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24 September 2009

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

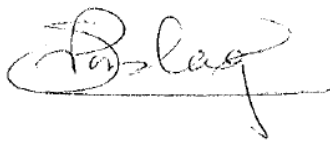
**Electronic Announcement**

**Mirrabooka Investments Limited  
2009 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,



Simon Pordage  
Company Secretary

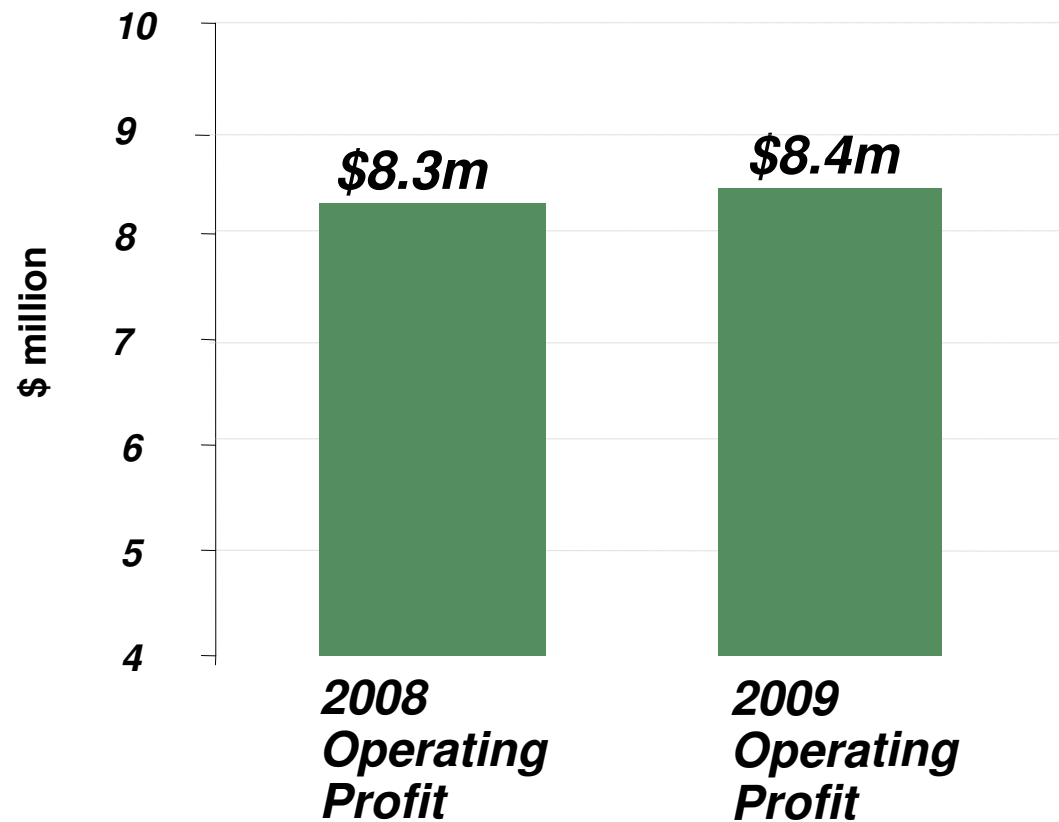


**Mirrabooka Investments Limited**  
**Annual General Meeting**  
**24 September 2009**

**Presentation**



# Operating Profit was up marginally as lower dividends received were offset by higher option income and deposit interest



## Major Changes in Operating Profit

\$1.8m less in dividends received

Trading & options income was \$1.2m whereas last year was negative \$0.1m

Tax was \$0.8m higher

\$0.6m of reduced expenses



## Whilst we judge ourselves by the Operating Profit we must comply with *Australian equivalents of the International Financial Reporting Standards*

- Auditors required an impairment charge where a holding :
  - was below its accounting cost base for a minimum of 15 months, or
  - its market value was more than 35% below its accounting cost base
- These were unrealised losses
- This was required even if we considered long term investment value was not impaired



