

Annual Report 2005

Investing in

Small
medium
S
&
sized companies



MIRRABOOKA

Investments Limited

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SUMMARY OF RESULTS

Profit after tax – 56.6 per cent increase from \$4.19 million to \$6.56 million.

Earnings per share over the year increased 42.7 per cent from 3.96 cents per share to 5.65 cents per share.

Fully franked final dividend of 3.5 cents per share has been declared bringing total dividends for the year to 6 cents per share, an increase of 20 per cent over the prior year.

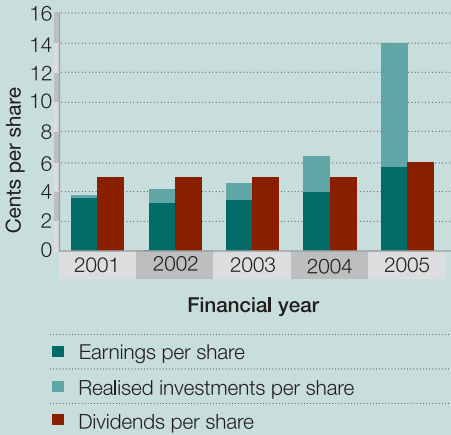
Total portfolio return (the change in net asset backing per share and dividends) over the year was positive 31.8 per cent. The S&P/ASX Mid Cap 50 Accumulation Index increased 35.0 per cent during this period, while the S&P/ASX Small Ordinaries Index gained 27.4 per cent.

Total return to shareholders (TSR) based on the change in share price plus dividends over the 12 month period was an increase of 31.9 per cent versus an overall increase in the combined S&P/ASX Midcap 50 Accumulation Index and S&P/ASX Small Ordinaries of 31.2 per cent.

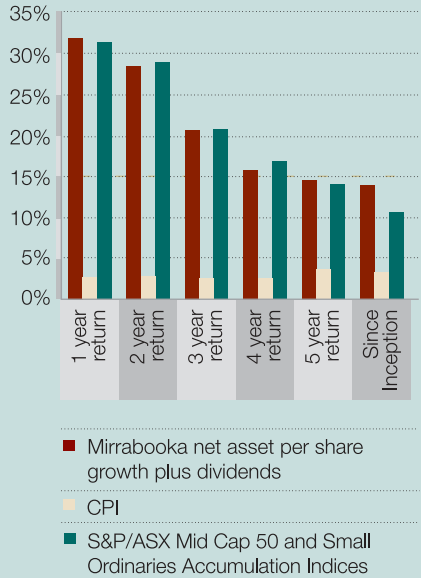
Portfolio value (including \$22.4 million of cash) as at 30 June 2005 was \$205.2 million.

Management expense ratio was 0.89 per cent for the year compared with 1.03 per cent last year.

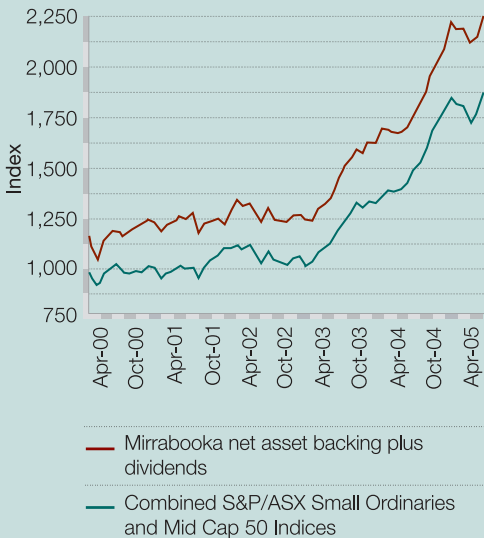
Realised Earnings Per Share v Dividends Per Share



Portfolio Management Performance Percentage Per Year



Portfolio Management Performance Since Inception



DIRECTORS' REPORT

We are pleased to report to the shareholders of Mirrabooka Investments Limited ("Mirrabooka" or "the Company") in relation to the financial year to 30 June 2005 as follows.

About the Company

Mirrabooka is a listed investment company specialising in investing in small and medium sized companies located within Australia and New Zealand. Our general definition of small and medium sized companies is those companies which fall outside the top 50 listed companies, by market capitalisation, on the Australian Stock Exchange ("ASX").

There are many small and medium size companies listed on the ASX and we seek to invest in those companies which we believe offer investors attractive value. Of particular interest are companies with relatively low price earnings ratios and high dividend yields. Often these companies have strong growth prospects and specialise in a range of attractive product, market and industry sectors. Benefits may also arise from takeover and/or merger activity.

The Company has been operating since April 1999 and was listed on the ASX on 28 June 2001. As at 30 June 2005 the Company's market capitalisation was \$182.2 million which was a discount of 11 per cent to the portfolio value of \$205 million.

Investment Aims

The Company aims to provide medium to long term investment gains through holding core investments in selected small and medium sized companies and to provide attractive dividend returns to shareholders from these investments.

Approach to Investing

Investing in this sector can be subject to greater volatility compared with investing in larger capitalised companies because of the reliance these smaller companies have on single markets, products and/or key individuals. From time to time, shares in these smaller companies may also be subject to lower than normal liquidity. Consequently, this section of the market requires a significant amount of research and subsequent close monitoring of the portfolio.

In this context, we are willing to move quickly to realise investments when we form a view that an investment is well overvalued or there has been a material adverse change in a company's circumstances or prospects. As such, we believe it is important to be nimble and responsive to material changes affecting these investments.



selecting companies that
fit with
our investment aims

About the Company continued

The Company typically holds between 50 to 80 stocks depending on their fit with our investment aims and the desired concentration of risk within the portfolio.

The Company also has access to lines of credit which allows the Company on a limited basis to gear its balance sheet when appropriate investment returns are available. In addition, the Company also uses options written against its portfolio to generate additional income although this activity is naturally limited by the lack of availability of option markets for most of the shares within the portfolio and the need to control our investments for risk management purposes.

Our Structure

The Company has a 'closed end' structure, which means that the number of shares on issue is determined by the Board from time to time. As a result, the Company does not issue new shares or cancel them as investors enter and leave. This allows us to concentrate on the performance of the funds invested over the longer term without having to consider inflows or outflows of monies. The nature of the listed investment company structure and our continued focus on the efficiency of our business

also ensures administration costs and management fees are maintained at competitive levels for this sector of the market. In the financial year for 2004–05, this was 0.89 per cent of the portfolio's average market value.

By investing in the Company, shareholders have immediate access to a diversified portfolio numbering some of Australia's leading small and medium sized companies and to a Board and Investment Committee with extensive investment skills and practical business experience. The portfolio is continually monitored with the Investment Committee meeting regularly (normally fortnightly) to approve investment decisions.

Investing in the Company

As a listed investment company, Mirrabooka shares can be bought or sold through the stock market (ASX Code: MIR). The Company does not charge entry or exit fees when shareholders acquire or dispose of their holdings although transaction costs will be borne when buying or selling through a stockbroker.

