U.S. MASTERS HOLDINGS LIMITED

ABN 052 123 930

Appendix 4D

Half Year End Report

Period Ending 31 December 2009

Results for announcement to the market		**31 December 2009 $'000s**	**31 December 2008 $'000s**
Revenue /deficit from ordinary activities	Up 121.20%	39	(184)
Loss from ordinary activities After tax attributable to members	Up 97.71%	(5)	(218)
Net Loss for the Period attributable to members	Up 97.71%	(5)	(218)

Dividends	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL

Australian Registered Body Number 052 123 930
Incorporated in the British Virgin Islands

U.S. MASTERS HOLDINGS LIMITED

Review of Operations
for the 6 months ended 31 December 2009
Expressed in U.S. Dollars

The NAV of U.S. Masters Holdings Limited was $ 742,570 as at 31st December 2009.

NAV per share was $ 0.31 as at 31 December 2009.

During the 6 months ended 31 December 2009, U.S. Master's net asset value increase was negligible.

There was no dilution and no share buybacks during the period.

The expenses associated with operating the Fund continued to be the most significant feature contributing to the operating performance.

The fund has been invested in equities up to approximately 90% of assets during the period. We are currently positioned defensively.

J. Randolph Updyke
Investment Advisor
Director

U.S. MASTERS HOLDINGS LIMITED

Directors' Report
for the 6 months ended 31 December 2009
Expressed in U.S. Dollars

The directors present their report together with the financial statements of U.S. Masters Holdings Limited (the "Fund") for the 6 months ended 31 December 2009.

Board of Directors

J. Randolph Updyke B.A. P.R.L. (CEO) - Director since January 1991

Mr Updyke has been engaged in the investment advisory business for over twenty-five years. He is general partner and investment advisor of Updyke Associates, an investment partnership.

M. Carol Updyke - Director since April 1999

Mrs Updyke is a principal of the Clayworks, a pottery operation in Charleston, South Carolina.

Hubert R. Marleau (Chairman) – Director since May 1998

Mr Marleau is president of Palos Capital Corporation.

Corporate Governance

The board of directors of the Fund are as stated above.

The criteria for board membership and the selection of appropriate members of the board is considered by the board itself. Election and rotation of directors is governed by the Articles of Association of the Fund.

Directors have the right to seek independent professional advice in the furtherance of their duty, and this may be at the Fund's expense, subject to prior approval by the board.

The board has no remuneration, audit or other committees as, given the size of the Fund and board, this is not thought appropriate.

The board reviews risks associated with the Fund and implements procedures to manage such risks. It develops policies regarding the establishment and maintenance of appropriate ethical standards.

Audit Committee

The Fund does not have an audit committee as at the date of this directors' report. Given the size of the Fund and the board, a separate committee cannot be justified on a cost benefit analysis or otherwise.

Principal Activity

The principal activity of the Fund during the financial period was investment, and no significant change in the nature of that activity has occurred during the period.

U.S. MASTERS HOLDINGS LIMITED

Directors' Report
for the 6 months ended 31 December 2009
Expressed in U.S. Dollars

Result

The operating loss of the Fund after income tax for the 6 month period was $4,733 (2008: loss $217,917).

Dividends

No dividends were paid during the period and no dividend is recommended.

Significant Changes in State of Affairs

None

Significant Post Balance Sheet Events

The Board of Directors intend to meet in the near future to discuss the future of the Fund.

Directors' Benefits and Interests in Contracts or Proposed Contracts with the Fund

Since the end of the previous financial period, no director of the Fund has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of directors' remuneration shown in the financial statements, by reason of a contract made by the Fund or a related corporation with a director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

Directors' Interests in Shares of the Fund

	Beneficial	Non-Beneficial
Mr J.R. Updyke	1,182,450	-
Mrs M.C. Updyke	169,100	
Mr H.R. Marleau		-

Currency and Rounding

The financial statements are expressed in U.S. Dollars and have been rounded to the nearest thousand Dollars.

This report is made in accordance with a resolution of the Board and is signed for and on behalf of the directors.

