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annual review 2009



MIRRABOOKA
Investments Limited

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The Statutory Annual Report for 2009 is available on Mirrabooka's website www.mirra.com.au or by contacting the Company on (03) 9650 9911.



Summary of Results

Net Operating Profit

Net operating profit after tax, which excludes realised gains on the investment portfolio, was \$8.4 million (last year \$8.3 million). Dividend and distribution income from investments was \$7.7 million, down from \$9.5 million for the corresponding period last year. This reduction was however offset by income from call option activity and the stronger level of deposit income as a result of the high level of cash held through the period.

AIFRS Accounting Result

AIFRS accounting result was a loss of \$6.8 million (last year was a profit of \$29.1 million). The figure includes net gains on investments sold and for this year \$15.5 million of unrealised losses transferred from the revaluation reserve for 'impairment' as required by the accounting standards. Excluding this charge, the profit would have been \$8.7 million.

A Fully Franked Final Dividend

A fully franked final dividend of 6.5 cents per share has been determined by Directors. This is in line with the final dividend for the corresponding period last year. Part of the final dividend is sourced from pre tax Listed Investment Company capital gains of 4.6 cents per share. Certain shareholders may be able to claim some of this amount as a tax deduction.

The Total Portfolio

The total portfolio at 30 June 2009 was \$189.4 million, including cash of \$24.7 million.

Total Portfolio Return

Total portfolio return during the 12 months to 30 June 2009 (change in net asset backing per share plus dividend) was a decrease of 19.4 per cent. The return before allowing for tax and expenses was down 18.0 per cent. The combined Mid 50s and Small Ordinaries Accumulation Index was down 27.8 per cent over the 12 months to 30 June 2009.

Total Shareholder Return

Total shareholder return measured by change in share price plus dividends over the year to 30 June 2009 was negative 15.7 per cent.

The Company's Dividend Reinvestment Plan

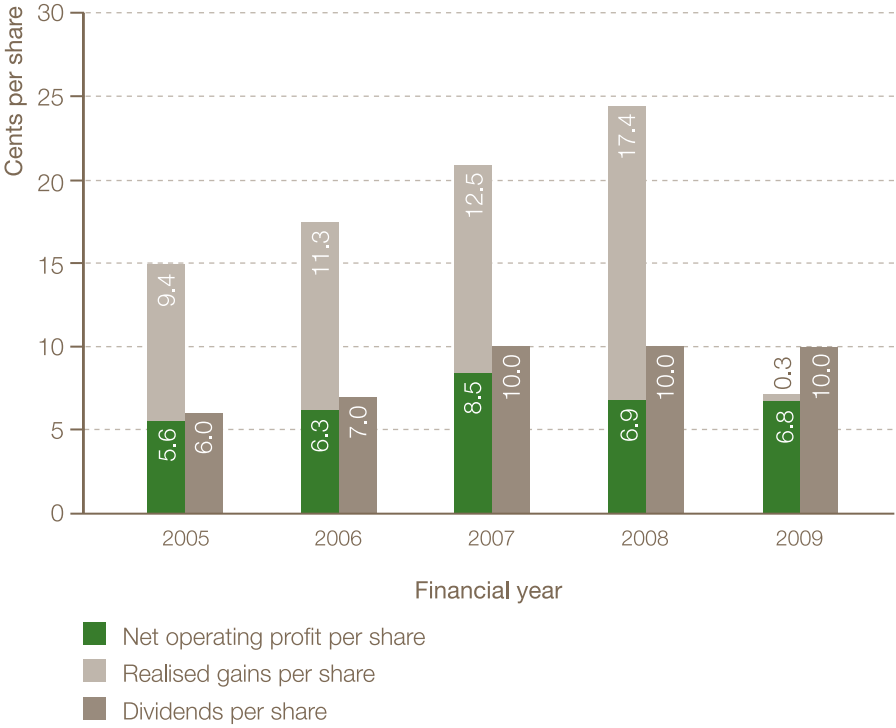
The Company's Dividend Reinvestment Plan has been maintained for the final dividend with no discount applicable.

