

Eaton Vance Tax-Managed Diversified Equity Income Fund
Form N-CSRS
June 27, 2012

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED
MANAGEMENT INVESTMENT COMPANIES
Investment Company Act File Number: 811-21832
Eaton Vance Tax-Managed Diversified Equity Income Fund**
(Exact Name of Registrant as Specified in Charter)
Two International Place, Boston, Massachusetts 02110
(Address of Principal Executive Offices)
Maureen A. Gemma
Two International Place, Boston, Massachusetts 02110
(Name and Address of Agent for Services)
(617) 482-8260
(Registrant's Telephone Number)
October 31
Date of Fiscal Year End
April 30, 2012
Date of Reporting Period

Item 1. Reports to Stockholders

Eaton Vance
Tax-Managed Diversified
Equity Income Fund (ETY)

Semiannual Report
April 30, 2012

Managed Distribution Plan. On March 10, 2009, the Fund received authorization from the Securities and Exchange Commission to distribute long-term capital gains to shareholders more frequently than once per year. In this connection, the Board of Trustees formally approved the implementation of a Managed Distribution Plan (MDP) to make quarterly cash distributions to common shareholders, stated in terms of a fixed amount per common share.

The Fund intends to pay quarterly cash distributions equal to \$0.2530 per share. You should not draw any conclusions about the Fund's investment performance from the amount of these distributions or from the terms of the MDP. The MDP will be subject to regular periodic review by the Fund's Board of Trustees.

With each distribution, the Fund will issue a notice to shareholders and an accompanying press release which will provide detailed information required by the Fund's exemptive order. The Fund's Board of Trustees may amend or terminate the MDP at any time without prior notice to Fund shareholders. However, at this time there are no reasonably foreseeable circumstances that might cause the termination of the MDP.

Fund shares are not insured by the FDIC and are not deposits or other obligations of, or guaranteed by, any depository institution. Shares are subject to investment risks, including possible loss of principal invested.

Semiannual Report April 30, 2012

Eaton Vance

Tax-Managed Diversified Equity Income Fund

Table of Contents

Performance	2
Fund Profile	3
Endnotes and Additional Disclosures	4
Financial Statements	5
Board of Trustees Contract Approval	18
Officers and Trustees	21
Important Notices	22

Eaton Vance

Tax-Managed Diversified Equity Income Fund

April 30, 2012

Portfolio Managers Walter A. Row III, CFA, CMT, and Michael A. Allison, CFA
 Performance¹

% Average Annual Total Returns	Inception Date	Six Months	One Year	Five Years	Since Inception
Fund at NAV	11/30/2006	9.85%	-0.44%	1.04%	2.62%
Fund at Market Price		10.70	-4.23	-2.15	-0.26
S&P 500 Index	11/30/2006	12.77%	4.76%	1.00%	2.12%
CBOE S&P 500 BuyWrite Index	11/30/2006	11.41	7.63	2.17	2.45

% Premium/Discount to NAV

-14.30%

Distributions²

Total Distributions per share for the period	\$ 0.579
Distribution Rate at NAV	10.35%
Distribution Rate at Market Price	12.08%

See Endnotes and Additional Disclosures in this report.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in net asset value (NAV) or market price (as applicable) with all distributions reinvested. Fund performance at market price will differ from its results at NAV due to factors such as changing perceptions about the Fund, market conditions, fluctuations in supply and demand for Fund shares, or changes in Fund distributions.

Investment return and principal value will fluctuate so that shares, when sold, may be worth more or less than their original cost. Performance less than one year is cumulative. Performance is for the stated time period only; due to market volatility, current Fund performance may be lower or higher than the quoted return. For performance as of the most recent month end, please refer to www.eatonvance.com.

Eaton Vance
Tax-Managed Diversified Equity Income Fund
April 30, 2012
Fund Profile

Sector Allocation (% of total investments)³

Country Allocation (% of total investments)

Top 10 Holdings (% of total investments)³

Apple, Inc.	3.3%
Exxon Mobil Corp.	2.8
Coca-Cola Co. (The)	2.5
International Business Machines Corp.	2.3
Danaher Corp.	2.2
QUALCOMM, Inc.	2.0
Amazon.com, Inc.	1.9
JPMorgan Chase & Co.	1.9
Philip Morris International, Inc.	1.9
Pfizer, Inc.	1.8
Total	22.6%

See Endnotes and Additional Disclosures in this report.