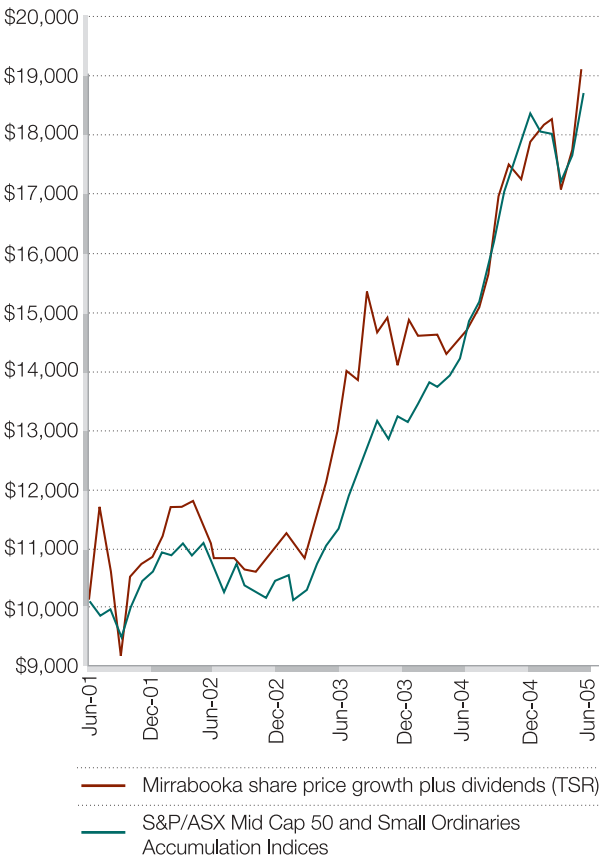
Transparency

We take an active approach to keeping shareholders informed about the Company's activities and performance including yearly and half yearly profit announcements and access to all company announcements, such as

net tangible asset announcements, through the ASX and our website www.mirra.com.au

The following chart highlights the wealth creation performance of the Company since listing.

The Value of \$10,000 Invested



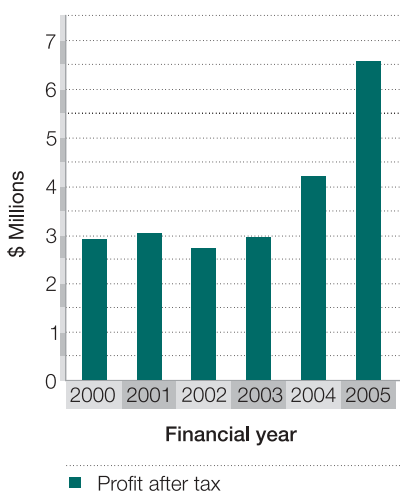
Review of Operations

Profit Performance

The Company continued its strong performance with another record profit for the year and robust portfolio growth. In the full year to 30 June 2005 profit was up 56.6 per cent to \$6.56 million compared with last year's profit of \$4.19 million.

The primary contributor to the strong rise in profit was a significant increase in distributions received on the investment portfolio up \$2.05 million to \$7.2 million. In addition \$0.7 million was generated from the trading portfolio with contribution coming from the selected sale of some holdings in this account, the largest being Henderson Group PLC and Healthscope. Income from deposits and bank bills was \$0.8 million, up \$0.3 million, as the average cash balance for the year was higher than the previous year.

Profit After Tax



Earnings Per Share

Earnings per share for the full year increased 42.7 per cent from 3.96 cents per share to 5.65 cents per share.

Sales of investments during the year produced net gains of \$11.62 million or 10.0 cents per share. After allowing for tax, \$9.62 million was added to the asset realisation reserve.

Dividends

Directors declared a final dividend of 3.5 cents per share fully franked – 17 per cent more than the final dividend last year. Total dividends for the year are 6.0 cents per share compared with last year's total dividend of 5.0 cents per share, an increase of 20 per cent.

Dividends paid by the Company during the financial year were as follows:

	2005 \$'000
Final dividend for the year ended 30 June 2004 of 3 cents per share fully franked at 30 per cent paid on 18 August 2004	3,482
Interim dividend for the year ended 30 June 2005 of 2.5 cents per share fully franked at 30 per cent paid on 23 March 2005	2,902
	6,384

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a final dividend of 3.5 cents per share fully franked at 30 per cent to be paid on 24 August 2005. The dividend does not include any LIC capital gains this year.

Portfolio Performance

Despite some uncertainty in the prices of the mid caps and smaller companies, toward the end of the financial year growth in these sectors was again strong. The S&P/ASX Mid 50's Accumulation Index rose 35 per cent and the S&P/ASX Small Ordinaries Index rose over 27 per cent in the 12 months to 30 June 2005. However, in contrast to the first six months of the year where the S&P/ASX 50 Leaders Accumulation Index underperformed the small cap sector, the 50 Leaders gained 8.4 per cent in the second half of the year against a 4.3 per cent gain in the combined mid and small cap sectors.

The accumulated return from the Company's portfolio was 31.8 per cent in the 12 months to 30 June 2005 whereas the combined S&P/ASX Mid 50's & Small Ordinaries Accumulation Index grew 31.2 per cent. The top five contributors to the performance for

the year were: Healthscope, Nufarm, Macquarie Airports, Hills Motorway Group which was taken over by Transurban Group during the period, and Centennial Coal.

Portfolio Composition

While there have been a number of changes in the portfolio as a result of sales and purchases within the portfolio during the year, the core top 20 stocks which represent 62 per cent of the portfolio remained substantially unchanged over the year other than some re-arrangement of the order as a result of market moves. The top 20 shareholdings are shown on page 14. The four new companies in the top 20 were BOOM Logistics (provides national based crane lifting solutions), Select Harvest (almond producer and exporter), Diversified Utility and Energy (jointly owned by AMP Capital Group and Macquarie Bank with interests in electricity and natural gas distributors in Victoria and Western Australia) and James Hardie Industries (building products). The four companies exiting the top 20 were Hills Motorway which was taken over by Transurban Group, Macquarie Infrastructure Group, Pacifica Group and Funtastic.

Review of Operations continued

The slowdown in growth in the consumer and housing sectors of the Australian economy combined with expectations of higher input costs have impacted the earnings expectations of a number of companies operating in the small to mid cap sector. In particular, there were a reasonable number of downward profit revisions in the final quarter of the financial year as many companies exposed to consumer discretionary spending reassessed their forward positions. As advised to shareholders in May 2005, the Company has been focussing on reducing positions over the course of the year in companies where uncertainty has emerged surrounding the outlook for earnings and there was an undue concentration of risk or a considerable possibility of loss in the market value.

Out of our investment portfolio, this financial year the Company sold its entire investment in the following companies: AV Jennings, Argus Solutions, Beach Petroleum, Corporate Express, Evans & Tate (preference shares), GasNet

Australia, GWA International, Hills Industries, Integrated Group, ION, Macquarie Infrastructure Group, Pacifica, PaperlinX, Primelife Corporation, Spotless Group, Stericorp and Sunland Group.

While there has been a realisation and or reduction in a number of holdings, the Company has also acquired and/or added to positions in selected companies mainly in the first half of the year. Major acquisitions within the investment portfolio during the period were Healthscope, Diversified Utility and Energy Trusts, National Foods, Peet and Company, Symex Holdings and Iress. A list of major acquisitions and disposals during the year is shown on page 76.

In addition to the major changes outlined above, the following companies were added to the investment portfolio and remained in the portfolio at 30 June 2005. These additions were either as a result of capital raisings or an assessment of other value based opportunities.

Australis Aquaculture	Involved in the production and marketing of barramundi in the US.
Australian Education Trust	Property trust specialising in childcare centres throughout Australia.
Bradken	Manufacturer and supplier of consumable parts, capital equipment and associated refurbishment and maintenance services to the resources and rail freight industries.
Cellestis	Focused on the commercialisation of technology in medical diagnostics, initially in the detection of tuberculosis.
Cytopia	Focused on discovery and development of new drugs to treat cancer, immune disorders and cardiovascular diseases.
Domino's Pizza Australia New Zealand	Food retailer operating pizza chain comprising both franchisees owned and company owned corporate stores.
Diversified Utility and Energy Trusts	Investment fund principally investing in Australian and New Zealand utility and energy assets.
Hansen Technologies	Develops, integrates and supports billing systems software for the utilities and telecommunications industries.
iiNet	Internet Service Provider in Australia and New Zealand.
IRESS	Designs, develops, markets and supports share market information systems.
Legend Corporation	Electronics engineering and manufacturing company that designs, manufactures and distributes memory modules and related computer components.
Mesoblast	Committed to the rapid global commercialisation of a unique adult stem cell technology for orthopaedic applications.
National Foods	Operates in the milk, dairy foods and specialty cheese markets and has leading brands and market shares in all sectors.
Oakton	IT services company providing planning, delivering and running of IT solutions for customers.
Peplin	Developing therapeutic products for the treatment of skin cancer and other diseases with limited treatment options.

