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25 September 2008

←  
The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

### **Electronic Lodgement**

**Mirrabooka Investments Limited  
2008 Annual General Meeting  
Chairman's Presentation**

Dear Sir or Madam

Mirrabooka Investments Limited Chairman, Mr Terry Campbell, will deliver the following presentation to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully,



Andrew Porter  
Company Secretary

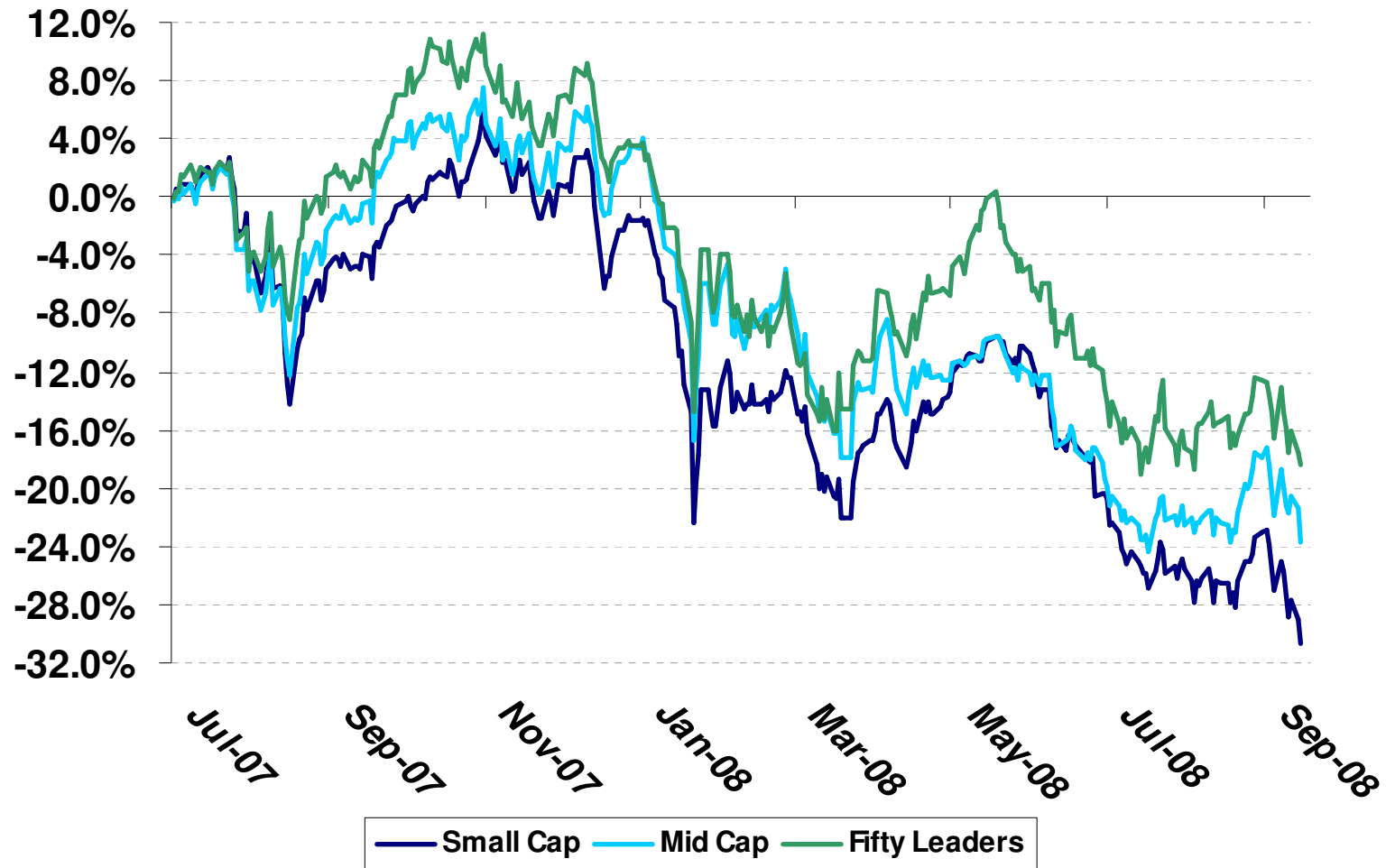


# Annual General Meeting 25 September 2008



MIRRABOOKA  
*Investments Limited*

# In the falling market large cap stocks outperformed the small and mid cap sectors – however no sector has been spared



## The sub prime credit crunch has severely impacted companies over the past year

- **limited access to debt**
- **cost of debt has increased substantially**
- **high leverage/complex structures have been heavily penalised**
- **investor sentiment - greater predisposition to large cap stocks**
- **reparation of balance sheets**



**Whilst continued demand for resources and energy from emerging economies provided some support for these sectors**

- **rising share prices of small/mid cap resources/energy companies**
- **companies servicing these sectors also enjoying strong demand**

