



finding opportunities
in small and medium
sized companies

half-yearly review to
31 December 2008



MIRRABOOKA
Investments Limited

Summary of Results

Net Operating Profit After Tax

Net operating profit after tax which excludes realised gains on the investment portfolio was \$5.4 million (last year \$4.6 million). Income from investments was \$4.9 million, down from \$5.2 million or 6.0 per cent from the corresponding period last year. This reduction was however offset by the stronger level of deposit income which increased \$1.0 million because of the high level of cash held through the period.

Profit After Tax

Profit after tax was \$7.4 million (last year \$11.6 million). This includes net realised gains from the investment portfolio.

A Fully Franked Interim Dividend

A fully franked interim dividend of 3.5 cents per share was declared. This is in line with the interim dividend for the corresponding period last year.

The Total Portfolio

The total portfolio at 31 December 2008 was \$183.1 million, including cash of \$35.5 million.

Summary of Results continued

Total Portfolio Return

Total portfolio return during the six months to 31 December 2008 (change in net asset backing per share plus dividend) was a decrease of 23.1 per cent. The return before allowing for tax and expenses was down 21.9 per cent. The combined Mid 50s and Small Ordinaries Index was down 36.8 per cent over the six months to 31 December 2008.

Total Shareholder Return

Total shareholder return measured by change in share price plus dividends over the six months to 31 December 2008 was negative 25.5 per cent.

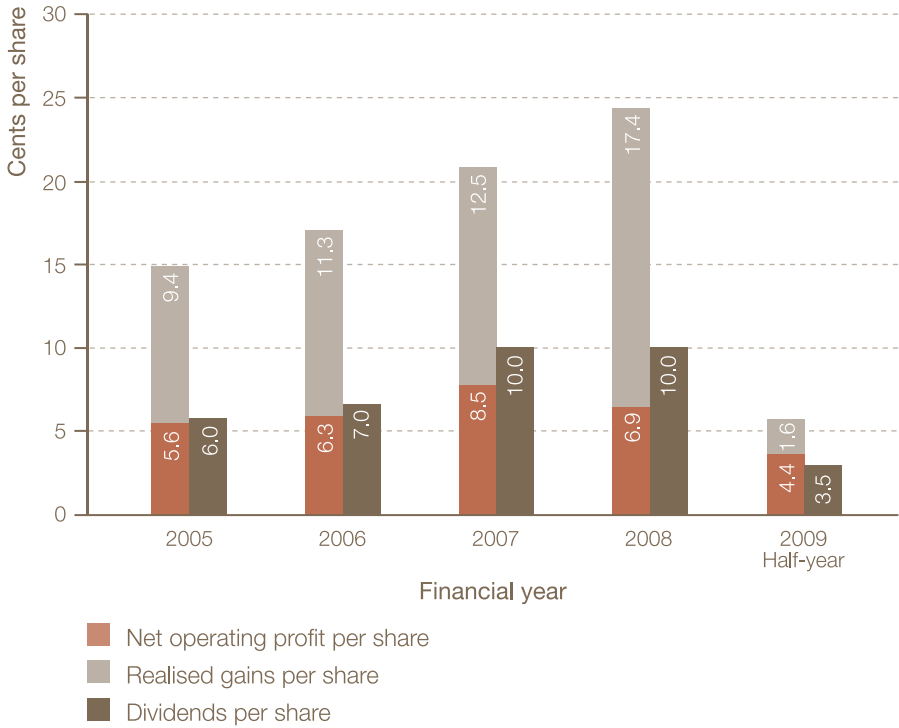
The Company's Dividend Reinvestment Plan

The Company's Dividend Reinvestment Plan has been reinstated.