Review of Operations continued

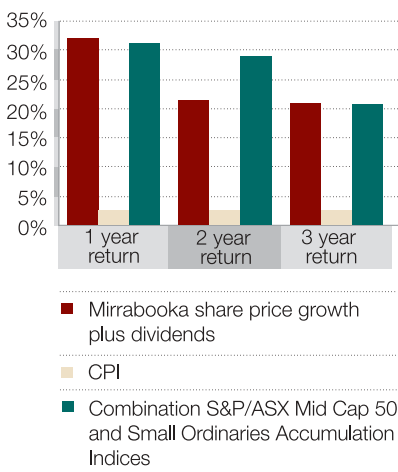
Peet & Company	Involved in the acquisition, management, development, marketing and sales of broadacre residential land estates.
Resource Pacific	Owns and operates the Newpac No. 1 Colliery located in the Hunter Valley region of New South Wales.
Sunshine Heart Inc.	Focused on commercialisation of an implantable non-blood contacting cardiac assist device to treat patients with moderate to severe long term heart failure.
Select Vaccines	Focused on development and commercialisation of diagnostics, vaccines and therapeutic products for infectious diseases.
Symex Holdings	Manufacturer of Oleo products which are used by producers of personal care, plastics, toiletries, rubber, food, pulp and paper, surface coating and lubricants. Also manufactures and markets a range of soap products including Country Life and Natural Selection.
Toll Holdings	Major transport and logistics group in Australia and New Zealand with operations including distribution, warehousing, packaging, stevedoring and courier services.
TSV Holdings	Importer, wholesaler, distributor, designer and systems integrator of advanced electronic communications systems mainly for quick serve restaurants and supermarkets.
United Group	Provides maintenance, facilities management, manufacturing, fabrication, engineering, construction and business process outsourcing services.
Wellcom	Production based solutions company providing specialist services to advertising, retailers and corporate organisations.

At the end of the year, we held the securities of 70 companies in the portfolio.

Shareholder Value

The Company's share price continued to trade at a discount to net asset backing during the course of the year partly reflecting cautiousness about the small to mid cap sector given its continued strong run and that the listed investment company sector continued to grow through the year providing many alternatives for investors.

Share Price Performance Percentage Per Year



In this context, it was pleasing that total shareholder return measured by change in share price and dividends reinvested grew strongly by 31.9 per cent over the

12 months to 30 June 2005. It is also pleasing that, despite the greater volatility that sometimes exists in this sector of the market, the Company has produced sound returns over the medium term. We believe this performance reflects our disciplined approach to managing the portfolio and our focus on the medium to long term.

Capital Changes

During the year, the Company instituted a share buy-back programme to help with its capital management activities. The intention is to utilise this capacity to buy-back the Company's shares at the Board's discretion when they are trading at a discount to the Net Asset Backing. The Board believes that such a programme will be in the interests of all shareholders. This programme became active on 31 May 2005.

No shares were bought back under this programme prior to 30 June 2005.

Financial Condition

The Company's financing consists primarily of shareholders' funds. The Company also has an agreement with National Australia Bank to accept and discount bills of exchange up to a total of \$10 million. There was no outstanding interest bearing debt at 30 June 2005.

Comparison of Top 20 Investments

As at 30 June 2005			Total Value \$ Million
1	HSP	Healthscope	16.5
2	TCL*	Transurban Group	12.7
3	NUF	Nufarm	9.1
4	MAP	Macquarie Airports	7.4
5	CEY	Centennial Coal Company	6.3
6	APNG	APN News & Media 7.25% convertible notes	6.3
7	BAX	Baxter Group	5.7
8	ORG	Origin Energy	4.9
9	BOL	BOOM Logistics	4.8
10	PRK	Patrick Corporation	4.5
11	GNS	Gunns	4.3
12	ALN	Alinta	4.3
13	ILU	Iluka Resources	4.1
14	CPU	Computershare	4.1
15	DVC	DCA Group ^(a)	4.1
16	PRG	Programmed Maintenance Services	3.8
17	SHV	Select Harvests	3.1
18	FOA	Foodland Associated	2.7
19	DUE	Diversified Utility and Energy Trusts	2.7
20	JHX	James Hardie Industries N.V.	2.7
Total			114.0

As a percentage of Portfolio (\$182.8 million, excludes cash and bank bills) 62.4%

(a) Includes \$0.3 million of DVC company options.

As at 30 June 2004			Total Value \$ Million
1	HSP	Healthscope	8.0
2	NUF	Nufarm	6.8
3	HLY	Hills Motorway Group	6.3
4	APNG	APN News & Media 7.25% convertible notes	6.1
5	PRK	Patrick Corporation ^(b)	5.8
6	BAX	Baxter Group	5.6
7	CEY	Centennial Coal Company	4.5
8	FOA	Foodland Associated	4.1
9	MAP	Macquarie Airports	3.8
10	PRG	Programmed Maintenance Services	3.8
11	MIG	Macquarie Infrastructure Group	3.5
12	ILU	Iluka Resources	3.5
13	ORG	Origin Energy	3.4
14	GNS	Gunns	3.3
15	PBB	Pacifica Group	3.3
16	DVC	DCA Group ^(c)	3.2
17	ALN	Alinta	3.1
18	FUN	Funtastic	3.0
19	CPU	Computershare ^(d)	2.9
20	TCL	Transurban Group	2.9
Total			86.9

As a percentage of Portfolio (\$145.5 million, excludes cash and bank bills) 59.7%

(b) Includes \$4.3 million of PRK 6 per cent converting preference shares.

(c) Includes \$0.09 million of DVC company options.

(d) Includes \$1.3 million of CPU 5.5 per cent reset convertible preference shares.

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

Review of Operations continued

Impact of Australian Equivalent to International Financial Reporting Standards (AIFRS)

The Australian Accounting Standards Board (AASB) has mandated the adoption of the Australian equivalents to International Financial Reporting Standards (AIFRS). The adoption of AIFRS will be first reflected in the Company's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Going forward under this standard, one of the significant impacts of this standard is that all realised gains from the investment portfolio after applicable

tax will be passed through the profit and loss statement rather than through the asset realisation reserve. In this context, the reported profit of the Company may be more volatile going forward and on this basis would have been \$17.5 million this year compared with \$6.8 million last year. The Company has always had the ability to source dividends from the asset realisation reserve so this change in accounting treatment will not change the Company's approach to paying dividends.

The other major impacts of the new standards are outlined on pages 63-64 of this report.

Outlook

In Australia, generally subdued economic conditions are expected to persist in the coming year as housing investment and consumer spending remain down on previous highs and uncertainty persists about the lasting impact of higher oil prices on discretionary spending.

We have already seen the impact of softening growth and higher input costs on the outlook for the profit margins of a number of companies operating in the small to mid cap sector of the market and the further outcome of this trend is expected to provide the key to near term market valuations for a number of companies going forward.

In contrast, the economies of China and the US are expected to continue to display sound growth over the upcoming year. As a result, the energy and resources sectors, which have grown strongly over the year are likely to continue to underpin an improved external sector as a counter balance to slower domestic growth. In this regard, some companies in these sectors, while operating under increased cost pressures, are also likely to benefit from robust revenue growth as the global demand continues.

In such an environment the Company will continue to closely monitor the portfolio and make decisions on the balance of the portfolio having regard to the concentration and valuation risks and

the medium to long term interests of shareholders. As the Company's primary activity is as an investor in small and medium size companies over the medium to long term, we believe that the Company should be close to fully invested. However, we are patient and we only consider attractive prospects at attractive prices.