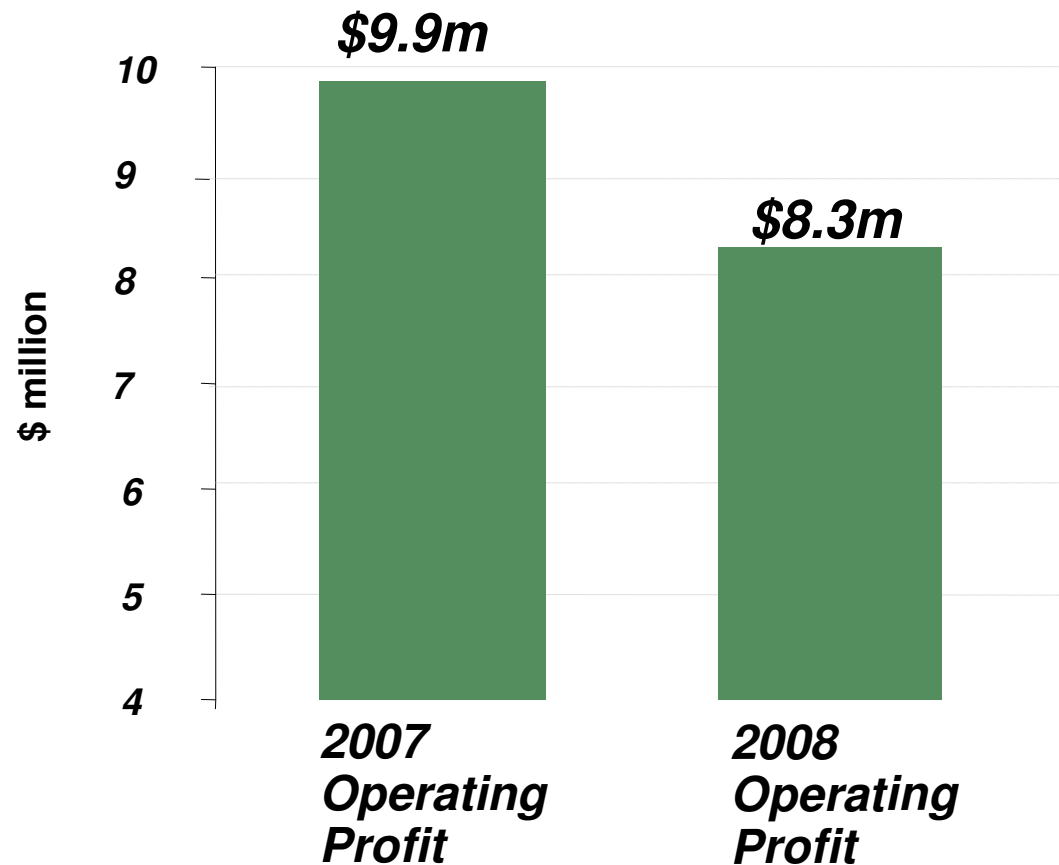




## However outside these sectors earnings pressure was evident

- **rising input costs impacting margins**
- **high interest rates**
- **slowing economic growth and falling consumer spending**

# Operating Profit was down as a result of reduced dividends received as a result of higher cash levels and lower contribution of trading portfolio



