,384
23/08/2006	Dividend Reinvestment Plan	i	736	4.62	3,402
03/10/2006	1-for-5 Rights Issue	ii	35,082	4.00	140,326
30/09/2006	Note conversions	iii	479	3.90	1,868
Various	Buy-backs	iv	(3)		(14)
Various	Cost of share issues				(1,082)
31/12/2006	Balance		<u>199,478</u>		<u>558,884</u>

- i The Company has a Dividend Reinvestment Plan under which shareholders elected to have all or part of their dividend payment reinvested in new ordinary shares. Pricing of the new DRP shares was based on the average selling price of shares traded on the Australian Stock Exchange in the five days from the day the shares begin trading on an ex-dividend basis.
- ii On 3 August 2006 the Company invited its shareholders and noteholders to subscribe to a rights issue of approximately 35,100,000 ordinary shares at an issue price of \$4.00 per share on the basis of 1 share for every 5 fully paid share or note held on the record date of 31 August 2006. The new shares rank for half the interim dividend in respect of the financial year to 30 June 2007 and thereafter will rank equally with existing shares for all other payments.
- iii The Company issued shares at 30 September 2006 as a result of the conversion of convertible notes (see Note 6).
- iv The Company introduced an on-market Buy-Back Programme in December 2000. During half-year ended 31 December 2006 the Company had bought back 3,000 shares at an average price of \$4.55. During the corresponding period in 2005, 1,000 shares were bought back at an average price of \$4.15.

9. Dividends	Half-year 2006 \$000	Half-year 2005 \$000
Dividends paid during the period	21,214	19,841

Dividends not recognised at period end

Since the end of the half-year the Directors have declared an interim dividend of 10 cents per share fully franked (5 cents for shares issued as a result of the rights issue also fully franked). The aggregate amount of the proposed interim dividend expected to be paid on 12 March 2007, but not recognised as a liability at the end of the half-year is

18,194

10. Earnings per Share	Half-year 2006	Half-year 2005
	Number	Number
Weighted average number of ordinary shares used as the denominator	180,963,102	159,321,982
Basic earnings per share		
	\$'000	\$'000
Profit for half year	26,082	29,730

	Cents	Cents
Basic earnings per share	14.41	18.66
Net operating profit per share		
	Half-year 2006	Half-year 2005
	\$'000	\$'000
Net operating profit	23,259	20,377
	Half-year 2006	Half-year 2005
	Cents	Cents
Net operating profit per share	12.85	12.79
Diluted earnings per share		
	Number	Number
Weighted average number of ordinary shares used as the denominator	192,230,734	173,820,725
	\$'000	\$'000
Earnings used in calculating diluted earnings per share	26,946	31,021
	Cents	Cents
Diluted Earnings per share	14.02	17.85
Diluted net operating profit per share		
	\$'000	\$'000
Earnings used in calculating diluted net operating profit per share	24,122	21,668
	Cents	Cents
Diluted net operating profit per share	12.55	12.47

11. Events subsequent to balance date

Since 31 December 2006 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

12. Contingencies

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2006 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Bruce B. Teele
Chairman
Melbourne
15 February 2007

PricewaterhouseCoopers
ABN 52 780 433 757

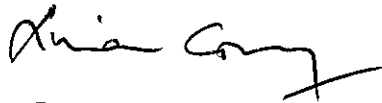
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Auditors' Independence Declaration

As lead auditor for the review of Djerriwarrh Investments Limited for the half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Djerriwarrh Investments Limited during the period.



Simon Gray

Partner
PricewaterhouseCoopers

Melbourne

15 February 2007

Independent Auditors' Review Report to the members of Djerriwarrh Investments Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Djerriwarrh Investments Limited ("the Company"), which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for the Company.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2006 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware

of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

For further explanation of a review, visit our website
<http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

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 Djerriwarrh Investments Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants

Simon Gray

Simon Gray
Partner

Melbourne
15 February 2007