## As a result, the Accounting Result was impacted by these unrealised losses

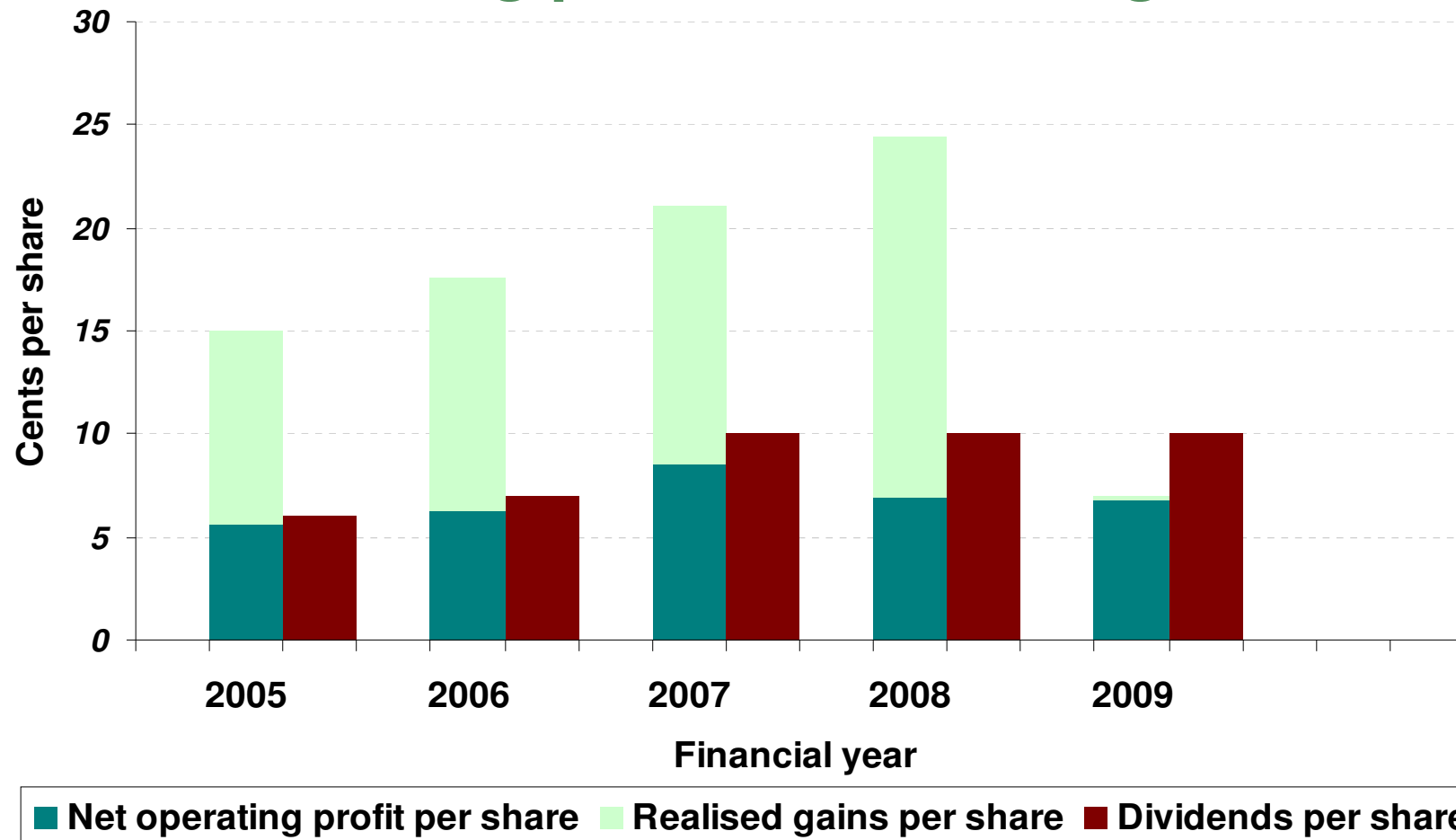
- The unrealised impairment charge of \$15.5 million helped turn the \$8.4 million Operating Profit to an accounting loss of \$6.8 million
- If the balance date had been last Thursday, 17 September the impairment charge on these stocks would have been \$9.5 million
- These accounting rules are likely to change again this year.



## We will always report under whatever accounting rules apply but we judge ourselves by the:

- Operating Profit
- Net Asset Backing per share

## Final dividend sourced partially from reserves, including previous realised gains





## Our thinking on dividends

- **Dividends have declined by approximately 25%**
- **Mirrabooka has a history of sourcing dividends from realised gains and retained earnings**
- **Directors are conscious franking credits and LIC gains are valuable to our shareholders**
- **Level of dividends paid will be assessed at the time of each result announcement**



## Top 5 Contributors by \$ value to the Portfolio Performance for year to 30 June 2009

| <b>COMPANY</b>                 | <b>\$m<br/>change</b> | <b>%<br/>change</b> |
|--------------------------------|-----------------------|---------------------|
| <b>Iress Market Technology</b> | <b>1.3</b>            | <b>23.6%</b>        |
| <b>Coca-Cola Amatil</b>        | <b>1.1</b>            | <b>26.3%</b>        |
| <b>Healthscope</b>             | <b>1.0</b>            | <b>15.8%</b>        |
| <b>Tox Free Solutions</b>      | <b>0.9</b>            | <b>17.0%</b>        |
| <b>REA Group</b>               | <b>0.8</b>            | <b>38.1%</b>        |