The Company is well positioned with approximately \$22 million or 11 per cent of the portfolio in cash at 30 June 2005 and an additional \$10 million of undrawn borrowing capacity available.

Likely Developments

The Company intends to continue its investment activities in future years as it has done since inception. The results of these investment activities depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors. These include economic growth rates, inflation, interest rates, exchange rates and taxation levels. There are also industry and company specific issues such as management competence, capital strength, industry economics and competitive behaviour.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments.

Accordingly, we do not provide a forecast of the likely results of our activities. However, the Company's focus is on results over the medium to long term and its twin objectives are to grow dividends at a rate faster than inflation and to provide shareholders with attractive capital growth.

Significant Changes in the State of Affairs

Directors are not aware of any other significant changes in the operations of the Company or the environment in which it operates that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matter or circumstance not otherwise disclosed in the financial statements or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not materially affected by environmental regulations.

Rounding of Amounts

The Company is of the kind referred to in ASIC Class Order 98/0100 relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Unless specifically stated otherwise, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

Board and Management

Directors

Terrence A Campbell BCom (Melb) Chairman. Chairman of the Investment Committee.

Mr Campbell, who is a stockbroker, has been a Director of the Company since 17 December 1998. He is Chairman and CEO of the Goldman Sachs JBWere Group, a Director of AMCIL Limited, Australian Foundation Investment Company Limited ("AFIC"), Djerriwarrh Investments Limited and a council member of the Business Council of Australia.

Ross E Barker BSc (Hons) (Melb) MBA (Melb) ASIA Managing Director. Member of the Investment Committee.

Mr Barker was appointed a Director on 17 December 1998 and appointed Managing Director on 16 February 2001. He is also Managing Director of AFIC, Djerriwarrh Investments Limited and AMCIL Limited.

David Evans B Econ (Monash) Member of the Investment Committee.

Mr Evans, who is a stockbroker, was appointed a Director on 10 October 2003. He is also a Director of the Goldman Sachs JBWere Group and is currently Managing Director of the Goldman Sachs JBWere Equities business.

Russell J Fynmore AO FCPA Member of the Audit Committee and Investment Committee.

Mr Fynmore is a Company Director who was appointed a Director of the Company on 12 February 1999. He is also a Director of Djerriwarrh Investments Limited and a former Director of Hartec Limited, Longreach Limited & GUD Holdings Ltd.

Geoffrey A Tomlinson B Econ Chairman of the Audit Committee and a member of the Investment Committee.

Mr Tomlinson is a Company Director who was appointed a Director of the Company on 12 February 1999. He is Chairman of Funtastic Limited and Programmed Maintenance Services Limited; Deputy Chairman of Hansen Technologies Limited; and a Director of Amcor Limited and National Australia Bank Limited. He is a former Chairman of Reckon Ltd and Neverfail Springwater Ltd.

Senior Managers

Sue E Crook LLB BA MBA (Melb) FSIA FCSA Company Secretary and General Counsel.

Ms Crook joined the Company in June 2005. Former Associate Company Secretary and Head of Australian Secretariat, National Australia Bank Ltd, for five years. Immediate Past President Chartered Secretaries Australia.

Geoffrey N Driver B Ec Grad Dip Finance, General Manager Business Development and Investor Relations.

Mr Driver joined the Company in January 2003. Prior to joining the Company, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations.

Andrew JB Porter MA (Hons) (St And), ACA, Chief Financial Officer.

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 14 years experience in accounting and financial management both in the UK with Andersen Consulting and Credit Suisse First Boston and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2005 and the number of meetings attended by each Director were as follows.

	Board		Investment		Audit	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
TA Campbell	11	11	21	20	-	-
RE Barker	11	11	21	21	-	#3
D Evans	11	9	21	19	-	-
RJ Fynmore	11	10	21	18	3	3
GA Tomlinson	11	8	21	15	3	3

Attended meeting by invitation.

Board and Management continued

Retirement, Election and Continuation in Office of Directors

Mr Tomlinson is a Director retiring by rotation who, being eligible, offers himself for re-election.

Insurance of Directors and Officers

During the financial year the Company paid insurance premiums for Directors' and officers' liability insurance covering Directors named in this report. Directors contributed 1 per cent of the total insurance premium. The terms of the insurance contract restrict disclosure of further details.

Remuneration Report

Directors of the Company, meeting as a Board, determine the fees of Directors within the aggregate limit established by shareholders in general meeting.

Directors

Persons who were Directors of Mirrabooka Investments Limited for part or all of the financial year ended 30 June 2005 were:

TA Campbell
RE Barker
D Evans
RJ Fynmore
GA Tomlinson

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of Mirrabooka requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate directors. The amount of remuneration for each Director excludes amounts owing when the Directors' retirement allowances were frozen at 30 June 2004. The total amount of remuneration approved by shareholders at the last Annual General Meeting (AGM) was \$300,000.

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Mirrabooka does not pay any performance based remuneration. Mr Barker is made available as Managing Director of Mirrabooka by Australian Foundation Investment Company (AFIC). The fees to which he is entitled as a Director of the Company are paid directly to AFIC pursuant to his remuneration arrangements with them. Also as part of these remuneration arrangements with AFIC, Mr Barker receives an 'at risk' component determined by AFIC which is based on performance. The performance criteria includes quantitative and qualitative assessments which include, amongst other things, the services that he has provided to Mirrabooka and for which AFIC is paid.

Remuneration

Report continued

As proposed at the AGM last year, the Directors and the Company have agreed to freeze Directors retirement allowances at the 30 June 2004 level. This frozen amount will be paid to the respective Directors when they ultimately retire, without further adjustment. As the liability for benefits has now been crystallised, it has been reclassified from a provision to a payable. The Company continues to pay SGC on Directors' Fees.

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2005 were as follows:

	Primary	Post Employment		Total Remuneration \$
	Fee \$	Superannuation \$	Retirement Allowance \$	
TA Campbell – Chairman (Non-Executive)				
2005	80,000	7,200	-	87,200
2004	58,000	5,220	26,100	89,320
RE Barker – Managing Director (Executive)*				
2005	40,000	3,600	-	43,600
2004	29,000	2,610	13,050	44,660
D Evans – Director (Non-Executive)				
2005	40,000	3,600	-	43,600
2004	21,095	1,898	9,189	32,182
RJ Fynmore – Director (Non-Executive)*				
2005	43,600	-	-	43,600
2004	29,652	1,958	13,050	44,660
GJ Paynter – Director (Non-Executive – retired 10 October 2003)				
2005	-	-	-	-
2004	8,044	724	9,904	18,672
GA Tomlinson – Director (Non-Executive)				
2005	40,000	3,600	-	43,600
2004	29,000	2,610	13,050	44,660
Total Remuneration: Directors				
2005	243,600	18,000	-	261,600
2004	174,791	15,020	84,343	274,154

* Directors fees for RE Barker are paid to Australian Foundation Investment Company Limited as part of his employment arrangements.

Upon reaching age 70, Directors no longer receive Superannuation Guarantee Contributions (SGC) and this amount is paid as other fees in lieu of SGC.

(c) Directors Retirement Allowances

The Board proposed and shareholders approved discontinuing the practice of paying Directors' retirement allowances.

The Directors' retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years service.

For Directors in office at 30 June 2004, the amounts accrued as at that date will be paid to them upon their ultimate retirement. No further accruals of Directors' retirement allowances will be made after 30 June 2004. New Directors appointed to the Company after that date will not be entitled to any Directors' Retirement Allowance.

The amounts payable to the respective current Directors who were in office at 30 June 2004, which will be paid when they retire, are set out below. These amounts were expensed in prior years as the retirement allowances accrued. It is not expected that any of these Directors will retire within the next 12 months.