Management Expense Ratio

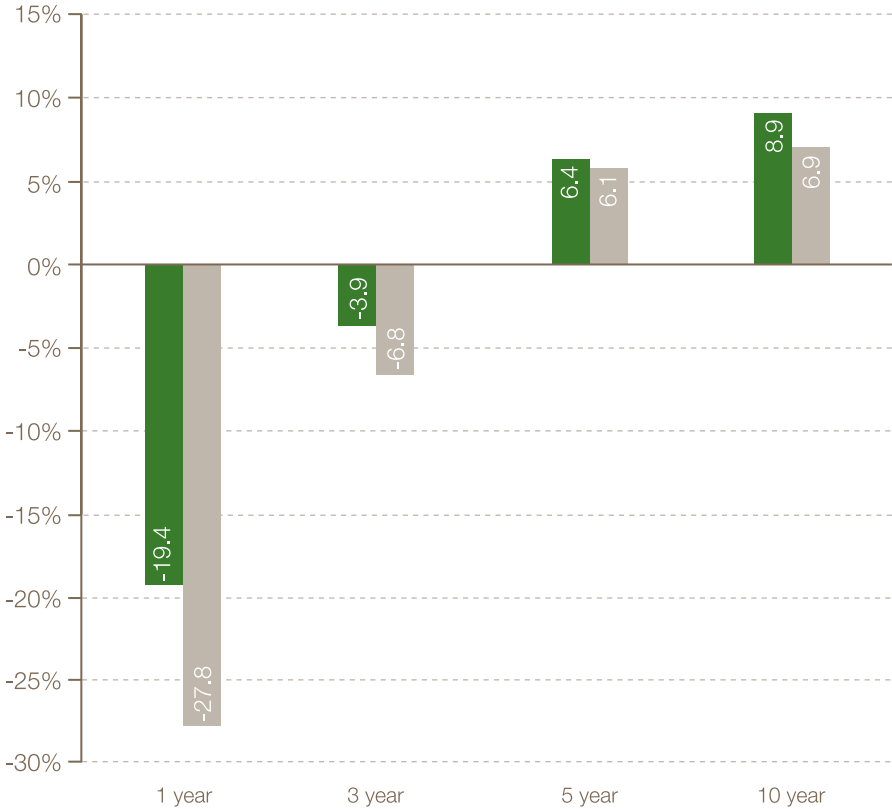
Management expense ratio was 0.81 per cent.

Summary of Results continued

Earnings Per Share and Dividends Per Share



Portfolio Return Percentage Per Year



- 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

This proved to be a very challenging year for the equity market as the Australian economy dealt with the ongoing fallout from the turmoil in global credit markets, the significant reduction in economic activity globally and falling levels of consumer and business confidence. In this environment the small and mid cap sectors of the market were particularly hard hit, with the combined index for these sectors falling 27.8 per cent over the year. Mirrabooka's portfolio decline was a smaller 19.4 per cent. This significant difference in performance reflects the careful approach we have taken to managing the portfolio during these difficult times and the underlying quality of stocks held.

Given our general caution about markets we also held a relatively high level of cash throughout the year, although as we became more confident about the outlook we started to selectively put some money back into the market. At year end cash represented 13.1 per cent of the total portfolio.

We believe current prices adequately reflect the economic recovery so we are not actively in the market on a day-to-day basis. Going forward, remaining cash will allow Mirrabooka to participate in attractively priced new issues which have recently been a feature of the market or in further

investments in stocks that we feel match our investment criteria.

This is Mirrabooka's 10th year of operation so it is encouraging to see that the long term approach we take to investing is proving resilient even through one of the toughest of market downturns. Mirrabooka's 10 year portfolio return performance is 8.9 per cent per annum versus the combined small to mid cap indices of 6.9 per cent per annum. Grossing up for the benefit of franking credits Mirrabooka's return is 10.7 per cent, compared with the benchmark return of 7.9 per cent.