## Major Changes in Operating Profit

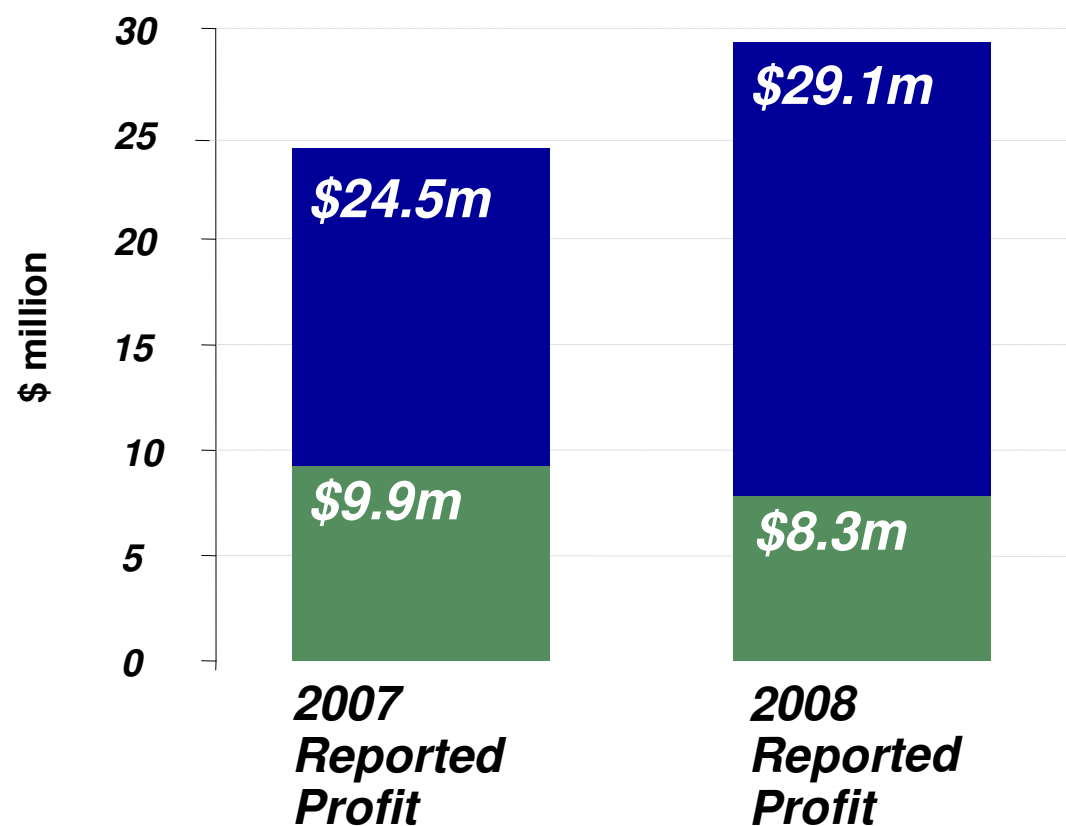
\$0.7m less in dividends

Trading & options income was negative \$0.1m whereas last year was positive \$2.4m

\$1.1m in reduced tax

\$0.2m of reduced expenses

## However, Reported Profit was up substantially as a result of a higher level of realised gains

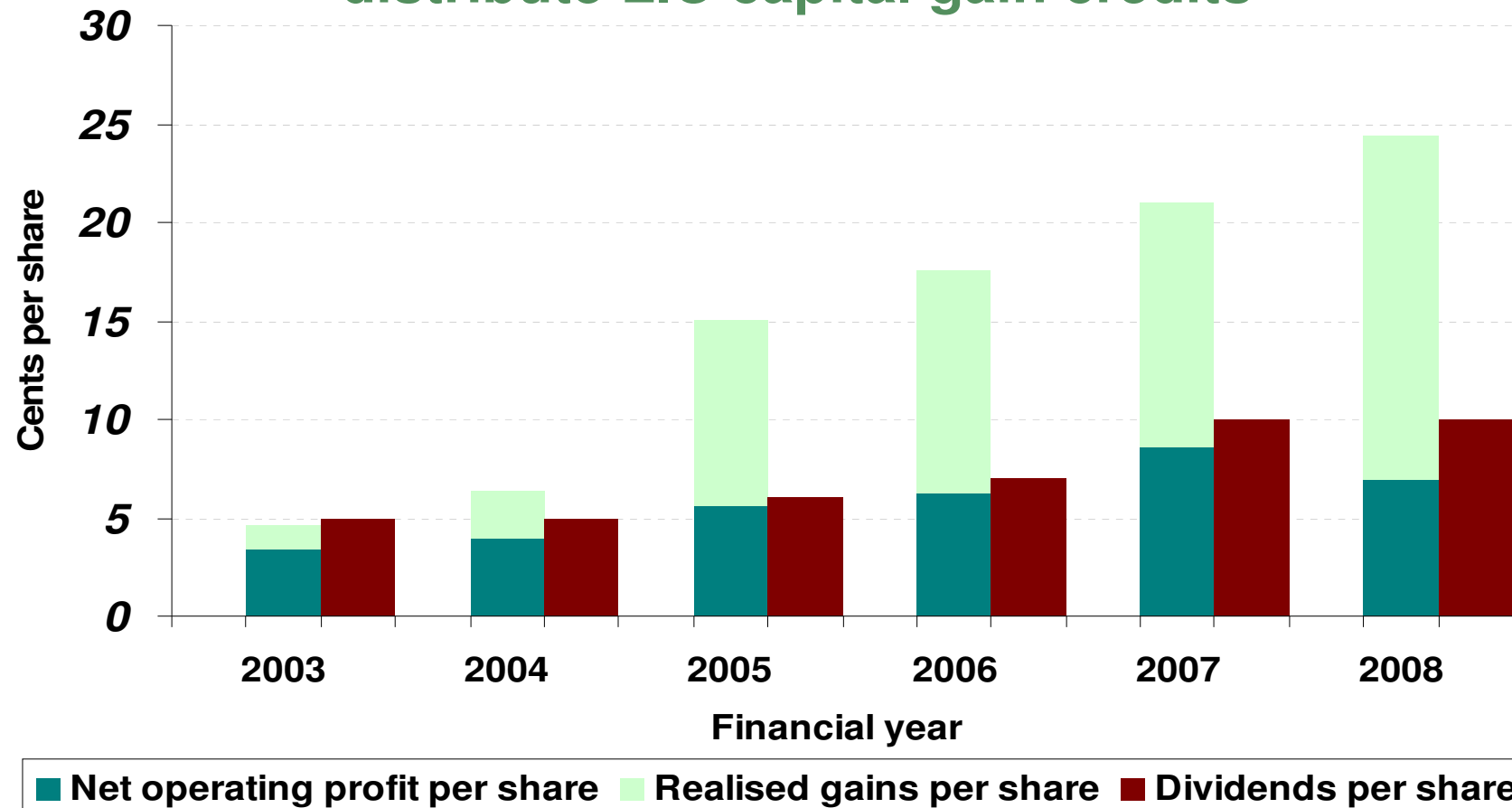


### Major Changes in Reported Profit

\$6.2m increase in net realised gains

Operating Profit down \$1.6m

## Earnings and Dividends Per Share – final dividend sourced from profits from sale of investments. This allowed us to distribute LIC capital gain credits



