

Eaton Vance Tax-Managed Diversified Equity Income Fund
Form N-CSRS
June 28, 2011

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, 2011

Date of Reporting Period

Item 1. Reports to Stockholders

Eaton Vance
Tax-Managed Diversified
Equity Income Fund
Semiannual Report
April 30, 2011

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 \$0.2895 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, 2011

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, 2011

Portfolio Managers Walter A. Row, CFA, CMT; Michael A. Allison, CFA

[Performance](#)

New York Stock Exchange (NYSE) Symbol

Inception Date (11/30/06)

ETY

% Average Annual Total Returns at net asset value (NAV)

Six Months	10.04
One Year	10.79
Since Inception	3.32

% Average Annual Total Returns at market price, NYSE

Six Months	3.02
One Year	-4.66
Since Inception	0.66

% Premium/(Discount) to NAV (4/30/11)

-10.91

Distributions

Total Distributions per share (10/31/10 - 4/30/11)	\$ 0.695
Distribution Rate at NAV ¹	9.15%
Distribution Rate at market price ¹	10.28%

Comparative Performance²

% Return

S&P 500 Index

Six Months	16.36
One Year	17.22
Since Inception (11/30/06)	1.53

CBOE S&P 500 BuyWrite Index

Six Months	8.23
One Year	8.80
Since Inception (11/30/06)	1.32

See Endnotes and Additional Disclosures on page 4.

Past performance is no guarantee of future results. Returns are historical and are calculated by determining the percentage change in 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, 2011
Fund Profile

Sector Allocation³ (% of total investments)

Geographic Allocation (% of total investments)

Top 10 Holdings³ (% of total investments)

Apple, Inc.	3.3
Exxon Mobil Corp.	2.8
QUALCOMM, Inc.	2.0
Danaher Corp.	2.0
Oracle Corp.	1.8
JPMorgan Chase & Co.	1.8
PepsiCo, Inc.	1.7
General Electric Co.	1.7
International Business Machines Corp.	1.6
Emerson Electric Co.	1.6
Total % of total investments	20.3

See Endnotes and Additional Disclosures on page 4.

Eaton Vance

Tax-Managed Diversified Equity Income Fund

April 30, 2011

Endnotes and Additional Disclosures

1. 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 comprised of ordinary income, net realized capital gains and return of capital.
2. 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. 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.
3. Depictions do not reflect the Fund's written options positions. Excludes cash and cash equivalents.

Eaton Vance
Tax-Managed Diversified Equity Income Fund

April 30, 2011

Portfolio of Investments (Unaudited)

Common Stocks 98.6%

Security	Shares	Value
Aerospace & Defense 0.8%		
United Technologies Corp.	167,738	\$ 15,025,970
		\$ 15,025,970
Air Freight & Logistics 0.4%		
Expeditors International of Washington, Inc.	154,406	\$ 8,379,614
		\$ 8,379,614
Automobiles 1.8%		
Bayerische Motoren Werke AG	64,364	\$ 6,059,778
Ford Motor Co. ⁽¹⁾	1,423,488	22,021,359
Volkswagen AG, PFC Shares	37,852	7,449,957
		\$ 35,531,094
Beverages 3.6%		

Edgar Filing: Eaton Vance Tax-Managed Diversified Equity Income Fund - Form N-CSRS

Anheuser-Busch InBev NV	106,915	\$ 6,823,091
Coca-Cola Co. (The)	428,805	28,927,185
PepsiCo, Inc.	490,885	33,817,068

\$ 69,567,344

Biotechnology 0.7%

Celgene Corp. ⁽¹⁾	217,688	\$ 12,817,469
------------------------------	---------	---------------

\$ 12,817,469

Capital Markets 1.4%

Credit Suisse Group AG	63,687	\$ 2,898,820
Deutsche Bank AG	47,128	3,069,414
Goldman Sachs Group, Inc. (The)	114,609	17,307,105
UBS AG ⁽¹⁾	186,902	3,740,388

\$ 27,015,727

Chemicals 2.0%

BASF SE	115,331	\$ 11,842,636
Monsanto Co.	383,081	26,064,831

\$ 37,907,467

Commercial Banks 4.3%

Banco Bilbao Vizcaya Argentaria SA	264,172	\$ 3,383,916
Banco Santander SA	290,879	3,714,663
Barclays PLC	715,413	3,401,081
BNP Paribas	47,989	3,793,744

Edgar Filing: Eaton Vance Tax-Managed Diversified Equity Income Fund - Form N-CSRS

HSBC Holdings PLC	523,574	5,711,091
Intesa Sanpaolo SpA	1,035,834	3,440,474
Itau Unibanco Holding SA ADR	476,155	11,308,681
KeyCorp	1,123,377	9,739,679
PNC Financial Services Group, Inc.	140,973	8,788,257
Royal Bank of Scotland Group PLC ⁽¹⁾	4,085,694	2,847,545
State Bank of India GDR	29,010	3,974,370
Wells Fargo & Co.	775,220	22,566,654

\$ 82,670,155

Communications Equipment 2.9%

HTC Corp.	109,000	\$ 4,961,318
JDS Uniphase Corp. ⁽¹⁾	257,376	5,363,716
QUALCOMM, Inc.	692,046	39,335,895
Telefonaktiebolaget LM Ericsson, Class B	377,635	5,730,051