## Largest 5 Acquisitions - (1/7/08-30/6/09)

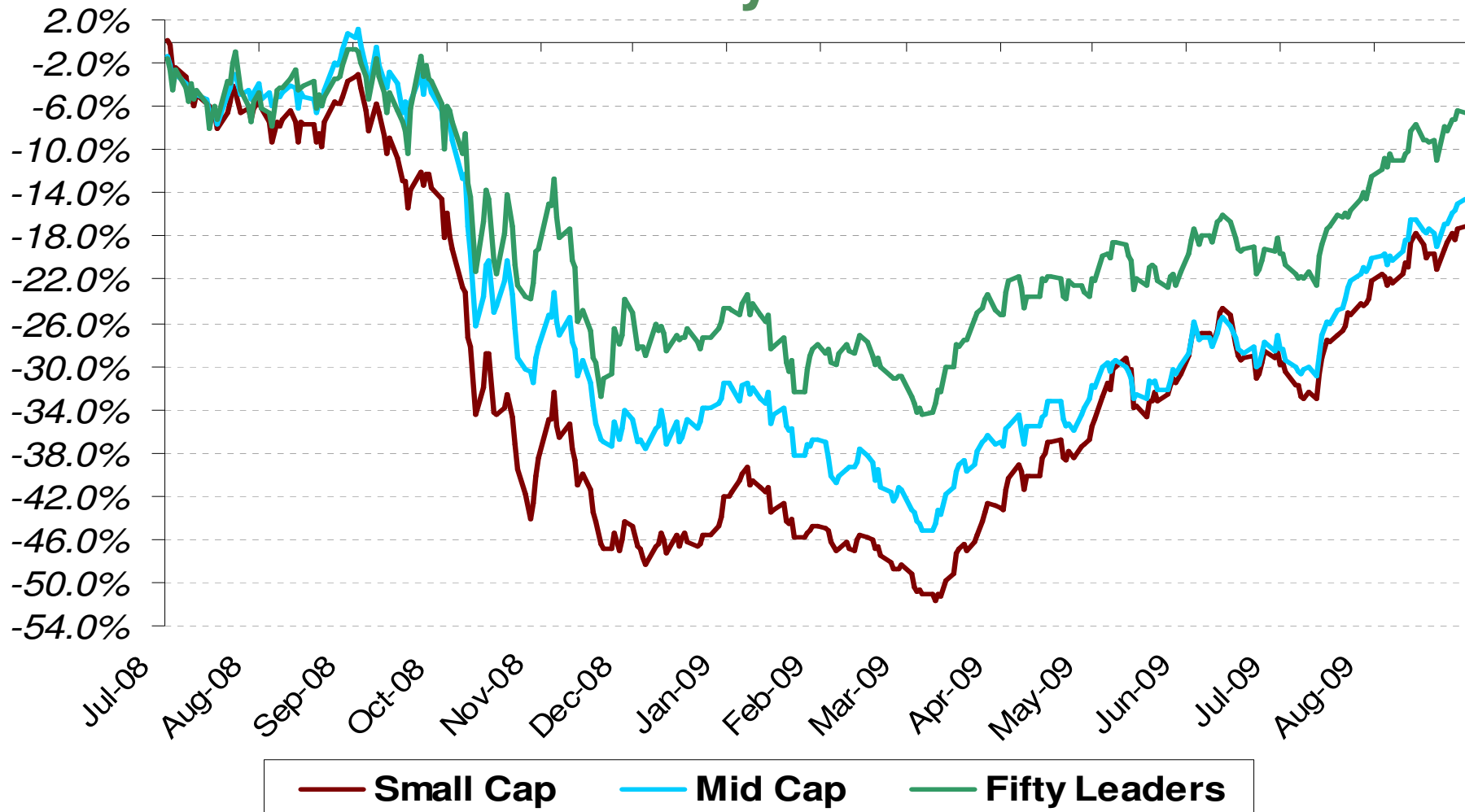
| <b>COMPANY</b>                        | <b>\$m</b> |
|---------------------------------------|------------|
| <b>Alumina</b>                        | <b>6.0</b> |
| <b>OneSteel</b>                       | <b>3.4</b> |
| <b>Australian Infrastructure Fund</b> | <b>2.4</b> |
| <b>Crane Group</b>                    | <b>2.2</b> |
| <b>Iluka Resources</b>                | <b>2.2</b> |