## Benefit of LIC Capital Gains

Final Dividend fully franked:	6.5 cents per share
Sourced from pre tax capital gains:	9.3 cents per share
Shareholders entitled to tax deduction of 50% of 9.3 cents:	4.65 cents per share

At 45% tax rate, a shareholder has a tax saving of: 2.09 cents per share

At 30% tax rate, a shareholder has a tax saving of: 1.39 cents per share

This is as well as the benefit of the franking credits

## Top 5 Contributors to the Portfolio Performance for year to 30 June 2008

<b>COMPANY</b>	<b>\$m change</b>	<b>% change</b>
<b>Incitec Pivot</b>	<b>12.8</b>	<b>95.4%</b>
<b>Origin Energy</b>	<b>4.0</b>	<b>58.9%</b>
<b>Queensland Gas</b>	<b>3.4</b>	<b>85.8%</b>
<b>Oil Search</b>	<b>2.9</b>	<b>61.8%</b>
<b>Nufarm</b>	<b>2.1</b>	<b>18.1%</b>

## Largest Disposals - (1/7/07 to 30/6/08) because of takeovers

<b>COMPANY</b>	<b>\$m</b>
<b>Dyno Nobel (take over by Incitec Pivot)</b>	<b>5.3</b>
<b>Alinta (take over by a consortium of interests)</b>	<b>5.3</b>
<b>Smorgon Steel (take over by OneSteel)</b>	<b>3.3</b>
<b>Southern Cross Broadcasting (take over by Macquarie Media Group and Fairfax Media)</b>	<b>2.6</b>

## Largest 5 Disposals - (1/7/07 to 30/6/08) - other

<b>COMPANY</b>	<b>\$m</b>
<b>Incitec Pivot</b>	<b>26.1</b>
<b>McMillan Shakespeare</b>	<b>5.2</b>
<b>Transpacific Industries</b>	<b>4.2</b>
<b>BOOM Logistics</b>	<b>3.9</b>
<b>Transurban</b>	<b>3.9</b>

## Largest 5 Acquisitions - (1/7/07-30/6/08)

<b>COMPANY</b>	<b>\$m</b>
<b>Tox Free Solutions</b>	<b>4.8</b>
<b>Coca-Cola Amatil</b>	<b>4.4</b>
<b>Perpetual</b>	<b>3.0</b>
<b>James Hardie Industries N.V.</b>	<b>2.7</b>
<b>Becton Property Group</b>	<b>2.6</b>