Management Expense Ratio

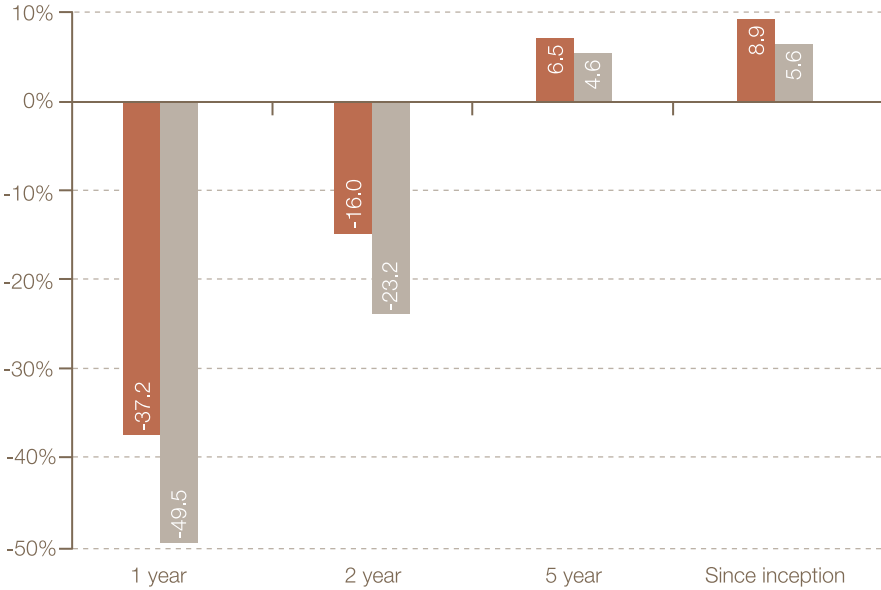
Management expense ratio on an annualised basis was 0.89 per cent.

Earnings Per Share v Dividends Per Share



Summary of Results continued

Portfolio Return Percentage Per Year



Periods ended 31 December 2008

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

Note: Mirrabooka's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include the negative impact of management expenses and tax on their performance.

Review of Operations

Chairman's Comments

We have been very active in our approach to managing the portfolio during these turbulent times. The sudden decline in economic growth prospects, including emerging markets, arising from the turmoil in global credit markets has impacted equity markets dramatically over the period.

Cash represented 19 per cent of the portfolio at 31 December 2008. This cash holding was a result of a rights issue which was undertaken in March 2008, the sale of some holdings during the period and a judicious approach to investing any cash even when stock prices have fallen substantially.

Portfolio

The top five positive contributors to the performance of the portfolio during the period were Coca-Cola Amatil, Healthscope, Toll Holdings, Transurban and Queensland Gas.

Two of the major sales in the portfolio arose as a result of the corporate activity that developed around coal seam methane assets in Queensland.

The strong rise in the Origin Energy share price following an initial bid for control by BG Group Plc took it into the top 50 companies by market capitalisation so it was felt appropriate to divest this holding and Queensland Gas was taken over by BG Group Plc. Other major sales included Computershare, Cabcharge Australia, Connect East and Boart Longyear.

In total, realised gains produced \$3.2 million before tax.

We have been very patient in reinvesting the Company's cash as we remain very concerned about present market conditions and the near term performance of the Australian economy. Any purchases have been modest and have been in companies in which we currently have a holding or have been monitoring to buy for some time. Major purchases have been in Alumina Limited, Australian Agricultural Company, Crane Group, Gunns Limited through their rights issue, Iluka Resources and OneSteel.

Review of Operations *continued*

The Company added some new holdings to the investment portfolio during the half year at what we thought to be attractive prices for a medium to long term investor. These additions were:

Alumina Limited	Involved in bauxite mining, alumina refining and smelting of aluminium.
Cedar Woods	Involved in property development and investment in Western Australia and Victoria. Its main interests are in urban land subdivision for residential, commercial and industrial purposes.
ISS Group	An information and technology group that develops and markets infrastructure application and operational software systems for the resource, manufacturing, food and beverage sectors.
PrimeAg Australia	Invests in selected Australian rural properties, some with water entitlements, in order to take advantage of the increasing global demand for soft commodities.
Seek Limited	Operates primarily an online employment classified and development business in the Australian and New Zealand markets.

Further to the major sales mentioned previously after adding to our investment in PanAust during the early part of the financial year we decided to exit this position as it became apparent that the outlook for the copper price had quickly become less certain.

As a consequence of its strategy of being less exposed to speculative stocks and holding a high level of cash, the Mirrabooka portfolio (change in net asset backing per share plus dividend) declined by 23 per cent over the December half-year compared to the 37 per cent decline in the combined small and mid cap sectors in which the Company invests.

Over the 12 month period to 31 December 2008 the Mirrabooka portfolio declined by just over 37 per cent whereas the combined Mid 50s and Small Ordinaries Index was down close to 50 per cent.

Mirrabooka as one of its key investment objectives is to provide shareholders with an ongoing dividend stream which also allows shareholders to garner the additional benefits of distributed franking credits. When this benefit is taken into account the 13 per cent outperformance of Mirrabooka's portfolio over the 12 months to 31 December 2008 improved by an additional 1.1 per cent.