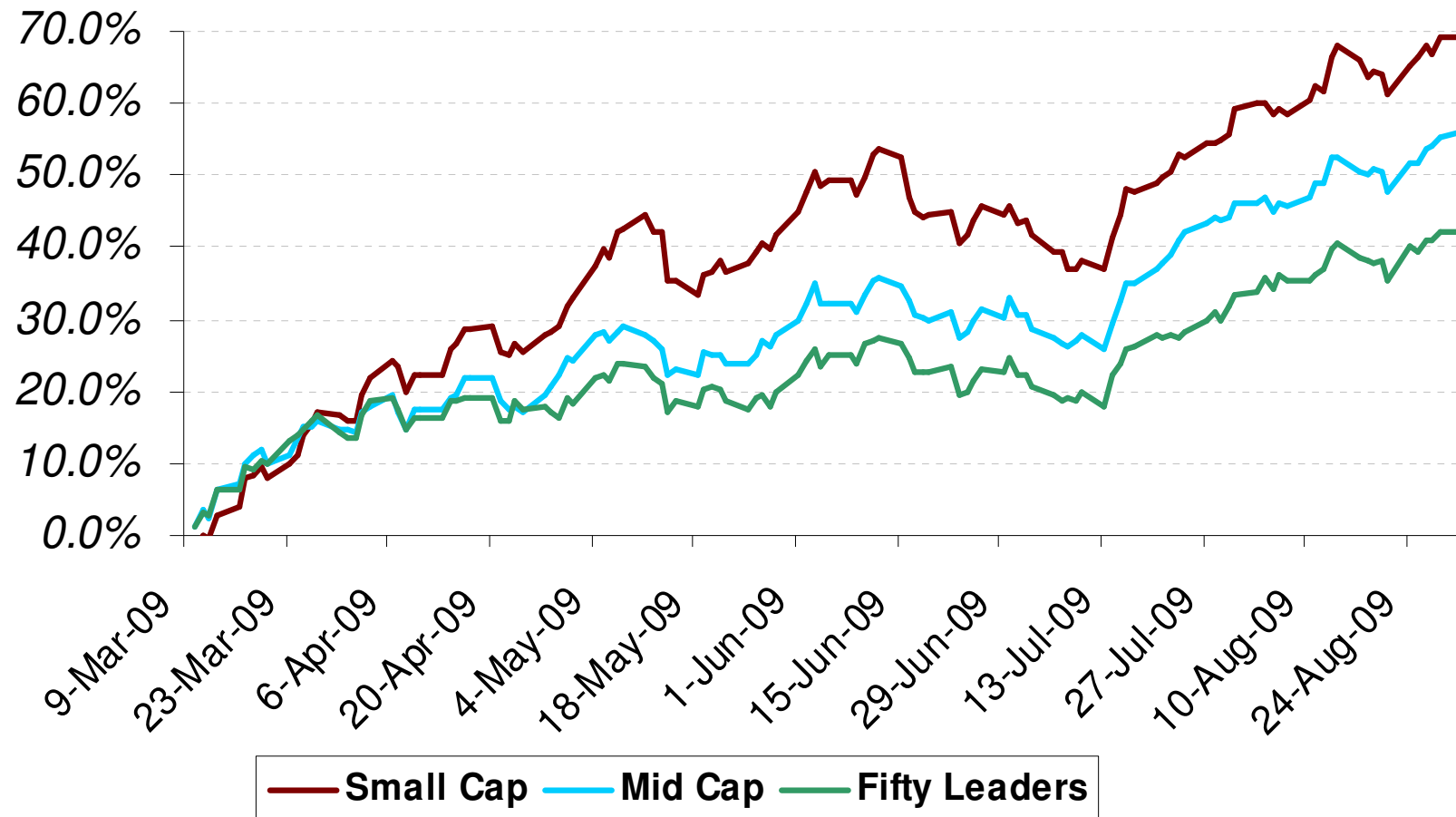
## Largest 5 Disposals - (1/7/08 to 30/6/09)

| <b>COMPANY</b>                | <b>\$m</b>  |
|-------------------------------|-------------|
| <b>Origin Energy</b>          | <b>10.8</b> |
| <b>Queensland Gas Company</b> | <b>6.6</b>  |
| <b>Computershare</b>          | <b>4.0</b>  |
| <b>Cabcharge</b>              | <b>3.6</b>  |
| <b>ConnectEast Group</b>      | <b>3.6</b>  |