	Amount Payable on Retirement
	\$
RE Barker	87,000
TA Campbell	174,000
D Evans	9,189
RJ Fynmore	87,000
GA Tomlinson	87,000
	<hr/> 444,189 <hr/>

(d) Executives

Executives are officers who are involved in, concerned with, or who take part in, the management of the affairs of the Company.

The Company has four executives: RE Barker, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and SE Crook, Company Secretary and General Counsel (2004: three executives).

Remuneration

Report continued

Other than the Managing Director whose Directors fees are paid directly to AFIC, no remuneration is paid to the executives as their services are provided pursuant to the arrangement with AFIC described in the Financial Statements.

Directors' Holdings of Securities Issued by the Company

As at the date of this report, Directors who hold stock units issued by the Company for their own benefit or who have an interest in holdings in the name of another party and the total number of such securities are as follows:

	Number of Shares
TA Campbell	1,785,591
RE Barker	308,091
D Evans	25,000
RJ Fynmore	300,000
GA Tomlinson	62,500

Non-Audit Services

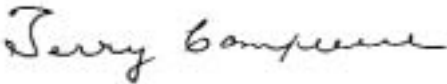
Details of non-audit services performed by the auditors may be found in note 22 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditors' Independence Declaration is set out on page 26.

This report in relation to the financial year to 30 June 2005 is presented by the Directors of the Company in accordance with a resolution of Directors.



Terry Campbell
Chairman

Melbourne

Auditors'

Independence Declaration



PricewaterhouseCoopers
ABN 52 780 433 757

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GPO Box 1331L
MELBOURNE VIC 3001
DX 77 Melbourne
Australia
www.pwc.com/au
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Auditors' Independence Declaration

As lead auditor for the audit of Mirrabooka Investments Limited for the year ended 30 June 2005, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mirrabooka Investments Limited during the period.

A handwritten signature in black ink that reads "Simon Gray".

Simon Gray
Partner
PricewaterhouseCoopers

Melbourne
28 July 2005

CORPORATE GOVERNANCE STATEMENT

The Board of the Company is committed to the highest standards of ethical behaviour and corporate governance.

The Company invests its capital to provide medium to long term investment gains through holding core investments in selected small and medium sized companies and to provide attractive dividend returns to shareholders from these investments. The Company's approach to corporate governance principles and practices reflects its specialised nature and the limited scope of its activities.

In accordance with ASX Listing Rule 4.10.3, we have set out below the ASX Corporate Governance Council's 10 Principles of Good Corporate Governance and outlined accordingly how the Board has sought to comply with the Best Practice Recommendations for each.

Principle 1: Laying Solid Foundations for Management and Oversight

The Principle requires that the Company recognises and publishes the respective roles and responsibilities of Board and Management.

The role of the Board of Directors is set out below and on the Company's website together with a Corporate Principles of Conduct Statement.

The role of the Board of Directors is to set goals and policies for the operation of the Company, to oversee the Company's management, to regularly review performance and to generally monitor the Company's affairs in the best interests of shareholders. For these responsibilities the Board is accountable to shareholders.

All Directors have entered into an Agreement with the Company covering the terms of their appointment.

The Company's primary activity is focussed and straightforward and, accordingly, the Board has adopted a simple structure to conduct its operations. First, Directors have an involvement in the investment decisions of the Company through the Board Investment Committee. The Board has, however, outsourced the research functions and day-to-day dealing responsibilities relating to the portfolio to Goldman Sachs JBWere for a fee of 0.5 per cent pa of the market value of funds invested in equities. The Board has also outsourced administrative and management functions to AFIC

Corporate Governance

Statement continued

under the leadership of the Managing Director. AFIC's staff take responsibility for administering the Company's affairs in conformity with the Board's goals and policies. AFIC is paid a fee of 0.1 per cent pa of the Company's net assets for these services.

The Managing Director is responsible and accountable to the Board for the Company's management.

The Board believes that the Company is fully compliant with Principle 1.

Principle 2: Structuring the Board to Add Value

The Principle requires the Company to have a Board of effective composition, size and commitment to adequately discharge its responsibilities and duties.

The Board is comprised of a Chairman, Managing Director and three other Non-Executive Directors all of whom have a personal financial interest in the Company. Two of the three other Non-Executive Directors are regarded as independent. Details of the skills, experience, expertise and tenure of the Directors are contained in the Directors' Report. The Directors meet formally as a Board at least 11 times per year.

The duties of a Nomination Committee are undertaken by the Board as a whole. The Board does not believe that, at its current size, a Nomination Committee is necessary.

Independence of Directors

TA Campbell, the Chairman, has been a Director of the Company since it commenced operations in April 1999. Given that Mirrabooka is a Listed Investment Company whose primary activity is investing its capital in listed securities, it is important that Chairman has a depth of experience and skills in the securities industry and has an involvement in the investment decisions of the Company. The Company and Goldman Sachs JBWere maintain a close relationship. TA Campbell is Executive Chairman and a shareholder of Goldman Sachs JBWere and, accordingly, is not regarded as independent. Given the specialist, straightforward nature of the Company, an independent Chairman is not regarded as necessary.

D Evans who is Managing Director of Equity Products Division of, and also a shareholder in, Goldman Sachs JBWere is also not regarded as independent.

RJ Fynmore is a Non-Executive Director of Djerriwarrh Investments Limited which is a substantial shareholder of the Company. However, RJ Fynmore does not control Djerriwarrh Investments Limited and Djerriwarrh Investments Limited does not control Mirrabooka. GA Tomlinson is Chairman of Funtastic and Programmed Maintenance Services and Deputy Chairman of Hansen Technologies Ltd which are companies in which Mirrabooka invests. Any points at which real or potential conflicts of interest might arise are dealt with by our procedures designed to ensure that conflicted Directors take no part in the decision making on the relevant issue. On this basis, RJ Fynmore's and GA Tomlinson's independence on all other issues is not compromised and we regard them as independent Directors.

The Board is of the view, given Mirrabooka's nature as a medium to long term investor, that length of service on the Board does not of itself compromise independence. In fact, we believe it assists the Board for Directors to have experience over a number of investment cycles to enable them to properly assess investments over a medium to long term horizon against the underlying investment cycles. The Board strongly endorses the importance of maintaining an orderly process of self-renewal. The Board needs to continue to identify, attract and retain candidates of a high calibre who provide the required skills and experience and who are able to bring an independent and fresh approach to the Board deliberations. It is regarded as important that tenure should not interfere with the continual renewal and refreshment of the Board.

Consideration is also given to the issue of Director independence in any situation where an individual Director may be a partner in, controlling shareholder of, or executive of an entity which has a material commercial relationship with Mirrabooka. The Board would consider whether the relevant Director remained independent in any situation where, as a result of the commercial relationship with Mirrabooka, an amount in excess of \$200,000 is paid or received and the Director had a direct or indirect material interest.

The Board notes that the ASX Best Practice Recommendations includes a recommendation that the majority of Board members should be independent Directors. Given the specialist nature of the Company and the importance of securities industry expertise being available to the Board, the Board does not believe that at this point in the Company's development it is necessary to appoint additional independent Directors, but the matter will be kept under review.

Corporate Governance

Statement continued

To assist Directors to fully meet their responsibilities to bring an independent viewpoint to matters coming before them, the Board has agreed a procedure in appropriate situations for Directors to take independent professional advice at the expense of the Company after advising the Chairman of their intention to do so.

The Board believes that the Company is fully compliant with Principle 2 but acknowledges that, for the reasons stated above, it does not comply with Recommendations 2.1 that the majority of the Board should be independent Directors, 2.2 that the Chairman should be an independent Director and 2.4 that the Board should establish a Nomination Committee.

Principle 3: Promotion of Ethical and Responsible Decision-making

The Principle requires that the Board should actively promote ethical and responsible decision making.