Profit and Dividend

Net operating profit of \$5.4 million for the half-year to 31 December 2008 was up on last year's figure of \$4.6 million. The interim dividend has been maintained at 3.5 cents per share.

The reported profit after tax of the Company for the six months to 31 December 2008 was \$7.4 million. This figure includes after-tax profits on the sale of securities from the investment account.

Review of Operations *continued*

Underlying income generated from the investment portfolio through dividends and other income was \$4.9 million, down marginally from \$5.2 million over the corresponding period last year. This reduction was as a result of the sale of a number of holdings, most notably Incitec Pivot and Asciano toward the end of last financial year. However on the other hand there was an increase in level of deposit income generated by the higher amount of cash in the portfolio. Interest income was \$1.3 million versus \$0.2 million last year.

The contribution from the trading portfolio and options portfolio was higher at \$0.7 million (last year was \$0.1 million). This was primarily as a result of the Company taking advantage of increased volatility in the market to generate some additional option premium income by writing some call options over a very small number of selected stocks held within the portfolio.

Administration expenses were down by \$0.2 million in comparison to the corresponding period last year. The management expense ratio on an annualised basis was 0.89 per cent.

A fully franked final dividend of 3.5 cents per share was declared. This is in line with the interim dividend for the corresponding period last year.

Outlook

Mirrabooka has a strong cash position as it moves into the remainder of this financial year. Value is emerging and Mirrabooka will be focussing its research on higher yielding fully franked shares but remains very cautious until the economic outlook becomes clearer.

Top Investments

As at 31 December 2008

Valued at Closing Prices at 31 December 2008

Investments	Total Value \$ Million
1 Nufarm	9.4
2 Healthscope	6.6
3 Oil Search	5.9
4 Iluka Resources	5.4
5 Coca-Cola Amatil	5.1
6 Australian Infrastructure Fund	4.8
7 IRESS Market Technology	4.7
8 Campbell Brothers	4.2
9 Tassal Group	3.9
10 Toll Holdings	3.9
11 James Hardie Industries N.V.*	3.8
12 Tox Free Solutions	3.7
13 Australian Agricultural Company	3.3
14 Programmed Maintenance Services	3.0
15 APN News & Media	3.0
16 Perpetual	3.0
17 OneSteel	3.0
18 Transurban Group*	2.9
19 Gunns	2.9
20 Alumina	2.8
Total	85.4

As a percentage of total portfolio (excludes cash and bank bills) 57.8%

* Indicates that options were outstanding against part or all of the holding.

Income Statement

For the Half-Year Ended 31 December 2008

	Half-Year 2008 \$'000	Half-Year 2007 \$'000
Dividends and distributions	4,872	5,183
Revenue from deposits and bank bills	1,257	231
Net losses on trading portfolio	(267)	(176)
Income from options written portfolio	997	227
Other income	24	24
Total income	6,883	5,489
Finance costs	(20)	(15)
Administration expenses	(1,005)	(1,204)
Operating profit before income tax	5,858	4,270
Income tax	(453)	359
Net operating profit	5,405	4,629
Net capital gains/(losses) on investments		
Net gains on ordinary securities sold from the investment portfolio	3,182	12,770
Net gains/(losses) on open options positions	-	40
Tax expense on net gains on investments	(1,201)	(5,873)
	1,981	6,937
Profit for the half-year (including capital gains)	7,386	11,566
	Cents	Cents
Net operating profit per share	4.36	3.95
Profit for the half-year (including capital gains) per share	5.96	9.86

Balance Sheet

As at 31 December 2008

	31 Dec 2008 \$'000	30 June 2008 \$'000
Current assets		
Cash	35,476	39,239
Receivables	708	4,686
Trading portfolio	-	650
Total current assets	36,184	44,575
Non-current assets		
Investment portfolio	147,674	215,011
Deferred tax assets	44	345
Deferred tax assets – investment portfolio	1,406	-
Total non-current assets	149,124	215,356
Total assets	185,308	259,931
Current liabilities		
Payables	278	2,200
Tax payable	1,577	12,075
Options written portfolio	78	925
Total current liabilities	1,933	15,200
Non-current liabilities		
Deferred tax liabilities – investment portfolio	-	17,214
Total non-current liabilities	-	17,214
Total liabilities	1,933	32,414
Net assets	183,375	227,517
Shareholders' equity		
Share capital	131,198	131,198
Revaluation reserve	(12,295)	31,392
Realised capital gains reserve	47,802	55,643
Retained profits	16,670	9,284
Total shareholders' equity	183,375	227,517