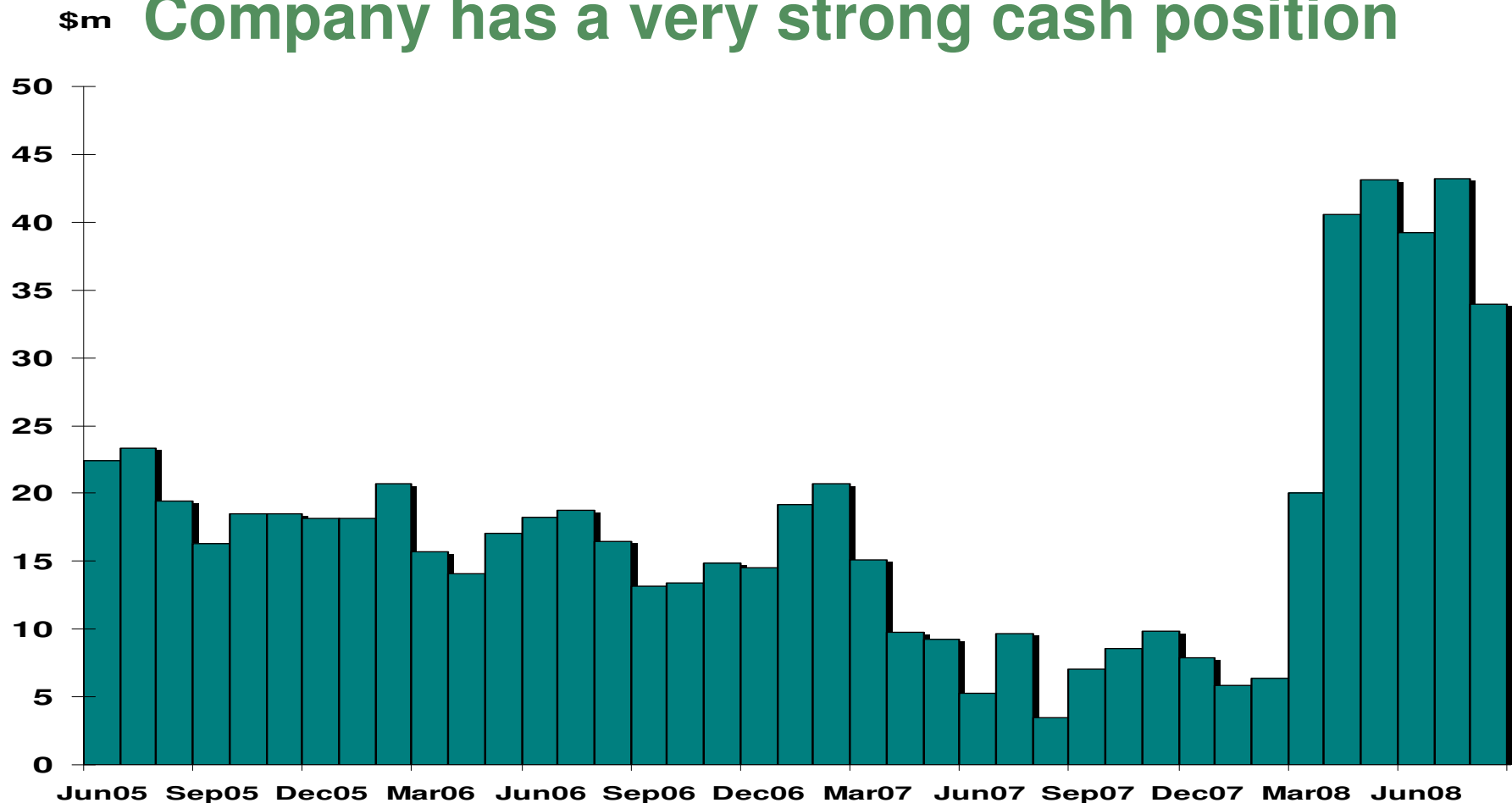


**Mirrabooka raised additional capital in the early part of the calendar year in what proved to be difficult market conditions**