\$ 55,390,980

Computers & Peripherals 3.3%

Apple, Inc. ⁽¹⁾	183,355	\$ 63,849,712
----------------------------	---------	---------------

\$ 63,849,712

Construction & Engineering 1.4%

Fluor Corp.	385,631	\$ 26,971,032
-------------	---------	---------------

\$ 26,971,032

Consumer Finance 0.6%

American Express Co.	251,154	\$ 12,326,638
----------------------	---------	---------------

\$ 12,326,638

Diversified Financial Services 4.0%

Citigroup, Inc. ⁽¹⁾	4,917,438	\$ 22,571,040
JPMorgan Chase & Co.	763,501	34,838,551
Moody's Corp.	530,262	20,754,455

\$ 78,164,046

Diversified Telecommunication Services 2.9%

AT&T, Inc.	729,354	\$ 22,697,496
CenturyLink, Inc.	279,761	11,408,654
Deutsche Telekom AG	369,226	6,101,920
Koninklijke KPN NV	519,866	8,250,546
Verizon Communications, Inc.	186,293	7,038,150

\$ 55,496,766

See Notes to Financial Statements.

Eaton Vance
Tax-Managed Diversified Equity Income Fund

April 30, 2011

Portfolio of Investments (Unaudited) continued

Security	Shares	Value
Electric Utilities 1.2%		
American Electric Power Co., Inc.	257,104	\$ 9,379,154
E.ON AG	187,425	6,406,018
Enel SpA	573,649	4,090,881
PPL Corp.	137,326	3,766,852
		\$ 23,642,905
Electrical Equipment 2.1%		
ABB, Ltd. ⁽¹⁾	309,717	\$ 8,552,920
Emerson Electric Co.	519,132	31,542,460
		\$ 40,095,380
Electronic Equipment, Instruments & Components 1.1%		
Corning, Inc.	1,039,966	\$ 21,776,888
		\$ 21,776,888
Energy Equipment & Services 2.2%		

Edgar Filing: Eaton Vance Tax-Managed Diversified Equity Income Fund - Form N-CSRS

Halliburton Co.	450,518	\$ 22,742,149
Schlumberger, Ltd.	217,858	19,552,755

\$ 42,294,904

Food & Staples Retailing 0.5%

Metro AG	68,066	\$ 4,995,480
Tesco PLC	629,574	4,244,527

\$ 9,240,007

Food Products 1.8%

Danone SA	106,593	\$ 7,804,344
Nestle SA	249,616	15,493,262
Unilever NV	370,384	12,193,276

\$ 35,490,882

Health Care Equipment & Supplies 2.8%

Covidien PLC	381,920	\$ 21,269,125
St. Jude Medical, Inc.	410,384	21,930,921
Varian Medical Systems, Inc. ⁽¹⁾	141,992	9,967,838

\$ 53,167,884

Health Care Providers & Services 4.6%

AmerisourceBergen Corp.	545,675	\$ 22,176,232
DaVita, Inc. ⁽¹⁾	56,162	4,947,311
Fresenius Medical Care AG & Co. KGaA ADR	227,329	17,861,239
HCA Holdings, Inc. ⁽¹⁾	431,496	14,153,069
UnitedHealth Group, Inc.	598,078	29,443,380

		\$ 88,581,231
Hotels, Restaurants & Leisure	1.2%	
McDonald's Corp.	307,816	\$ 24,105,071
		\$ 24,105,071
Household Products	1.6%	
Procter & Gamble Co.	384,350	\$ 24,944,315
Reckitt Benckiser Group PLC	96,161	5,351,078
		\$ 30,295,393
Industrial Conglomerates	2.7%	
General Electric Co.	1,587,175	\$ 32,457,729
Philips Electronics NV	175,039	5,184,309
Siemens AG	104,342	15,177,460
		\$ 52,819,498
Insurance	3.7%	
Aflac, Inc.	208,202	\$ 11,698,870
Allianz SE	34,083	5,354,816
AXA SA	356,429	7,990,440
Lincoln National Corp.	341,755	10,673,009
MetLife, Inc.	294,880	13,797,435
Prudential Financial, Inc.	217,202	13,774,951
Prudential PLC	698,928	9,042,316

\$ 72,331,837

Internet & Catalog Retail 1.2%

Amazon.com, Inc. ⁽¹⁾	121,641	\$ 23,902,457
---------------------------------	---------	---------------

\$ 23,902,457

Internet Software & Services 0.7%

Google, Inc., Class A ⁽¹⁾	25,351	\$ 13,793,479
--------------------------------------	--------	---------------

\$ 13,793,479

IT Services 3.1%

Accenture PLC, Class A	490,806	\$ 28,039,747
International Business Machines Corp.	188,505	32,155,183

\$ 60,194,930

See Notes to Financial Statements.

Eaton Vance
Tax-Managed Diversified Equity Income Fund

April 30, 2011

Portfolio of Investments (Unaudited) continued

Security	Shares	Value
Machinery 2.0%		
Danaher Corp.	705,595	\$ 38,977,068