Eaton Vance
Tax-Managed Diversified Equity Income Fund
April 30, 2012
Endnotes and Additional Disclosures

- ¹ S&P 500 Index is an unmanaged index of large-cap stocks commonly used as a measure of U.S. stock market performance. CBOE S&P 500 BuyWrite Index measures the performance of a hypothetical buy-write strategy on the S&P 500 Index. Unless otherwise stated, index returns do not reflect the effect of any applicable sales charges, commissions, expenses, taxes or leverage, as applicable. It is not possible to invest directly in an index.
- ² The Distribution Rate is based on the Fund's last regular distribution per share in the period (annualized) divided by the Fund's NAV or market price at the end of the period. The Fund's distributions may be composed of ordinary income, tax-exempt income, net realized capital gains and return of capital. In recent years, a significant portion of the Fund's distributions has been characterized as a return of capital. Subsequent distributions declared, but not reflected in Fund Performance, reflect a reduction of the quarterly distribution rate.
- ³ Depictions do not reflect the Fund's option positions. Excludes cash and cash equivalents.

Fund profile subject to change due to active management.

Eaton Vance
Tax-Managed Diversified Equity Income Fund

April 30, 2012

Portfolio of Investments (Unaudited)

Common Stocks 95.0%

Security	Shares	Value
Aerospace & Defense 1.6%		
Boeing Co. (The)	253,623	\$ 19,478,247
United Technologies Corp.	101,099	8,253,722
		\$ 27,731,969
Automobiles 0.4%		
Bayerische Motoren Werke AG	64,364	\$ 6,121,798
		\$ 6,121,798
Beverages 3.7%		
Anheuser-Busch InBev NV	106,915	\$ 7,705,950
Beam, Inc.	123,546	7,014,942
Coca-Cola Co. (The)	552,117	42,137,570
Diageo PLC	222,800	5,619,741
		\$ 62,478,203

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Biotechnology 2.4%

Celgene Corp. ⁽¹⁾	248,863	\$ 18,147,090
Gilead Sciences, Inc. ⁽¹⁾	424,047	22,054,684
		\$ 40,201,774

Capital Markets 0.9%

Deutsche Bank AG	47,128	\$ 2,045,972
Goldman Sachs Group, Inc. (The)	93,418	10,757,083
UBS AG ⁽¹⁾	186,902	2,334,067
		\$ 15,137,122

Chemicals 2.1%

Air Liquide SA	27,971	\$ 3,597,827
BASF SE	97,600	8,035,711
Monsanto Co.	324,189	24,696,718
		\$ 36,330,256

Commercial Banks 4.8%

Banco Bilbao Vizcaya Argentaria SA	477,882	\$ 3,233,849
Banco Santander SA	634,421	3,983,290
Bank of Nova Scotia (The)	207,509	11,508,449
Barclays PLC	1,308,215	4,631,532
BNP Paribas	47,989	1,936,809
HSBC Holdings PLC	729,942	6,589,313
Intesa Sanpaolo SpA	1,728,701	2,620,458
Itau Unibanco Holding SA ADR, PFC Shares	476,155	7,470,872
PNC Financial Services Group, Inc.	140,973	9,349,329
Royal Bank of Scotland Group PLC ⁽¹⁾	4,085,694	1,611,824
Societe Generale	96,538	2,285,464
Wells Fargo & Co.	775,220	25,915,605

\$ 81,136,794

Communications Equipment 2.0%

QUALCOMM, Inc. 536,733 \$ 34,265,035

\$ 34,265,035

Computers & Peripherals 3.7%

Apple, Inc.⁽¹⁾ 97,226 \$ 56,803,318

EMC Corp.⁽¹⁾ 234,001 6,601,168

\$ 63,404,486

Construction & Engineering 1.3%

Fluor Corp. 385,631 \$ 22,270,190

\$ 22,270,190

Consumer Finance 0.9%

American Express Co. 251,154 \$ 15,121,982

\$ 15,121,982

Diversified Financial Services 2.9%

Citigroup, Inc. 491,743 \$ 16,247,189

JPMorgan Chase & Co. 763,501 32,815,273

\$ 49,062,462

Diversified Telecommunication Services 3.3%

AT&T, Inc.	737,785	\$ 24,280,504
CenturyLink, Inc.	592,590	22,850,271
France Telecom SA	163,783	2,245,148
Koninklijke KPN NV	268,320	2,408,944
Vivendi SA	284,150	5,255,794