The Company, including its Directors and key executives, is committed to maintaining the utmost standards of integrity and seeks to ensure all its activities are undertaken with efficiency, honesty and fairness. The Company also maintains a high level of transparency regarding its actions consistent with the need to maintain the confidentiality of commercial-in-confidence material and, where appropriate, to protect our shareholders' interests.

The Company has published a Corporate Principles of Conduct Statement and a Trading Policy for Directors which are available on the website together with the Trading Policy that the Company has for dealing in its own shares by its officers or those working on the Company's behalf. These documents are provided to management and new Directors as they join the Company and any updates are provided to all employees and Directors.

The Board believes that the Company is fully compliant with Principle 3.

Principle 4: Safeguarding Integrity in Financial Reporting

The Principle requires that the Company has a structure to independently verify and safeguard the integrity of the Company's reporting.

The Company has established an Audit Committee to oversee the integrity of the financial reporting process and which reports to the Board. GA Tomlinson (Chairman) and RJ Fynmore are members of the Audit Committee. Details of their qualifications

can be found in the Directors' Report and the attendance and number of meetings of the Audit Committee on page 19. Both members of the Audit Committee are Non-Executive Directors and have the requisite financial experience and understanding to effectively discharge its mandate.

The Board has obtained from the Managing Director and the Chief Financial Officer written affirmation that to the best of their knowledge and belief the Company's Financial Reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

The Company has put in place a process to ensure the independence and competence of the Company's external auditors including the Audit Committee reviewing any non-audit work to ensure that it does not conflict with audit independence. Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners is set out on the website. Policies relating to rotating external audit engagement partners are set by the external audit firm in accordance with Corporations Act requirements.

The Board believes that the Company is fully compliant with Principle 4 but acknowledges that it does not comply with Recommendation 4.3 insofar as that Recommendation suggests that the audit committee consists of at least three members. Instead, the Audit Committee consists of the independent Directors of the Company of which currently there are only two.

Principle 5: Timely and Balanced Disclosure

The Principle requires that the Company promote timely and balanced disclosure of all material matters concerning the Company.

As a listed entity, the Company has an obligation under the ASX Listing Rules to maintain an informed market in relation to its securities. Accordingly, we keep the market advised of all information required to be disclosed under the Rules which we believe would have material effect on the price or value of the Company's securities.

The Company has a written policy and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance. The policy is publicly available on its website.

The Board believes that the Company is fully compliant with Principle 5.

Corporate Governance

Statement continued

Principle 6: Respecting the Rights of Shareholders

The Principle requires that the Company respect the rights of shareholders and facilitate the effective exercise of those rights.

Our shareholders own the Company and the Board's primary responsibility to them is to do its utmost to meet the Company's objectives and so increase the Company's value for all shareholders. The Board maintains active communication with shareholders as owners of the Company. In addition to the Annual and Half Year Reports the Company holds an Annual General Meeting of shareholders to fulfil statutory requirements, to provide shareholders with the opportunity to meet with representatives of the Board and Management, to learn more about the Company's activities and, particularly, to provide an opportunity to question the Board and Management about any aspect of the Company's activities. An internet website is maintained on which all ASX announcements, Annual Reports, Half Yearly Reports, details of corporate governance practices, presentations to shareholders, and related material are posted and available for shareholders and investors.

The Board believes that the Company is fully compliant with Principle 6.

Principle 7: Recognising and Managing Risk

The Principle requires that the Board establish a sound system of risk oversight and management and internal control.

The Company has established and maintains a sound system of risk oversight, management and internal control. Since its inception, the Company has recognised and addressed material risk to the business, particularly investment risk.

Investment Risk

The Board Investment Committee is primarily responsible for dealing with issues arising from investment risk. By its nature as a Listed Investment Company, the Company will always carry investment risk because it must invest its capital in securities which are not risk free. However, the Company seeks to reduce this investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market.

Other Risks

The Company's management is primarily responsible for recognising and managing all other risk issues such as operational risk, disaster recovery, credit and counter-party risk. This is in the context that most of Mirrabooka's administrative functions have been outsourced to AFIC using its systems and staff. Accordingly, risk issues associated with these activities are handled in accordance with the policies and procedures adopted by AFIC for dealing with them. The Audit Committee has specific oversight of management's role in identifying and responding to risk issues.

The Risk Management Framework adopted by the Board is available on the Company's website.

The Board has obtained from the Managing Director and the Chief Financial Officer written affirmation that, to the best of their knowledge and belief, the integrity of financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects insofar as they relate to the financial reporting risks.

The Board believes that the Company is fully compliant with Principle 7.

Principle 8: Encouraging Enhanced Performance

The Principle requires that the Board fairly review and actively encourage board and management effectiveness.

The Board reviews the performance of Board and Management on an annual basis. Each Director of the Company is encouraged to have a financial interest in the Company and each current Director has a meaningful financial interest in the Company. In this way the Directors participate in improving shareholder value on the same basis as all other shareholders.

The Board believes that the Company is fully compliant with Principle 8.

Corporate Governance

Statement continued

Principle 9: Fair and Responsible Remuneration

The Principle requires that the level and composition of remuneration is sufficient and reasonable and that its relationship to corporate and individual performance is defined.

The Board has not established a Remuneration Committee. Again, given the Company's small size, this is not considered necessary as the Board can deal with matters relating to the remuneration of Directors itself.

Directors' Remuneration

The constitution of Mirrabooka requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In addition, Directors who were eligible to receive a retirement allowance when it was frozen at 30 June 2004 will be paid the amounts accrued for them at that point when they retire. In proposing the maximum amount for consideration in general meeting and in determining the allocation, the Board takes account of the time demands made on Directors together with such factors as the general level of fees paid to Australian corporate Directors.

No Non-Executive Directors receive any performance based remuneration.

Management Remuneration Approach

Because the Company has outsourced its research, dealing and administrative functions, it has not adopted any 'at risk' remuneration arrangements for the Managing Director or any other person involved in the activities of the Company. This is not considered necessary at the current stage of the Company's development.

In relation to Mr Barker's position as Managing Director of the Company, he serves in this position by agreement with AFIC and the Director's fees which he earns for his involvement with the Company are paid directly to AFIC as part of his remuneration arrangements with them. As part of his remuneration by AFIC, Mr Barker receives an 'at risk' component based on the achievement of short term objectives which include, inter alia, the services that he has provided to Mirrabooka and for which AFIC has been paid. Further information on Directors and Executives remuneration is set out in the Financial Report.

The Board believes that the Company is fully compliant with Principle 9, but acknowledges for the reasons stated above, it does not comply with Recommendation 9.2 that a Remuneration Committee be established.

Principle 10: Recognising Legitimate Interests of Stakeholders

The Principle requires that the Company recognise legal and other obligations to all legitimate stakeholders.

Because of the Company's operation as a Listed Investment Company, its key stakeholders are its shareholders, agents and the small number of creditors connected with the administration of the Company's affairs. As noted above, the Company has published its Corporate Principles of Conduct which are intended to guide the activities of Directors, senior executives and agents designed to ensure that the legal requirements and other obligations to our stakeholders are complied with at all times. This is available on the Company's website.

The Company is committed to the highest standards of ethical behaviour and corporate governance.

The Board believes that the Company is fully compliant with Principle 10.