# Markets have recovered lost ground over the year



# Small and Mid cap sectors have been very strong since the low point in March

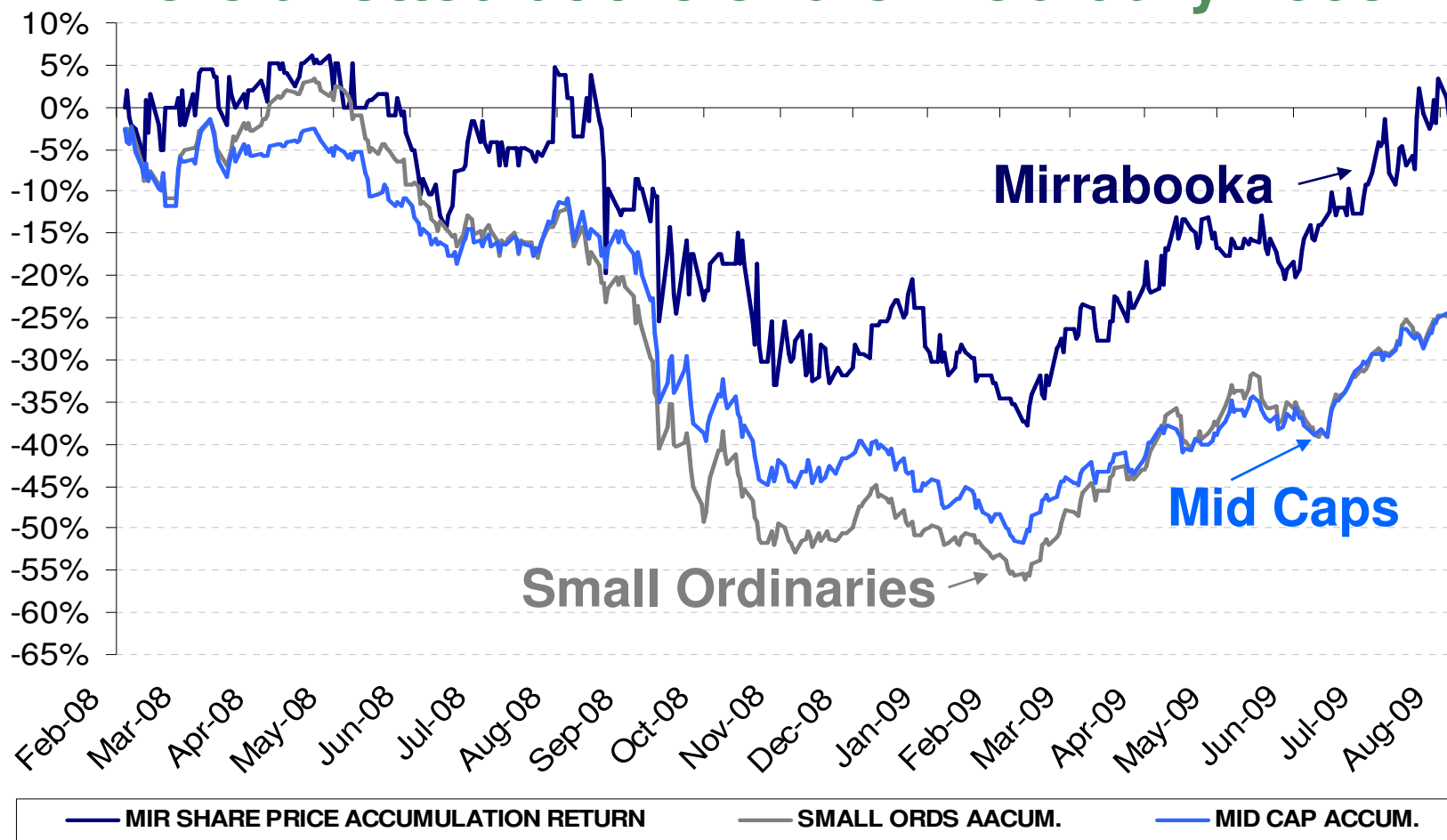




## Why have the small and mid cap sectors bounced so strongly?

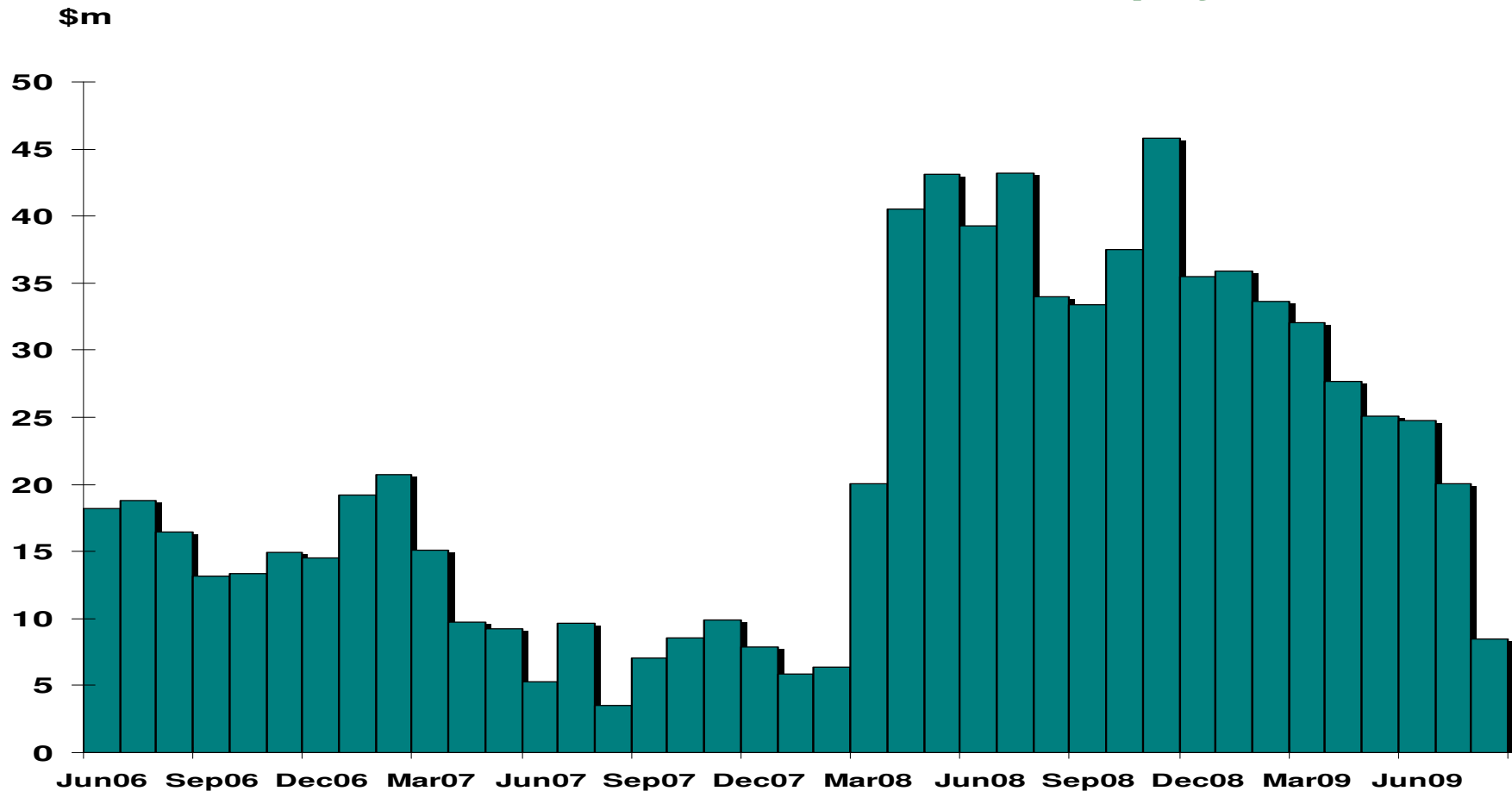
- **significantly oversold during the downturn**
- **these sectors generally more exposed to the domestic economy which has performed better than expected**
- **recent profit results in line with expectations – no major negative surprises**
- **price earnings ratios have moved back to more realistic levels (e.g. at one stage Bradken was trading on 3 times earnings!)**