\$ 57,040,661

Electric Utilities 2.8%

American Electric Power Co., Inc.	257,104	\$ 9,985,919
Duke Energy Corp.	324,468	6,953,349
Edison International	161,770	7,119,498
Enel SpA	573,649	1,881,222
PPL Corp.	277,219	7,581,940

See Notes to Financial Statements.

Eaton Vance
Tax-Managed Diversified Equity Income Fund

April 30, 2012

Portfolio of Investments (Unaudited) continued

Security	Shares	Value
Electric Utilities (continued)		
Southern Co. (The)	153,213	\$ 7,038,605
SSE PLC	319,852	6,858,712
		\$ 47,419,245
Electrical Equipment 0.7%		
ABB, Ltd. ⁽¹⁾	309,717	\$ 5,643,937
Emerson Electric Co.	136,773	7,186,053
		\$ 12,829,990
Energy Equipment & Services 2.2%		
Halliburton Co.	594,027	\$ 20,327,604
Schlumberger, Ltd.	243,855	18,079,410
		\$ 38,407,014
Food & Staples Retailing 1.7%		

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Costco Wholesale Corp.	299,656	\$ 26,420,669
Tesco PLC	629,574	3,243,988

\$ 29,664,657

Food Products 1.7%

Danone SA	45,394	\$ 3,195,695
Nestle SA	249,616	15,298,778
Unilever NV	286,140	9,801,525

\$ 28,295,998

Health Care Equipment & Supplies 3.4%

Covidien PLC	436,615	\$ 24,114,247
St. Jude Medical, Inc.	615,829	23,844,899
Varian Medical Systems, Inc. ⁽¹⁾	162,327	10,294,778

\$ 58,253,924

Health Care Providers & Services 1.1%

UnitedHealth Group, Inc.	336,581	\$ 18,899,023
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\$ 18,899,023

Hotels, Restaurants & Leisure 1.8%

McDonald's Corp.	307,816	\$ 29,996,669
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\$ 29,996,669

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Household Products 2.0%

Colgate-Palmolive Co.	142,561	\$ 14,104,985
Procter & Gamble Co.	314,015	19,983,915
		\$ 34,088,900

Industrial Conglomerates 2.7%

Danaher Corp.	685,952	\$ 37,192,317
Siemens AG	104,342	9,685,065
		\$ 46,877,382

Insurance 2.0%

Aflac, Inc.	208,202	\$ 9,377,418
AXA SA	356,429	5,064,909
MetLife, Inc.	294,880	10,624,526
Prudential PLC	698,928	8,565,989
		\$ 33,632,842

Internet & Catalog Retail 1.9%

Amazon.com, Inc. ⁽¹⁾	142,751	\$ 33,103,957
		\$ 33,103,957

Internet Software & Services 1.5%

eBay, Inc. ⁽¹⁾	243,638	\$ 10,001,340
Google, Inc., Class A ⁽¹⁾	25,351	15,343,186

\$ 25,344,526

IT Services 3.9%

Accenture PLC, Class A	427,178	\$ 27,745,211
International Business Machines Corp.	188,505	39,035,616

\$ 66,780,827

Machinery 0.8%

Deere & Co.	170,980	\$ 14,081,913
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\$ 14,081,913

Media 2.3%

Comcast Corp., Class A	582,058	\$ 17,653,819
Walt Disney Co. (The)	510,035	21,987,609

\$ 39,641,428

Metals & Mining 1.8%

Anglo American PLC	128,438	\$ 4,963,454
BHP Billiton, Ltd. ADR	88,062	6,543,006

See Notes to Financial Statements.

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April 30, 2012

Portfolio of Investments (Unaudited) continued