Portfolio

We have been actively reducing the overall risk within the portfolio over this period. This has meant the sale of holdings where there was concern about debt levels and where the holdings were small in the context of the overall portfolio. It also meant maintaining a healthy cash position as a buffer against further market falls and only investing some cash when very attractive opportunities emerged in stocks we have been monitoring for some time.

Purchases in the investment portfolio totalled \$50.4 million for the year, whereas sales amounted to \$46.7 million over this period.

The majority of sales by value occurred during the first half of the financial year and these have already been reported to shareholders. 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. Because of our investment mandate it was felt appropriate to divest this holding. Queensland Gas was sold into the takeover by BG Group plc. Other major sales included Computershare, Cabcharge Australia, Connect East, Boart Longyear and Programmed Maintenance.

Major purchases have been in Alumina Limited, Australian Agricultural Company, Australia Infrastructure Fund, Crane Group, Gunns Limited through their rights issue, Iluka Resources and OneSteel.

Incitec Pivot was reintroduced into the portfolio during the second half of the year as part of their capital raising. There were no other new stocks added to the portfolio in the second half of the financial year as the Company was very cautious about taking on new holdings through a very difficult stage of the

market. Additions in the second half of the year were in companies where we knew the operations and management well.

The new additions to the investment portfolio in the first half of the financial year were reported in the half year report sent to shareholders. These were Alumina Limited, Cedar Woods, ISS Group, PrimeAg Australia and Seek Limited.

The top five positive contributors to the performance of the portfolio over the financial year were IRESS Market Technology, Coca-Cola Amatil, Healthscope, Tox Free Solutions and REA Group (realestate.com.au).

Profit and Dividend

A feature of the market environment during the year was the decline in dividends paid as companies sought to strengthen their balance sheets and adjust to subdued business conditions. This impacted the overall income of Mirrabooka as dividend income received declined from \$9.5 million last year to \$7.7 million this year. This decline however was able to be offset by increased income from call writing option activities as market volatility remained high. Income from the options written portfolio was \$1.2 million for the

Review of Operations *continued*

12 months to 30 June 2009, whereas the corresponding figure last year was \$0.6 million. Interest from deposits also increased because of the relatively high level of cash holdings.

As a result the key underlying measure of profit, net operating profit, was up marginally to \$8.4 million from \$8.3 million last year.

The final dividend has been maintained at 6.5 cents per share. This is in line with the final dividend for the corresponding period last year.

Under the International Financial Accounting Standards the large fall in share market prices below the cost base of some stocks in Mirrabooka's portfolio has required Directors, for the first time, to take an after tax charge of \$15.5 million to the accounting profit after tax for 'impairment'. Consequently, the AIFRS result after tax because of these unrealised 'losses' was a loss of \$6.8 million. All of Mirrabooka's investments are revalued continuously to market value in our accounts. This 'impairment' charge reflects the negative changes in market value of certain stocks below their original cost. It does not change the value of Mirrabooka's portfolio or its net asset backing. In an investment management sense we do not believe these stocks are impaired, or we would have sold them.

Administration expenses were down by \$0.6 million in comparison with the corresponding period last year given the decline in the portfolio value excluding cash. The management expense ratio was 0.81 per cent.

Directors' Fees

In light of the present difficult economic environment for shareholders and the community in general Directors have implemented a freeze on any increase in Directors' fees for the next 12 months. This policy also applies to members of the executive management team employed by Australian Investment Companies Services Limited, who provide administration and investment management services to Mirrabooka's Board and Investment Committees.

Director Appointment

Graeme Sinclair was appointed to the Board as an independent Non-Executive Director on 6 August 2009. Graeme's depth of relevant business experience will be a valued addition to the Board. We welcome him and look forward to the contribution he will make.