FINANCIAL STATEMENTS

Profit and Loss Statement

For the year ended 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Income from investment portfolio		7,214	5,168
Income from options written portfolio		3	97
Income from trading portfolio		699	108
Income from deposits and bank bills		792	488
Other income		24	5
Total income from ordinary activities		8,732	5,866
Borrowing and related expenses		(17)	(53)
Administration expenses		(1,660)	(1,461)
Profit from ordinary activities before income tax expense	3	7,055	4,352
Income tax expense	4	(495)	(163)
Net Profit		6,560	4,189
Direct adjustments against equity			
Realised gains/(losses) on investment portfolio (net of tax)	15	9,618	2,508
Unrealised gains/(losses) on investment portfolio	15	32,939	23,209
Total valuation adjustments recognised directly in equity		42,557	25,717
Net Profit plus direct equity adjustments		49,117	29,906
		Cents	Cents
Basic earnings per share	18	5.65	3.96

This statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2005

	Notes	2005 \$'000	2004 \$'000
Current assets			
Cash	5	22,403	12,039
Receivables	6	846	1,838
Trading portfolio	7	1,185	1,045
Total current assets		24,434	14,922
Non-current assets			
Investment portfolio	8	181,630	144,344
Future income tax benefit	9	51	117
Total non-current assets		181,681	144,461
Total assets		206,115	159,383
Current liabilities			
Payables	10	2,942	211
Tax payable		2,395	1,175
Options written portfolio	11	48	-
Total current liabilities		5,385	1,386
Non-current liabilities			
Payables	12	444	-
Provisions	13	-	444
Total non-current liabilities		444	444
Total liabilities		5,829	1,830
Net assets		200,286	157,553
Shareholders' equity			
Share capital	14	115,845	115,845
Reserves	15	80,610	39,272
Retained profits	16	3,831	2,436
Total shareholders' equity		200,286	157,553

This Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2005

		2005 \$'000	2004 \$'000
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		5,034	1,227
Purchases for trading portfolio		(4,284)	(2,165)
Proceeds from entering into options in options written portfolio		79	104
Payment to settle options in options written portfolio		(33)	(43)
Interest received		1,200	923
Dividends and distributions received		6,204	4,223
		8,200	4,269
Other receipts		24	5
Administration expenses		(1,611)	(1,414)
Borrowing and related expenses		(17)	(53)
Income taxes (paid)/refund		(1,210)	(2)
Net cash inflow/(outflow) from operating activities	23	5,386	2,805
Cash flows from investing activities			
Sales from investment portfolio		48,846	21,325
Purchases for investment portfolio		(37,484)	(44,439)
Net cash inflow/(outflow) from investing activities		11,362	(23,114)
Cash flows from financing activities			
Proceeds from borrowings		-	7,000
Repayment of borrowings		-	(7,000)
Share issues		-	29,416
Share issue transaction costs		-	(196)
Dividends paid		(6,384)	(4,381)
Net cash inflow/(outflow) from financing activities		(6,384)	24,839
Net increase/(decrease) in cash held		10,364	4,530
Cash at the beginning of the financial year		12,039	7,509
Cash at the end of the financial year	5	22,403	12,039

*This statement should be read in conjunction with the accompanying notes.
Note 5 provides details of the composition of cash.*

Notes

to the Financial Statements

1. Principal Accounting and Valuation Policies

This general purpose Financial Report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. Interpretations of specific relevance to the Company are stated in this note. The Company has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Balance Sheet	Statement of Financial Position
Profit and Loss Statement	Statement of Financial Performance
Net Profit plus direct equity adjustments	Total changes in equity other than those resulting from transactions with owners as owners

(a) Basis of Accounting

The financial statements are prepared using the valuation methods described below for holdings of securities. All other items have been treated in accordance with the historical cost convention.

(b) Holdings of Securities

(i) *Balance Sheet Classification*

The Company has three portfolios of securities, the investment portfolio, the options written portfolio and the trading portfolio.

The investment portfolio relates to holdings of securities which the Directors intend to retain on a long term basis.

The options written portfolio contains exchange traded options contracts that are entered into on the basis as described in Note 11.

The trading portfolio comprises securities held for short term trading purposes, which can include exchange traded options contracts that are entered into, as described in Note 7.

The investment portfolio is classified as a 'non-current asset', whereas the trading portfolio is classified as a 'current asset' and the options written portfolio is classified as a 'current liability'.

(ii) *Valuation of Investment Portfolio*

Securities, including listed and unlisted shares and notes and options, are initially brought to account at cost and are revalued to market values continuously. Increments and decrements are taken to the Asset Revaluation Reserve while it has a positive balance in total, otherwise they are included in Net Profit. Where disposal of an investment occurs any revaluation increment or decrement relating to it is transferred from the Asset Revaluation Reserve to the Asset Realisation Reserve while this reserve has a positive balance in total, otherwise they are included in Net Profit.

(iii) *Valuation of Options Written Portfolio*

Options written are initially brought to account at the amount received upfront for entering the contract (the premium) and subsequently revalued to current market value. Increments and decrements are taken to the Asset Revaluation Reserve while it has a positive balance in total, otherwise they are included in Net Profit. Upon expiry or exercise the relevant increment or decrement is transferred to Net Profit.

(iv) *Valuation of Trading Portfolio*

Securities, including listed and unlisted shares and notes, are initially brought to account at cost. Options written against trading portfolio holdings are initially brought to account at the amount received upfront for entering the contract (the premium).

Each holding in the trading portfolio (which can include exchange-traded options) is reviewed regularly. If Directors were to consider that a loss is almost certain on any holding then it would be written down to realisable value as estimated by Directors. After any individual write-downs have been made, the portfolio is then valued at the lower of carrying value and market value in aggregate. Any write down is included in the Net Profit of the Company.

Where disposals are made from the trading portfolio the gain or loss arising from the difference between the proceeds and the carrying value is included in the Net Profit of the Company.

(v) *Determination of Market Value*

Market value for the purpose of valuing holdings of securities is determined by reference to market prices prevailing at balance date, which is predominantly last sale price, where the securities are traded on an organised market. Where a security is not so traded, its fair value is determined by the Directors.

(vi) Income from Holdings of Securities

Distributions relating to listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis and distributions relating to unlisted securities are recognised as income when received, unless the distributions are capital returns on ordinary shares in which case the amount of the distribution is treated as an adjustment to the cost base of the shares.

The premium received on options written against trading portfolio securities is offset against these securities until the option expires, is exercised or is repurchased from the holder. When one of these events occurs, the net gain or loss arising on the option contract is included in Net Profit.

The premium received on the options written portfolio is recognised as a current liability until the option expires, is exercised or is repurchased from the holder. When one of these events occurs, the net gain or loss arising on the option contract is included in Net Profit.

(c) Taxation

Tax effect accounting is adopted whereby income tax is calculated on the profit adjusted for permanent differences between taxable and accounting income. The tax impacts of timing differences, which arise from items being brought to account in different periods for income tax and accounting purposes, are recognised as future income tax benefits or deferred tax liabilities, as appropriate. Future income tax benefits and deferred tax liabilities are offset where they are expected to reverse in the same periods.

No provision is made for any taxes that could arise on disposal of securities in the investment portfolio, as there is no intention to dispose of them. Where the Company disposes of such securities, tax is calculated on gains made according to the particular parcels allocated to the sale for tax purposes offset against any capital losses carried forward. Any applicable tax is charged to the Asset Realisation Reserve.

(d) Cash Flows

For the purpose of the statement of cash flows, 'cash' includes cash, deposits held at call and discounted bills of exchange.

Notes

to the Financial Statements *continued*

(e) Bills of Exchange

Bills of exchange, which have been purchased in the market at a discount to face value, are carried at an amount representing cost. The discount is brought to account by amortising it over the life of the bill and is accounted for as interest received.

(f) Net Fair Value of Financial Assets and Liabilities

The net fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of the Company approximates their carrying value.

(g) Directors Retirement Allowances

The Company recognises as liabilities Directors Retirement Allowances as described in Note 19 (c). The liabilities for retirement allowances are recognised as current liabilities if they are expected to be settled within 12 months. These are measured at the amounts expected to be paid when they are settled, and where the amount has been crystallised, they are recognised as amounts payable. Otherwise, they are recognised as non-current provisions on the same basis as long service leave.