J. Randolph Updyke
Director

M. Carol Updyke
Director

U.S. MASTERS HOLDINGS LIMITED

Statement of Operations and Accumulated Deficit
for the 6 months ended 31 December 2009
Expressed in thousand of U.S. Dollars

	Note	6 months 31.12.2009 $000	6 months 31.12.2008 $000
INVESTMENT INCOME			
Net realised gain/(loss) on sale of investments		58	(133)
Net change in unrealised loss on investments	3	(20)	(56)
Interest and dividend income (net of withholding taxes)	4	1	5
Total Investment income		39	(184)
Expenses			
Directors' fees		1	2
Legal and professional fees		41	31
Sundry Expenses		2	1
Total expenses		44	34
Loss for the period		(5)	(218)
Opening accumulated deficit		(12,122)	(11,881)
Closing accumulated deficit		(12,127)	(12,099)
(Loss)/gain per share (Dollars)		Negligible	(0.09)

The Fund has no recognised gains or losses in the period other than those passing through the Statement of Operations and Accumulated Deficit presented above.

U.S. MASTERS HOLDINGS LIMITED

Statement of Net Assets and Shareholders' Interests
At 31 December 2009
Expressed in thousands of U.S. Dollars

	Notes	2009 $000	2008 $000
Assets			
Cash and cash equivalents		578	159
Investments		176	638
Total Assets		754	797
Liabilities			
Accrued expenses		11	26
Total Liabilities		11	26
Net Assets		743	771
Total shareholders' interests			
2,429,826 (2008:2,429,826) ordinary shares with a par value of $0.50 per share	5	1,215	1,215
Share premium reserve	6	11,655	11,655
Accumulated deficit		(12,127)	(12,099)
Total shareholders' interests		743	771
Net asset value per share (Dollars, excluding treasury stock)		0.31	0.32

The financial statements on pages 7 to 15 were approved by the Board of Directors and signed on their behalf by:

J. Randolph Updyke
Director

M. Carol Updyke
M. Carol Updyke
Director

03/03 2010 MER 13:33 [N° TX/RX 5755] 004

U.S. MASTERS HOLDINGS LIMITED

Statement of Cash Flows
for the 6 months ended 31 December 2009
Expressed in thousands of U.S. Dollars

	2009 $000	2008 $000
Operating Activities		
Purchase of investments	(409)	(1,817)
Proceeds from sale of investments	604	1,705
Interest and dividends received	1	5
Expenses paid	(54)	(46)
Cashflows from operating activities	142	(153)
Net (decrease)/increase in cash and cash equivalents	142	(153)
Cash and cash equivalents at beginning of period	436	309
Cash and cash equivalents at end of period	578	156
Cash and cash equivalents comprise:		
Cash at bank	578	156
Cash and cash equivalents	578	156

U.S. MASTERS HOLDINGS LIMITED
Statement of Investments
at 31 December 2009
Expressed in thousands of U.S. Dollars

	Quantity	Average Cost $000	Market Value $000
Equities			
Coca Cola Co	100	5	6
Diamonds Trust –Unit Series 1	100	11	10
Franklin Res Inc Com	100	5	11
Greyhawk Partners Fund	27,985	39	46
Invesco Ltd	100	2	2
Janus Capital Group Inc	200	2	3
Legg Mason Inc	100	2	3
Orient Express Hotels Ltd –A	600	5	6
Proshares Trust	200	10	12
Proshares Trust Ultra S&P 500	200	7	8
Proshares Ultradow 30	1,200	50	52
T Rowe Price Group Inc	100	3	5
W.P. Stewart & Co Ltd	1,000	6	7
Wal-Mart Stores Inc	100	5	5
Total Equities /Marketable Securities		152	176

Notes to and forming part of the Financial Statements
for the 6 months ended 31 December 2009

1. THE FUND

(a) General information

U.S. Masters Holdings Limited (the "Fund") was incorporated under the laws of the British Virgin Islands on 14 May 1990 under the International Business Companies Act (Cap. 291). The liability of the members is limited by shares. The Fund maintains its Registered office in the British Virgin Islands. The Fund is a closed-end investment company.