Top Investments

As at 30 June 2009

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2009

Investments	Total Value \$ Million
1 Nufarm*	8.3
2 Oil Search*	7.6
3 Healthscope	7.0
4 IRESS Market Technology	6.6
5 Alumina*	5.9
6 Tox Free Solutions	5.9
7 Australian Infrastructure Fund	5.4
8 Coca-Cola Amatil*	5.3
9 Campbell Brothers	4.9
10 OneSteel	4.9
11 Iluka Resources	4.3
12 Fleetwood Corporation	4.3
13 Tassal Group	4.0
14 James Hardie Industries N.V.*	4.0
15 Toll Holdings*	3.9
16 Bradken	3.8
17 Peet	3.8
18 Equity Trustees	3.6
19 Crane Group	3.3
20 ASG Group	3.3
Total	100.0

As a percentage of total portfolio (excludes cash and bank bills) 60.7%

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

Income Statement

For the Year Ended 30 June 2009

	2009 \$'000	2008 \$'000
Dividends and distributions	7,682	9,473
Revenue from deposits and bank bills	1,773	1,208
Income from options written	1,197	628
Net gains/(losses) on trading portfolio	7	(693)
Other revenue	247	27
Income from operating activities before net gains on investments	10,906	10,643
Finance costs	(20)	(37)
Administration expenses	(1,642)	(2,270)
Operating profit before income tax	9,244	8,336
Income tax	(863)	(56)
Net operating profit	8,381	8,280
Net capital gains/(losses) on investments		
Net gains on ordinary securities sold from the investment portfolio	763	34,372
Net gains/(losses) on open options positions	176	(481)
Tax expense on above	(581)	(13,081)
AASB 139 'impairment' revaluation charge on investment portfolio	(22,135)	-
Tax credit on AASB 139 'impairment' charge	6,641	-
	(15,136)	20,810
Profit/(loss) for the year (including capital gains/'impairment' revaluation charge)	(6,755)	29,090
	Cents	Cents
Net operating profit per share	6.75	6.93
Profit/(loss) for the year (including capital gains and 'impairment' revaluation charge) per share	(5.44)	24.34

Balance Sheet

As at 30 June 2009

	2009 \$'000	2008 \$'000
Current assets		
Cash	24,741	39,239
Receivables	432	4,686
Trading portfolio	-	650
Total current assets	25,173	44,575
Non-current assets		
Investment portfolio	164,809	215,011
Deferred tax assets	95	345
Total non-current assets	164,904	215,356
Total assets	190,077	259,931
Current liabilities		
Payables	1,973	2,200
Tax payable	1,181	12,075
Options written portfolio	121	925
Total current liabilities	3,275	15,200
Non-current liabilities		
Deferred tax liabilities – investment portfolio	656	17,214
Total non-current liabilities	656	17,214
Total liabilities	3,931	32,414
Net assets	186,146	227,517
Shareholders' equity		
Share capital	131,965	131,198
Revaluation reserve	8,185	31,392
Impairment revaluation charge reserve	(15,494)	-
Realised capital gains reserve	48,037	55,643
Retained profits	13,453	9,284
Total shareholders' equity	186,146	227,517

Statement of Changes in Equity

For the Year Ended 30 June 2009

	2009 \$'000	2008 \$'000
Total equity at the beginning of the year	227,517	264,535
Dividends paid	(12,176)	(11,703)
Shares issued under Dividend Reinvestment Plan	771	1,436
Shares issued under the 1-for-7 Rights Issue	-	12,606
Other share capital adjustments	(4)	(183)
Total transactions with shareholders	(11,409)	2,156
Revaluation of investment portfolio	(55,052)	(100,932)
Provision for tax on unrealised gains	16,351	32,668
Transfer to income statement for AASB 139 'impairment' revaluation charge	22,135	-
Tax credit on above	(6,641)	-
Net unrealised gains/(losses) on investment portfolio	(23,207)	(68,264)
Net capital gains/(losses) for the year (including 'impairment' revaluation charge)	(15,136)	20,810
Operating profit/(loss) for the year	8,381	8,280
Total equity at the end of the financial year	186,146	227,517

Holdings of Securities

As at 30 June 2009

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, trust units or stapled securities.