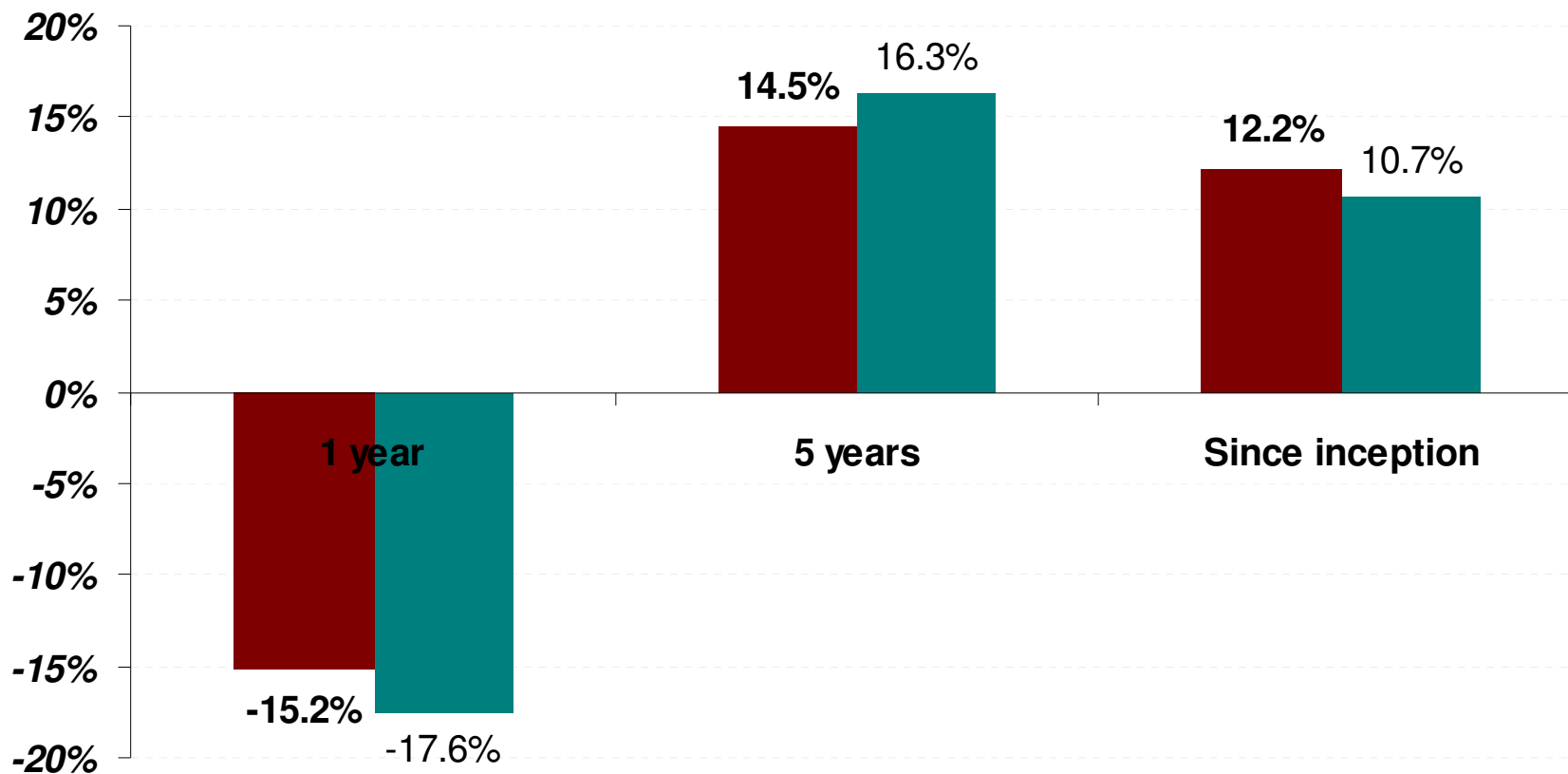
## **1 for 7 Rights Issue**

- **issue raised \$12.6 million**
- **33% of shareholders participated**
- **representing 39% of company's capital**
- **market volatility greater than expected**
- **have been patient in investing these funds**

# Following the rights issue and disposals the Company has a very strong cash position



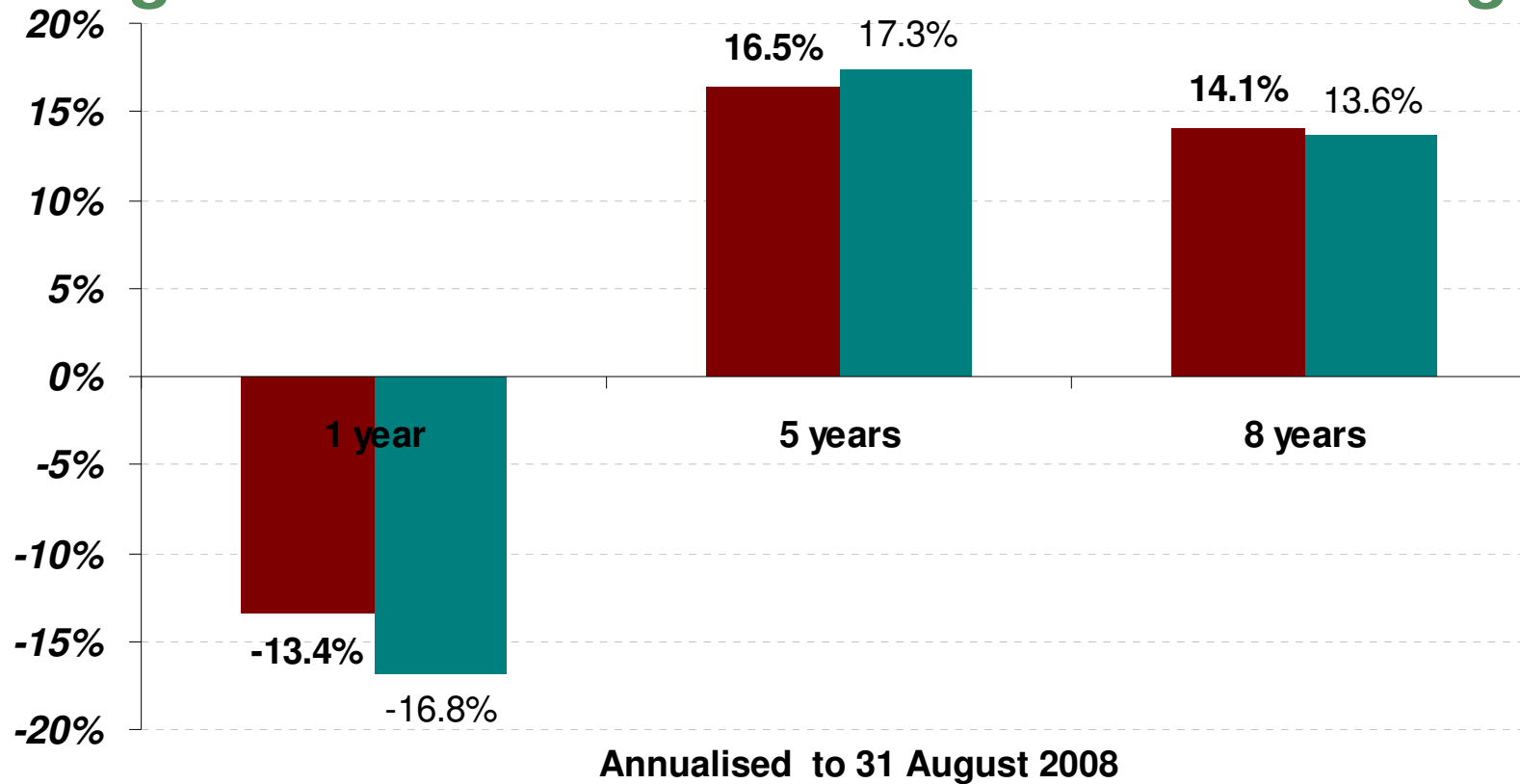
# Portfolio Management Performance - % Per Year