The financial statements are presented in thousands of United States Dollars.

The Fund was formed as an investment company to permit shareholders to participate in the accumulation of capital on a pooled basis from the professionally managed trading of predominantly United States investments.

(b) Investment advisory fees

Under the terms of an Investment Advisory Agreement dated 1 January 1998, J. Randolph Updyke has agreed to provide investment advisory services to the Fund.

As compensation for his services, J. Randolph Updyke receives from the Fund:

i) a management fee payable semi-annually equal to 0.5% (1% annualised) of the Fund's Net Asset Value at the end of such semi-annual period; and,

ii) an incentive fee payable equal to 20% of the appreciation, if any, in Net Asset Value on a fiscal period basis.

However Mr J. Randolph Updyke has agreed to waive his management fees effective 1 July 2004.

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements
for the 6 months ended 31 December 2009

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Fund's financial statements are set out below:

(a) Basis of preparation

The financial statements of U.S. Masters Holdings Limited, have been prepared in accordance with International Accounting Standards. They have been prepared under the historical cost accounting convention and, except where stated, do not take into account changes in either the general purchasing power of the Dollar or in the prices of specific assets.

The accounting policies have been consistently applied by the Fund and are consistent with those of the previous period.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and brokers with maturities of three months or less.

(c) Investments

Investments are carried at market value. Any increases or decreases in carrying values are recognised in the statement of operations and accumulated deficit as an unrealised gain or loss.

Investments in securities and securities sold short traded on a United States national securities exchange are valued at the last reported sales price on the day of valuation or, if there has been no sale on such exchange on the date on which valuation is being made, then at the mean between the closing bid and asked prices on such exchange on such date.

Securities traded in the over-the-counter market are valued at the last sales price if the security is reported by NASDAQ's System, or, if not reported, at the mean between the last bid and asked prices. Restricted securities and other securities for which quotations are not readily available are valued at fair value as determined in good faith by the Investment Manager.

(d) Investment transactions and income recognition

Investment transactions are accounted for on the trade date (the date on which the order to buy or sell is executed). Gains or losses arising from the sale of investments are determined using the average cost basis. Income from investments is recorded on the accrual basis. Interest income is recorded as earned and dividend income is recorded on the ex-dividend date.

(e) Foreign currency

Transactions in currencies other than the Fund's reporting currency are converted at the rate of exchange ruling at the transaction date. Foreign currency monetary assets and liabilities, other than those covered by forward exchange contracts, are translated at the rate of exchange ruling at the reporting date. Resulting exchange differences are recognised in the result for the period.

Notes to and forming part of the Financial Statements
for the 6 months ended 31 December 2009

3. NET CHANGE IN UNREALISED GAIN ON INVESTMENTS

	2009 $000	2008 $000
Market value of investments	176	638
Investments at average cost	152	610
Closing unrealised gain on investments	24	28
Opening unrealised gain on investments	44	84
Net change in unrealised loss on investments	(20)	(56)

4. TAXATION

The Fund is exempt from all forms of taxation in the British Virgin Islands and Australia including income, capital gains and withholding taxes. United States withholding tax has been deducted at source on certain dividends and interest paid, with respect to securities of United States issuers, at the rate of 30% of gross income. There are no other taxes applicable to the Fund.

5. SHARE CAPITAL

	2009 $000	2008 $000
Authorised		
1,000,000,000 ordinary shares of $0.50 par value each	500,000	500,000
Issued and fully paid		
53,036,510 (2008:53,036,510) ordinary shares of $0.50	26,518	26,518
Treasury stock:		
Opening balance (50,606,684 shares, 2008:50,606,684 shares)	25,303	25,303
Acquired during the period (Nil shares, 2008: Nil shares)	0	0
Closing balance (50,606,684 shares, 2008:50,606,684 shares)	25,303	25,303
Net share capital (2,429,826 shares, 2008:2,429,826 shares)	1,215	1,215

Each ordinary share carries the right to one vote at annual and general meetings and is entitled to participate in any dividends or other distributions of the Fund.