Statement of Changes in Equity

For the Half-Year Ended 31 December 2008

	Half-Year 2008 \$'000	Half-Year 2007 \$'000
Total equity at the beginning of the half-year	227,517	264,535
Dividends paid	(7,841)	(7,594)
Shares issued under Dividend Reinvestment Plan	-	1,436
Other share capital adjustments	-	(56)
Total transactions with shareholders	(7,841)	(6,214)
Revaluation of investment portfolio	(62,101)	(30,435)
Provision for tax on unrealised gains	18,414	10,618
Net unrealised losses on investment portfolio	(43,687)	(19,817)
Profit for the half-year	7,386	11,566
Total equity at the end of the half-year	183,375	250,070

Holdings of Securities

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784), as individual holdings in the portfolio may change.

Unless otherwise stated, the securities in this list are fully paid ordinary shares.

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
AAC	Australian Agricultural Company	Leading beef producer with cattle on properties covering almost 8 million hectares in Queensland and the Northern Territory	1,750	3,281
ABB	ABB Grain	Provision of storage, processing, logistics, marketing and trading services in agricultural commodities	332	2,536
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	2,525	4,798
AOE	Arrow Energy NL	Involved in the exploration for and development of coal seam gas projects both in Australia and internationally	750	2,010
APN	APN News & Media	Involved in publishing, broadcasting, online and transit and outdoor advertising in Australia and New Zealand	1,200	2,976
ASZ	ASG Group	Provides computer infrastructure, application development, systems integration and specialist technical services	5,470	2,461
AUB	Austbrokers Holdings	Investor in a network of small to medium Australian insurance brokers and financial services businesses	625	2,344
AVE	Aevum	Involved in the ownership, management and operation of retirement living and aged care facilities	1,697	1,715
AWC	Alumina	Involved in the mining, refining, and smelting of aluminium	2,050	2,850

Holdings of Securities *continued*

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	830	2,274
BLD	Boral	Provides building and construction materials in Australia, the USA and Asia	450	2,079
CCL	Coca-Cola Amatil	Manufactures and distributes a range of carbonated soft drinks, fruit products and functional beverages, many of which are trademarks of The Coca-Cola Company	550	5,055
CGO	CPT Global	IT consulting focusing on system performance and efficiency	960	317
CMV	CMA Corporation	Processing and recycling of predominantly secondary ferrous and non-ferrous metal products	5,113	741
CPB	Campbell Brothers	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	238	4,189
CPU	Computershare	Share registry services	125	975
CRG	Crane Group	Manufacturer and distributor of non-ferrous metal products and plastic pipeline systems and a distributor of plumbing and electrical supplies	276	2,583
CWP	Cedar Woods Properties	Property developer involved in urban land subdivision for residential, commercial and industrial purposes	771	764
CXD	CathRx	Developing a range of cardiac catheters	35	18
CXS	ChemGenex Pharmaceuticals	Developer of targeted medicines for the treatment of various cancers	720	347
EQT	Equity Trustees	Financial services company that provides client, trustee, estate administration and funds management services	173	2,310

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
FBU	Fletcher Building	Diversified building materials Company with activities in concrete, steel, construction, property and housing and distribution	425	2,019
FWD	Fleetwood Corporation	Provider of manufactured accommodation for the resources and retirement sectors	650	2,379
GCG	Greencap	Environmental risk management services provider	2,925	483
GDY	Geodynamics	A renewable energy company involved in the development of geothermal energy generation from hot fractured rocks	180	202
GNC	GrainCorp	Provider of handling, storage, marketing and logistics to the Australian grain growing industry	350	2,030
GNS	Gunns	Forestry company exporting woodchips and providing timber products to the building industry	2,500	2,875
HDF	Hastings Diversified Utilities Fund	Investor in utility infrastructure assets, predominantly east coast Australian gas pipelines	1,229	2,679
HSP	Healthscope	Provider of hospital and related health services to public and private sectors	1,500	6,630
HXL	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	420	178
ILU	Iluka Resources	Mining and sale of titanium based products and zircon	1,170	5,429
IRE	IRESS Market Technology	Designs, develops, markets and supports share market information systems	908	4,676