Annualised to 31 August 2008

- MIR net asset per share growth plus dividends
- S&P/ASX Mid Cap 50 and Small Ordinaries Accumulation Indices

# Portfolio Management Performance - % Per Year adding the benefits of the distributed franking credits



■ MIR Net Asset Growth plus Dividends - Gross Return

■ S&P/ASX Mid Cap 50 and Small Ordinaries Accumulation Indices - Gross Return

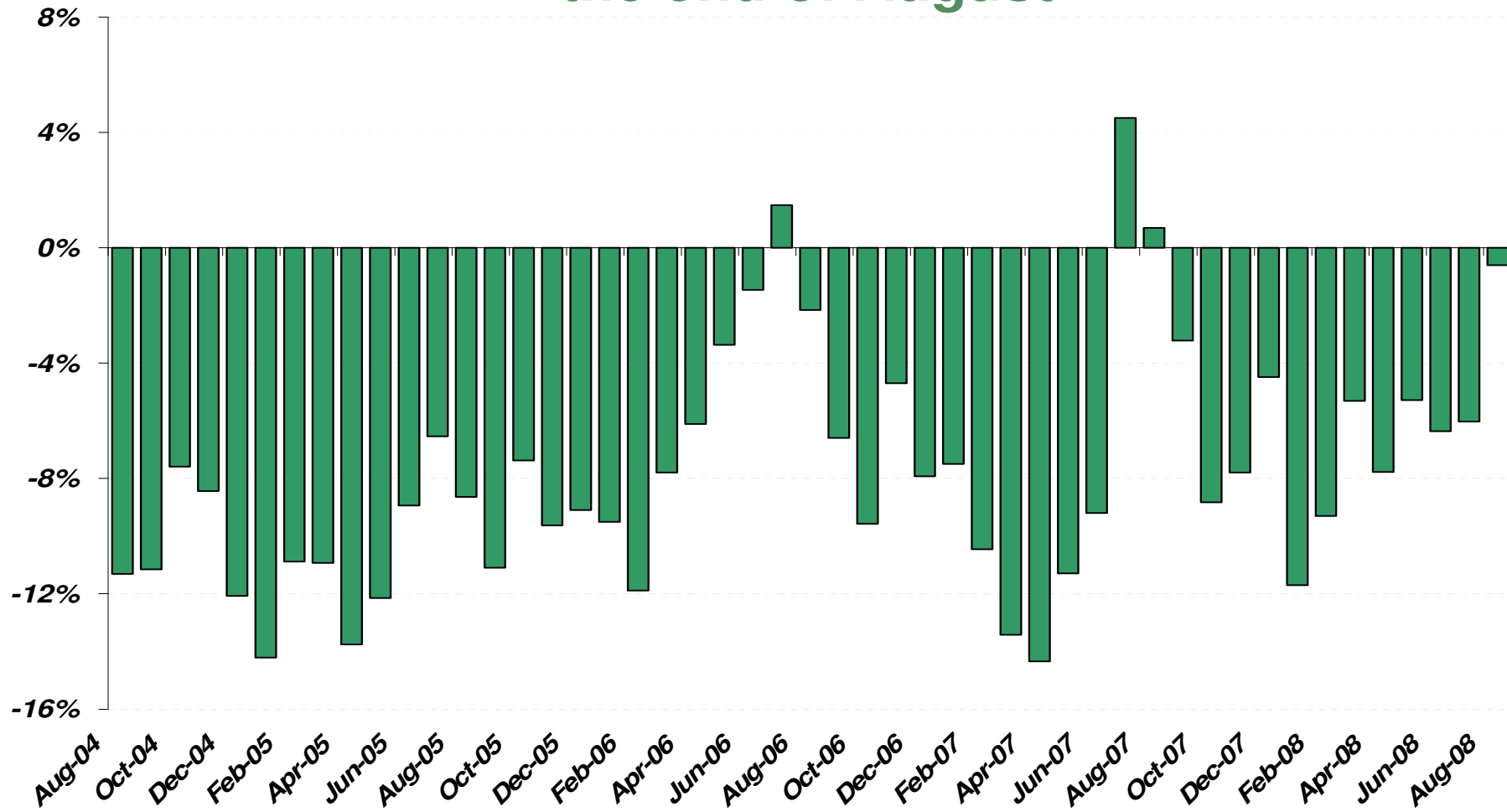
Based on Company estimates

## Relative Portfolio Performance has been strong through the recent market turbulence

	Month to Date	Year to Date
<b>Small Industrials</b>	-7.9%	-0.5%
<b>Small Resources</b>	-19.9%	-35.5%
<b>Small Ordinaries</b>	-10.3%	-13.5%
<b>Mid Industrials</b>	-7.6%	-1.0%
<b>Mid Resources</b>	-12.1%	-25.7%
<b>Mid Cap 50</b>	-5.9%	-5.3%
<b>Combined Industrials</b>	-7.7%	-0.8%
<b>Combined Resources</b>	-16.0%	-30.6%
<b>Combined Index</b>	<b>-8.3%</b>	<b>-9.6%</b>
<b>Mirrabooka NTA</b>	<b>-4.5%</b>	<b>-1.9%</b>
<b>Difference</b>	<b>3.8%</b>	<b>7.7%</b>

Based on Company estimates. Period from 30 June 2008 to close of market on 19 September 2008

# Share Price trading close to Net Asset Backing at the end of August



## Top 20 Investments - 31 August 2008

		\$m
1	<b>Nufarm</b>	<b>14.1</b>
2	<b>Bradken</b>	<b>8.3</b>
3	<b>Campbell Brothers</b>	<b>8.1</b>
4	* <b>Oil Search</b>	<b>6.5</b>
5	<b>Origin Energy</b>	<b>6.5</b>
6	<b>Healthscope</b>	<b>6.3</b>
7	<b>Australian Infrastructure Fund</b>	<b>5.6</b>
8	<b>Tox Free Solutions</b>	<b>5.3</b>
9	<b>IRESS Market Technology</b>	<b>5.1</b>
10	<b>ASG Group</b>	<b>4.8</b>

\* Indicates that options were outstanding against part of the holding

## Top 20 Investments - 31 August 2008 con't

	\$m
11 * Queensland Gas Company	4.8
12 Coca-Cola Amatil	4.7
13 Iluka Resources	4.7
14 Fleetwood Corporation	4.6
15 Tassal Group	4.5
16 APN News & Media	4.4
17 Peet	4.4
18 Toll Holdings	4.4
19 West Australian Newspapers Holdings	4.3
20 * Computershare	4.3
	<b>115.4</b>

**Top 20 represents 52.1% of total portfolio (excluding cash and bank bills)**

\* Indicates that options were outstanding against part of the holding

# Major Purchases Since 30 June 2008

## Existing Stocks:

- **West Australian News** – printer and publisher of the West Australian Newspaper
- **PanAust** – see upcoming slides
- **Mermaid Marine** – see upcoming slides
- **Iluka Resources** – see upcoming slides
- **IRESS Market Technology** – designs, develops, markets and supports share market information systems