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
AAC	Australian Agricultural Company	Leading beef producer with cattle on properties covering almost eight million hectares in Queensland and the Northern Territory	614	1,750	2,371
ABB	ABB Grain	Provision of storage, processing, logistics, marketing and trading services in agricultural commodities	332	300	2,790
AIX	Australian Infrastructure Fund	Investor in transport infrastructure assets, predominantly Australian airports	2,078	4,021	5,428
AOE	Arrow Energy NL	Involved in the exploration for and development of coal seam gas projects both in Australia and internationally	820	600	2,130
APN	APN News & Media	Involved in publishing, broadcasting, online and transit and outdoor advertising in Australia and New Zealand	1,275	1,700	2,508

Holdings of Securities *continued*

As at 30 June 2009

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
ASZ	ASG Group	Provides computer infrastructure, application development, systems integration and specialist technical services	5,196	5,470	3,282
AUB	Austbrokers Holdings	Investor in a network of small to medium Australian insurance brokers and financial services businesses	625	750	2,963
AVE	Aevum	Involved in the ownership, management and operation of retirement living and aged care facilities	1,200	1,963	1,767
AWC*	Alumina	Mining, refining and smelting of aluminium	0	4,150	5,942
BKN	Bradken	Manufacturer and supplier of differentiated consumable products to the resources and freight rail industries	750	892	3,844
BLD	Boral	Provides building and construction materials in Australia, the USA and Asia	350	541	2,201
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	525	614	5,278
CMV	CMA Corporation	Processing and recycling of predominantly secondary ferrous and non-ferrous metal products	5,000	5,113	429

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
CPB	Campbell Brothers	Provider of analytical services and distributor of consumer and industrial goods and hospitality supplies	226	238	4,924
CPU	Computershare	Share registry services	600	125	1,127
CRG	Crane Group	Manufacturer and distributor of non-ferrous metal products and plastic pipeline systems and a major distributor of plumbing and electrical supplies	112	325	3,303
CWP	Cedar Woods	Property development in urban land subdivision for residential, commercial and industrial purposes	0	771	1,095
EQT	Equity Trustees	Financial services company that provides client, trustee, estate administration and funds management services	168	246	3,565
FBU	Fletcher Building	Diversified building materials company with activities in concrete, steel, construction, property and housing and distribution	425	571	3,011
FWD	Fleetwood Corporation	Provider of manufactured accommodation for the resources and retirement sectors	500	721	4,251
GNC	GrainCorp	Provider of handling, storage, marketing and logistics to the Australian grain growing industry	239	403	2,910

Holdings of Securities *continued*

As at 30 June 2009

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
GNS	Gunns	Forestry products	1,200	2,500	2,688
HDF	Hastings Diversified Utilities Fund	Investor in utility infrastructure assets	1,125	1,500	1,778
HSP	Healthscope	Provider of hospital and related health services to public and private sectors	1,426	1,600	7,040
HXL	Hexima	Agricultural-biotech company engaged in the research and development of technology for the genetic modification of crops	420	420	147
ILU	Iluka Resources	Mining and sale of titanium based products and zircon	880	1,500	4,290
IPL	Incitec Pivot	Fertiliser manufacturer and supplier	0	600	1,428
IRE	IRESS Market Technology	Designs, develops, markets and supports share market information systems	700	908	6,583
IVC	InvoCare	Provider of services related to funerals, burials and cremations	360	426	2,469
JHX*	James Hardie Industries N.V.	International building materials company focused on fibre cement products	825	950	3,976
LST	Lion Selection	Resource investment company	2,000	669	890
MRM	Mermaid Marine Australia	Marine services provider to the offshore oil and gas industry	833	1,523	2,788

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
MSF	Maryborough Sugar Factory	Grows sugar cane and manufactures raw sugar and sugar cane by-products	352	736	1,163
NUF*	Nufarm	Chemical company involved in the registration, manufacture, marketing and sale of crop protection and seeds treatment products	850	900	8,262
OKN	Oakton	IT services company providing the planning, delivery and operation of IT solutions for customers	725	725	1,552
OSH*	Oil Search	Exploration, development and production of oil and gas, predominantly in PNG	1,150	1,390	7,562
OST	OneSteel	Manufacturer of steel long products and metals distribution company	571	1,896	4,892
PAG	PrimeAg Australia	Agricultural products	0	1,034	1,080
PPC	Peet	Involved in the acquisition, management, development, marketing and sales of broadacre residential land estates	1,775	2,367	3,763
PPT	Perpetual	Diversified financial company offering managed investment fund, financial advice and wealth management services	63	100	2,855