Holdings of Securities *continued*

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
ISS	ISS Group	IT group developing market infrastructure application and operational software systems for the resource, manufacturing and food and beverage sectors	1,260	315
IVC	InvoCare	Provider of services related to funerals, burials and cremations	415	2,137
JHX*	James Hardie Industries N.V.	International building materials company focused on fibre cement products	825	3,799
LST	Lion Selection	Resource investment company	669	505
MRM	Mermaid Marine Australia	Marine services provider to the offshore oil and gas industry	1,500	1,605
MSF	Maryborough Sugar Factory	Grows sugar cane and manufactures raw sugar and sugar cane by-products	600	1,050
NUF	Nufarm	Chemical company involved in the registration, manufacture, marketing and sale of crop protection and seed treatment products	900	9,441
OKN	Oakton	IT services company providing the planning, delivery and operation of IT solutions for customers	725	917
OSH	Oil Search	Exploration, development and production of oil and gas, predominantly in PNG	1,275	5,929
OST	OneSteel	Manufacturer of steel long products and metals distribution company	1,200	2,952
PAG	PrimeAg Australia	Owner and operator of Australian farms with crops including wheat, cotton and other grains	836	1,061
PPC	Peet	Involved in the acquisition, management, development, marketing and sales of broadacre residential land estates	1,775	2,733
PPT	Perpetual	Diversified financial Company offering managed investment fund, financial advice and wealth management services	80	2,967

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
PRG	Programmed Maintenance Services	Provider of workforce, property maintenance and asset management services	1,000	3,040
PXS	Pharmaxis	Research, development and commercialisation of human therapeutic products that address chronic respiratory and autoimmune diseases	550	665
REA	REA Group	Provider of online advertising and technology to the Australian and several overseas real estate industries	445	1,602
REH	Reece Australia	Distributor and retailer of plumbing, building and hardware supplies	41	680
REX	Regional Express Holdings	Regional passenger, freight and charter air service airline	2,000	1,930
SEK	SEEK	Online employment classifieds sector and an online training and development business in Australia and New Zealand	260	822
SHCO [#]	Sunshine Heart Inc. Options	Developing an implantable cardiac assist device to treat patients with long term heart failure	105	0
SHL	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	154	2,247
SHV	Select Harvests	Almond producer, exporter and crop manager	367	1,071
SSM	Service Stream	Service provider involved in installations and maintenance and field services in telecommunications and utilities	1,228	853
TCL [*]	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	550	2,946
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	1,932	3,923
TOL	Toll Holdings	Transport and logistics group operating in the Asia Pacific region	625	3,856

Holdings of Securities *continued*

Code	Company	Principal Activities	Number Held '000	Market Value \$'000
TOX	Tox Free Solutions	Integrated waste management and environmental service business	3,251	3,739
TWO	Talent2 International	Provider of human resources management products and services and recruitment	1,900	1,216
#	Verva Pharmaceuticals	Developing metabolic disease therapies	132	46
VIR	Viridis Clean Energy Group	Owns a geographically diversified portfolio of operating clean energy assets	3,447	2,068
WAN	West Australian Newspapers Holdings	Printer and publisher of <i>The West Australian</i> newspaper and various West Australian regional newspapers	475	2,636
WLL	Wellcom Group	Production based solutions company providing specialist services to advertisers, retailers and corporate organisations	1,694	2,643
Total				147,596

Unlisted.

* Investments marked with an asterisk were the subject of options, either for the whole holdings or part of it.

Major Changes to the Investment Portfolio

Acquisitions (Above \$1 Million)	Cost \$'000
Alumina [#]	3,774
OneSteel	2,126
Australian Agricultural Company	2,054
Gunns	1,906
Crane Group	1,889
PanAust	1,506
Cedar Woods Properties [#]	1,470
Seek [#]	1,378
Iluka Resources	1,234
IRESS Market Technology	1,163
West Australian Newspapers	1,007

Disposals (Above \$1 Million)	Proceeds \$'000
Origin Energy*	10,828
Queensland Gas Company*	6,553
Computershare	4,024
Cabcharge Australian	3,629
ConnectEast Group*	3,583
Boart Longyear*	2,695
Lion Selection	1,955
Pro Medicus*	1,346

New holding.

* Total disposal of holding.

Company Particulars

Mirrabooka Investments Limited (“MIR”)
ABN 31 085 290 928

Directors

Terrence A Campbell AO, Chairman
Ross E Barker, Managing Director
Ian A Campbell
David Evans
David E Meiklejohn

Company Secretary

Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

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For enquiries regarding net asset backing
(as advised each month to the Australian
Securities Exchange):

Telephone 1800 780 784 (toll free)

Share Registrar

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Shareholder

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For all enquiries about shareholdings and
related matters, please contact the share
registrar as above.

Securities Exchange Code

MIR Ordinary shares