# How have we done since the rights issue shares were allotted at the end of February 2008?

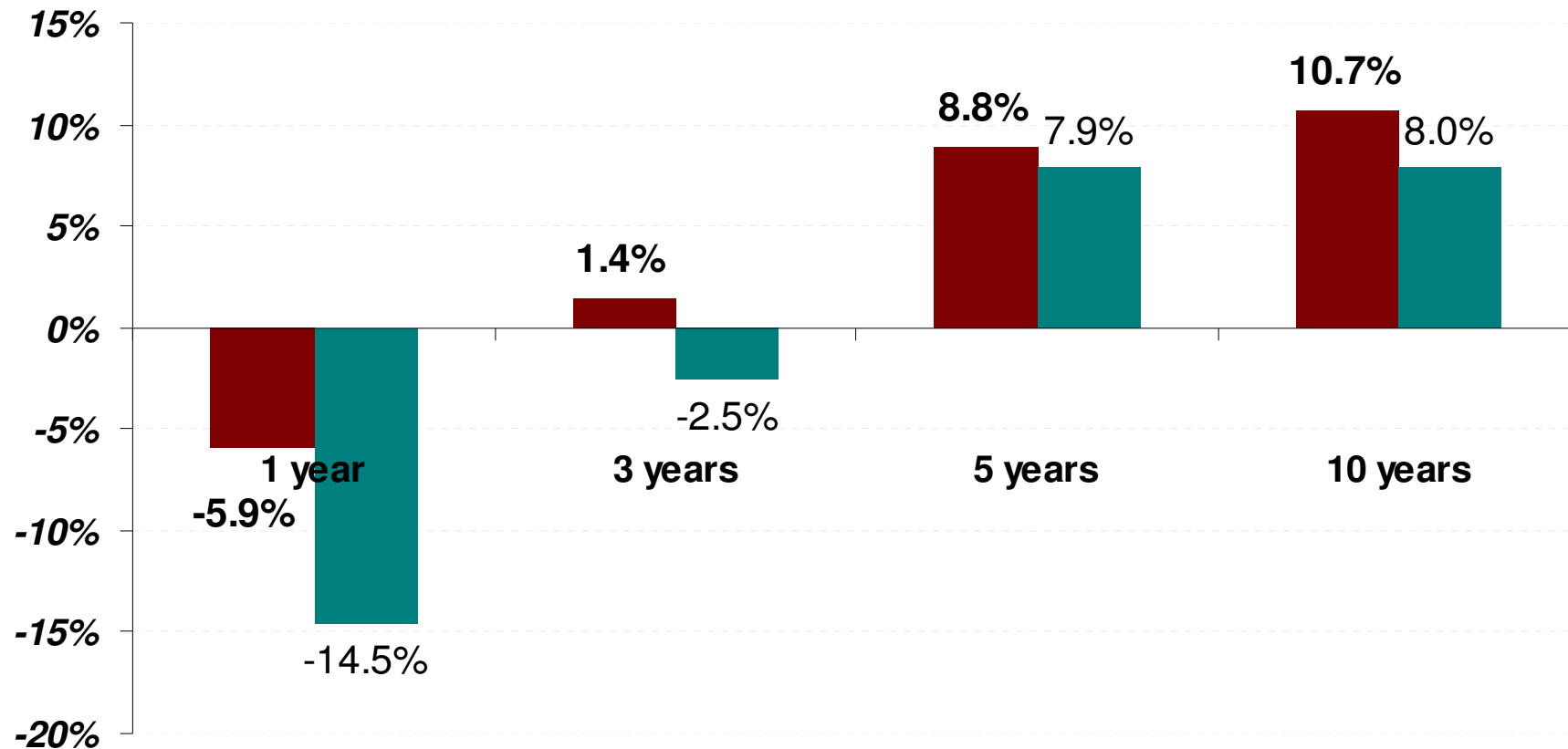


Shares were issued 29 February 2008

# Cash position healthy – reduction reflects market investments and final dividend payment



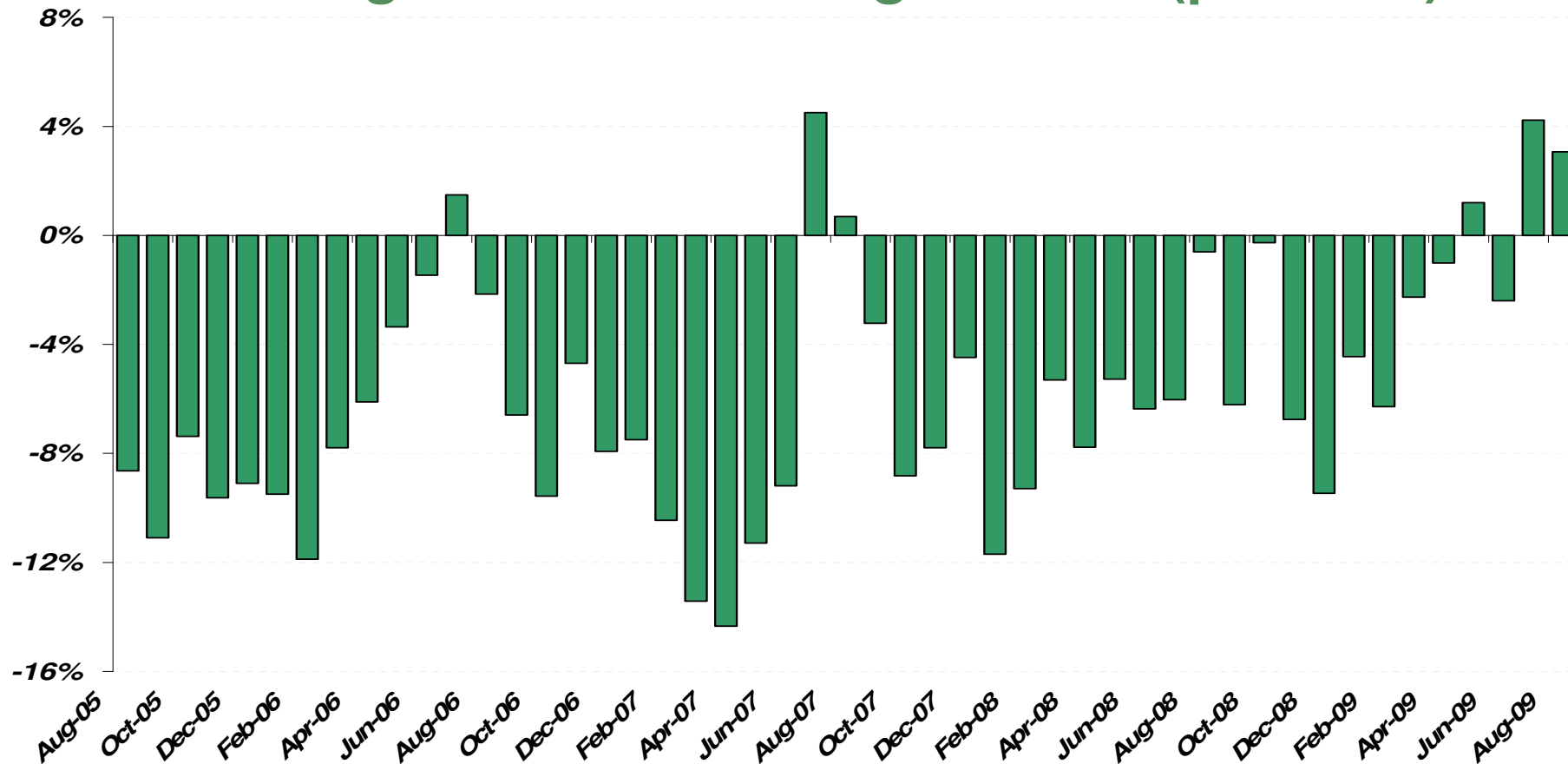
# Portfolio Management Performance - % Per Year