Holdings of Securities *continued*

As at 30 June 2009

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
REA	REA Group	Provider of online advertising and technology to the real estate industry in Australia and several overseas markets	380	493	2,933
REH	Reece Australia	Distributor and retailer of plumbing, building and hardware supplies	41	45	819
REX	Regional Express Holdings	Regional passenger, freight and charter air service airline	2,000	2,000	1,600
SEK	Seek	Human resource and employment services	0	400	1,668
SHCO [#]	Sunshine Heart Inc. Options	Developing an implantable cardiac assist device to treat patients with long term heart failure	105	105	0
SHL	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	125	154	1,902
SHV	Select Harvests	Almond producer, exporter and crop manager	367	571	1,233
TCL*	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	550	550	2,298
TGR	Tassal Group	Producer and exporter of Atlantic Salmon from Tasmania	1,900	2,080	4,035
TOL*	Toll Holdings	Transport and logistics group operating in the Asia Pacific region	550	625	3,894

Code	Company	Principal Activities	Number Held 2008 '000	Number Held 2009 '000	Market Value 2009 \$'000
TOX	Tox Free Solutions	Integrated waste management and environmental service business	2,712	3,251	5,868
TWO	Talent2 International	Provider of human resources management products and services and recruitment	1,700	1,900	1,577
VERVA#	Verva Pharmaceuticals	Developing metabolic disease therapies	132	132	-
VIR	Viridis Clean Energy Group	Owns a geographically diversified portfolio of operating clean energy assets	2,350	3,447	931
WAN	West Australian Newspapers Holdings	Printer and publisher of The West Australian newspaper and various West Australian regional newspapers	350	625	2,725
WLL	Wellcom Group	Production based solutions company providing specialist services to advertisers, retailers and corporate organisations	1,690	1,694	2,880
Total					164,688

Unlisted.

* Investments marked with an asterisk were the subject of options for part of the holding.

Major Changes to the Investment Portfolio

Acquisitions (Above \$1 Million)	Total Cost \$'000
Alumina*	6,023
OneSteel	3,380
Australian Infrastructure Fund	2,389
Crane Group	2,249
Iluka Resources	2,224
Australian Agricultural Company	2,054
Gunns	1,906
Seek*	1,793
West Australian Newspapers	1,684
PanAust	1,506
Cedar Woods Properties*	1,470
Oil Search	1,195
IRESS Market Technology	1,163
GrainCorp	1,133
PrimeAg Australia*	1,100
Incitec Pivot*	1,080
Fleetwood Corporation	1,071
Perpetual	1,032
Equity Trustees	1,020
Total	35,472

Disposals (Above \$1 Million)	Total Proceeds \$'000
Origin Energy [#]	10,828
Queensland Gas Company [#]	6,553
Computershare	4,024
Cabcharge Australia [#]	3,629
ConnectEast Group [#]	3,583
Boart Longyear [#]	2,695
Programmed Maintenance Services [#]	2,174
Lion Selection	1,955
Pro Medicus [#]	1,346
Total	36,787

* 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
Graeme W Sinclair

Company Secretaries

Simon M Pordage
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

Level 21, 101 Collins Street
Melbourne Victoria 3000

Mail Address

GPO Box 2114
Melbourne Victoria 3001

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@mirra.com.au
Website www.mirra.com.au

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

Telephone 1800 780 784 (toll free)

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Lines 1300 653 924
+613 9415 4342 (from overseas)

Facsimile (03) 9473 2500

Email web.queries@computershare.com.au

Website www.computershare.com.au

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

Securities Exchange Code

MIR Ordinary shares

Annual General Meeting

Time 10.00am

Date Thursday 24 September 2009

Venue Hilton on the Park

Location 192 Wellington Parade
East Melbourne Victoria