U.S. MASTERS HOLDINGS LIMITED

Notes to and forming part of the Financial Statements for the 6 months ended 31 December 2009

6. SHARE PREMIUM RESERVE

	2009 $000	2008 $000
Gross premium on issue of shares	37,965	37,965
Transfer to Redomicile Reserve – 1991	(25,000)	(25,000)
Net premium on purchase of treasury stock	(1,310)	(1,310)
Opening balance	11,655	11,655
Discount on purchase of treasury stock during the period	0	0
Closing balance	11,655	11,655

7. TREASURY STOCK

The Fund holds treasury stock in itself which was purchased pursuant to an on-market buy-back scheme on the Australian Stock Exchange.

	2009 $000	2008 $000
50,606,684 (2008:50,606,684) ordinary shares at cost	26,613	26,613

8. RELATED PARTY TRANSACTIONS

The Fund had the following commercial dealings with its directors and their associates:

(a) One of the directors earned fees of $1,250 (2008: $1,250) during the period.

(b) J. Randolph Updyke and M. Carol Updyke, directors of the Fund, each held 1,182,450 (2008:1,182,450) and 169,100 (2008:169,100) shares in the Fund, respectively, at the end of the period.

9. CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities of the Fund at the period end. The Fund has given a guarantee in respect of the creditors of its former subsidiaries as at 9 May 1991 pursuant to the Schemes of Arrangement to redomicile the former group to the British Virgin Islands.

10. FINANCIAL INSTRUMENTS

Financial assets of the Fund include cash and cash equivalents, investments and interest and dividends receivable. Financial liabilities comprise accrued expenses. Accounting policies for financial assets and liabilities are set out in note 2.

(a) Fair values

The carrying amounts of cash and cash equivalents, interest and dividends receivable and accrued expenses approximate their fair value due to the relatively short period to maturity of these instruments. Investments are carried at market value.

(b) Credit risk

Substantially all securities transactions are cleared through, and held in custody by two financial institutions. The Fund is subject to credit risk to the extent that these institutions may be unable to return the Fund's securities or to repay amounts owed. Securities Insurance Protection Corporation (SIPC) provides insurance on bank and security balances in the event a U.S. Broker files for bankruptcy, but given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

At the period end there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(c) Interest rate risk

The interest rates on the bonds held are disclosed in the statement of investments. There is an inherent risk that during the period to maturity these rates, to the extent that they are fixed, may be lower than the prevailing market rate.

11. POST BALANCE SHEET EVENTS

The Board of Directors intend to meet in the near future to discuss the future of the Fund.

12. STATUS OF REPORT

This report is based on accounts that have been reviewed by a firm of Chartered Accountants. Their review engagement report is attached.

INDEPENDENT REVIEW REPORT TO THE DIRECTORS OF U.S MASTERS HOLDINGS LIMITED

We have reviewed the accompanying half year financial report of U.S. Masters Holdings Limited, which comprise the balance sheet as at 31 December 2009, and the statement of operations, statement of cash flows for the six month period ended on that date, and a summary of significant accounting policies and other explanatory notes.

The directors are responsible for the preparation and fair presentation of the half year financial report in accordance with International Financial reporting standards, This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that are 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.

It is our responsibility to express a conclusion on the half year financial report based on our review. Our review was made in accordance with International Standards on Review Engagements ISRE 2410, 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 International Financial Reporting Standards including giving a true and fair view as at 31 December 2009 and its performance for the six months period ended on that date.

A review of the half year report consisted primarily of inquiry, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit 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 on the financial statements or the accompanying Appendix 4D to the Listing Rules of the Australian Stock Exchange.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position as at 31 December 2009, and of its performance and its cash flows for the six month period then ended in accordance with the International Financial Reporting Standards.

This report is intended for the information and use of the board of directors and management of U.S Masters Holdings Limited and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Churchill Accountants LLP
Chartered Accountants
5 March 2010