*Annualised to 31 August 2009*

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

## Share Price has moved to a premium to Net Asset Backing at the end of August 2009 (pre CGT)



**Estimate of NTA on 17 September 2009 was \$1.82 per share, the share price was \$1.84**



## Top 20 Investments - 31 August 2009

|    |  | \$m        |
|----|--|------------|
| 1  | <b>Nufarm</b>                              | <b>9.6</b> |
| 2  | * <b>Oil Search</b>                        | <b>8.7</b> |
| 3  | <b>Healthscope</b>                         | <b>8.5</b> |
| 4  | <b>IRESS Market Technology</b>             | <b>7.5</b> |
| 5  | <b>Hastings Diversified Utilities Fund</b> | <b>7.0</b> |
| 6  | * <b>Alumina</b>                           | <b>6.9</b> |
| 7  | <b>Tox Free Solutions</b>                  | <b>6.7</b> |
| 8  | <b>Australian Infrastructure Fund</b>      | <b>6.4</b> |
| 9  | * <b>James Hardie Industries NV</b>        | <b>6.2</b> |
| 10 | <b>OneSteel</b>                            | <b>6.2</b> |

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

## Top 20 Investments - 31 August 2009 con't

|    |                          | \$m   |
|----|--------------------------|-------|
| 11 | * Coca-Cola Amatil       | 6.1   |
| 12 | Iluka Resources          | 5.9   |
| 13 | Campbell Brothers        | 5.9   |
| 14 | Fleetwood Corporation    | 5.6   |
| 15 | Bradken                  | 5.6   |
| 16 | ASG Group                | 5.3   |
| 17 | * Toll Holdings          | 4.9   |
| 18 | Equity Trustees          | 4.5   |
| 19 | Peet                     | 4.4   |
| 20 | Mermaid Marine Australia | 4.3   |
|    |                          | <hr/> |
|    |                          | 126.1 |

Top 20 represents 60.5% of total portfolio (excluding cash and bank bills)

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



## Oil Search

- Significant oil and gas resources in PNG
- 25.5% interest in the proposed world class PNG LNG project
- Further growth prospects through subsequent expansion of LNG capacity
- Final Investment Decision (FID) on PNG LNG expected later this year
- Oil Search's long history and presence in the region leads to a strategic role in project development with the PNG government and people



# IRESS Market Technology

- Supplies share market and wealth management software
- Incorporates sophisticated analytical and trading tools, administrative systems, real-time market data & news
- Dominant player in the Australian/NZ market and resilient performance through the downturn
- Leveraging existing platforms to expand in Canada, South Africa and now South East Asia
- No debt, \$58m in cash – target 85% dividend payout



# Alumina

- 40% interest in Alcoa World Alumina & Chemicals (AWAC) - the world's largest alumina business
- AWAC has low cost operations in bauxite mining, alumina refining and selected aluminium smelting operations
- Reaching end of high capital expenditure phase from expansion of Brazilian bauxite mining and refining
- Strong Balance Sheet following recent capital raising
- Aluminium and related markets currently challenging



## Tox Free Solutions

- WA-based provider of industrial and hazardous waste treatment services
- Significant leverage to the ongoing strength in resources projects in North-Western Australia
- Incinerator in Port Hedland and liquid waste plant in Karratha are strategic assets
- Integration of Barry Brothers industrial services business progressing well - provides access to new clients and markets
- Organic growth remains strong – TOX has won several significant contracts recently



# Major Purchases Since 1 July 2009

## Existing Stocks:

- **Hastings Diversified Utilities Fund**  
(participation in placement) – investor in utility infrastructure assets, primarily gas transmission pipelines in Australia (Epic Energy Holdings)
- **Gunns** (participation in placement) – forestry products
- **Healthscope** (participation in placement) – provider of hospital and related health services



## Major Purchases Since 1 July 2009 con't.

### **New Stocks:**

- **CFS Retail Property Trust** – investor in high quality regional and sub-regional shopping centres across Australia. Its assets include Chadstone in Melbourne, Chatswood Chase in Sydney and the Myer Centre in Brisbane



## Major Sales Since 1 July 2009

### Disposed of:

- ABB Grain (prior to takeover by Viterra)

### Reduced holdings in:

- Oakton
- Mermaid Marine



## Outlook

- **The Government's stimulus package is helping the Australian economy**
- **Recent comments from Governor of Reserve Bank point to higher interest rates**
- **Profit results generally in line with expectations – company balance sheets generally sound**
- **Companies have reduced fixed costs and repaired balance sheets - they are well placed for any improvement in the economy**



## Outlook con't.

- **Environment has improved but outlook comments from companies still generally subdued**
- **Given the recent rally in share prices valuations are more challenging**
- **Mirrabooka has some cash but we will be cautious**
- **It is likely we have seen the low point for earnings and dividends however the recovery in dividends may lag the upturn in earnings**



# Annual General Meeting

## 24 September 2009