# Major Purchases Since 30 June 2008 con't.

## New Stocks :

- **Seek** – leading provider of online employment classifieds in Australia and New Zealand



# PanAust

- Has developed copper/gold project in Laos on time and on budget – now producing
- Plan to increase production over next 3 years
- Utilising hydro power (Laos is large exporter of hydro energy)
- Large exploration area in Laos – already have another development opportunity
- Developing copper opportunity in Thailand



# Mermaid Marine

- Provider of vessels (boats) to the offshore oil and gas industry in WA
- Also operate supply bases that service the industry
- Growth driven by continued development of oil and gas fields offshore WA
- Global demand for energy is driving sector

# Iluka

- Producer of mineral sands (WA, Murray Basin in Victoria, and new development in the Eucla Basin, SA)
- These products are used in paint (titanium dioxide) and ceramics (zircon)
- Global supply is dominated by a few companies (they largest producer of Zircon in the world and the second largest Titanium dioxide)
- Expecting much better environment for price rises with strong demand from China
- Has a royalty interest in parts of BHP's mining area C iron ore region

# Major Sales Since 30 June 2008

## Disposed of:

- Cabcharge

## Reduced holding in:

- Origin Energy
- Computershare
- Oil Search
- Arrow Energy
- Molopo Australia



# Outlook

## ■ Positives

- **Recent profit results generally in line with expectations**
- **Ongoing resources demand from China still likely to underpin the Australian economy**
- **Ongoing reduction in interest rates expected**
- **Unemployment levels at relatively low levels**



## Outlook (continued)

- **Concerns**

- **Credit market difficulties severely impacting growth expectations in US, Europe and Japan**
- **Cost pressures impacting margins**
- **Some sectors of the Australian economy facing difficult demand conditions**
- **Outlook comments from companies outside resources/energy sectors generally subdued**

## Going Forward

- **The pressure on the global financial system is a twice a century event**
- **We expect markets to remain cautious and it may be 2-3 years before a new uptrend begins**
- **Mirrabooka has an extremely strong cash position**
- **Current valuations are providing some selected buying opportunities in quality companies**
- **History should prove the next 1-2 years will be a twice a century buying opportunity for patient investors**



**Annual General  
Meeting  
25 September 2008**



**MIRRABOOKA**  
*Investments Limited*