(h) Rounding of Amounts

The Company is of the kind referred to in Class Order 98/0100, issued by the Australian Securities and Investment Commission, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Class Order, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

2. Segment Information

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

3. Operating Profit

	2005 \$'000	2004 \$'000
Profit from ordinary activities before income tax expense is comprised of the following:		
(a) Income		
Dividends and distributions		
- securities held in investment portfolio	6,776	4,075
- securities held in trading portfolio	11	-
	<u>6,787</u>	<u>4,075</u>
Interest income		
- securities held in investment portfolio	437	1,093
- deposits and income from bank bills	792	488
	<u>1,229</u>	<u>1,581</u>
Net realised gains and write downs		
- realised gains/(losses) on trading portfolio	736	108
- write down of trading portfolio	(47)	-
- realised gains/(losses) on options written portfolio	3	97
	<u>692</u>	<u>205</u>
Other income	24	5
	<u>8,732</u>	<u>5,866</u>
(b) Expenses		
- borrowing expenses	17	53
- administration charge paid or payable to Australian Foundation Investment Company (AFIC) pursuant to outsourcing arrangement reviewed annually. The fee is currently set at 0.10 per cent of net assets.	202	146
- other administration expenses	1,130	990
- remuneration of Directors	262	274
- remuneration of auditors	66	51
	<u>1,677</u>	<u>1,514</u>
Profit from ordinary activities before income tax	<u>7,055</u>	<u>4,352</u>

Further information relating to remuneration of auditors is set out in Note 22 and Directors in Note 19.

Notes

to the Financial Statements continued

4. Income Tax

	2005 \$'000	2004 \$'000
The amount of income tax expense for the financial year differs from the amount calculated on the profit. The difference is reconciled as set out below:		
Income tax calculated at 30 per cent (2004: 30 per cent)	2,116	1,306
Tax effect of permanent differences which (reduce)/increase tax payable		
- franked dividends	(1,226)	(1,096)
- sundry items	(345)	(31)
Prima facie tax adjusted for permanent differences	545	179
- under/(over) provision in prior year	(50)	(16)
Income tax attributable to profit from ordinary activities	495	163
Income tax attributable to profit from ordinary activities was comprised of		
- current taxation provision	429	170
- future income tax benefit	66	(7)
	495	163

5. Current Assets – Cash

Cash at bank and on hand	46	9
Deposits at call	2,510	4,065
Discounted bills of exchange	19,847	7,965
	22,403	12,039

Deposits at call yield an average floating interest rate of 5.28 per cent (2004: 5.06 per cent). Discounted bills of exchange yield an average fixed return of 5.56 per cent (2004: 5.23 per cent) and have a fixed term of up to one year.

(a) Credit Risk Exposure

The credit risk exposure of the Company in relation to cash and deposits is the carrying amount and any accrued unpaid interest. Purchased bills of exchange are carried on the balance sheet at an amount less than the amount realisable at maturity. The credit risk exposure of the Company regarding purchased bills of exchange is the carrying value, which comprises the cost of the bank bills and the income accrued to balance date.

(b) Standby Arrangements and Credit Facilities

The Company is party to an agreement under which the National Australia Bank have agreed to accept or accept and discount bills of exchange.

	2005 \$'000	2004 \$'000
National Australia Bank – floating rate bill facility	10,000	10,000
Amount drawn down	-	-
Undrawn facilities	10,000	10,000

The above facility is unsecured.

6. Current Assets – Receivables

Dividends and distributions receivable	778	376
Interest receivable	63	33
Outstanding settlements – investment portfolio	-	1,429
Prepayments	5	-
	846	1,838

Receivables are non-interest bearing and unsecured. Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

The credit risk exposure of the Company in relation to receivables is the carrying amount.

7. Current Assets – Trading Portfolio

Listed securities at carrying value		
- shares and trust units	1,185	1,045
Total	1,185	1,045
Listed securities at market value	1,185	1,151

(a) Credit Risk Exposure

Credit risk exposures to the Company arise in relation to converting and convertible notes and other interest-bearing securities to the extent of their carrying values, in the event of a shortfall on winding-up of the issuing companies.

Credit risk exposure also arises in relation to options bought by the Company, if any, to the extent of their carrying value.

Notes

to the Financial Statements continued

(b) Options Written

The Company occasionally enters into option contracts in the trading portfolio as part of its trading portfolio strategy to sell or close out securities in the short term for a profit. Where the Company sells a call option it is obligated to deliver underlying trading portfolio securities at an agreed price if the taker exercises the option. Whereas if the Company sells a put option it is obligated to buy the underlying security in the trading portfolio at an agreed price if the taker exercises the option.

As at balance date the Company had no sold put options or call options in the trading portfolio.

Exchange-traded options contracts are entered into within the constraints and controls imposed by the Australian Stock Exchange Limited. Dealing and administrative (including settlement) functions are separated. The total exposure position is determined daily. The Investment Committee meets regularly (normally fortnightly) to consider, review and approve the investment, trading and sub-underwriting transactions of the Company and related matters.

Collateral security to cover sold option positions and actual and prospective margin calls is lodged with the Australian Clearing House Pty Ltd as required by their rules.

8. Non-current Assets – Investment Portfolio

	2005 \$'000	2004 \$'000
Listed securities		
- shares at market value	172,705	137,071
- converting and convertible notes and other interest bearing securities at market value	8,826	7,174
Unlisted securities at Directors' valuation	99	99
	181,630	144,344

If the investment portfolio had been sold immediately after balance date a net capital gains tax liability of \$23.2 million based upon a tax rate of 30 per cent (2004: \$11.6 million) would have arisen. However, Directors do not intend to dispose of the portfolio and therefore do not expect that the tax associated with such a disposal would be incurred.

Credit risk exposures to the Company arise in relation to converting and convertible notes to the extent of their carrying values in the event of a shortfall on winding-up of the issuing companies.

9. Non-current Assets – Future Income Tax Benefit

The Company's deferred tax assets arise from timing differences in the recognition of items for taxation and accounting purposes, as described in Note 1(c). The key components are:

	2005 \$'000	2004 \$'000
(a) Provisions and expenses charged to the accounting profit which are not yet tax deductible	133	133
(b) Tax paid up front on sold option premiums which are not included as accounting income until they lapse, are exercised or closed out	13	-
Less:		
(c) Interest and dividend income receivable which is not assessable for tax until receipt	(95)	(16)
	<u>51</u>	<u>117</u>

The future income tax benefit arising from provisions and expenses charged but not yet tax deductible, will be obtained when the relevant items become tax deductible, provided that the Company derives sufficient assessable income to enable the benefit from the deductions to be taken in that year and there are no intervening changes in tax legislation adversely affecting the Company's ability to claim the tax deduction.

The portion of deferred tax likely to be reversed within the next 12 months is (\$82,000) (2004: \$16,000).

10. Current Liabilities – Payables

	2005 \$'000	2004 \$'000
Outstanding settlements – trading portfolio	200	-
Outstanding settlements – investment portfolio	2,475	-
Other payables	267	211
	<u>2,942</u>	<u>211</u>

Payables are non-interest bearing and unsecured. Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction.

Notes

to the Financial Statements *continued*

11. Current Liabilities – Options Written Portfolio

	2005 \$'000	2004 \$'000
Exchange traded options written by the Company at market value		
- Calls	48	-
	48	-

The Company enters into option contracts in the options written portfolio primarily for the purpose of enhancing overall returns. Where the Company sells a call option it is obligated to deliver securities at an agreed price if the taker exercises the option. Whereas if the Company sells a put option it is obligated to buy the underlying security at an agreed price if the taker exercises the option.

As at balance date there were unexpired call options which potentially required the Company to deliver securities to the value of \$1.55 million (2004:-).

Option contracts of the options written portfolio are entered under the same constraints and controls as the option contracts of the trading portfolio outlined in note 7(b).

12. Non-current Liabilities – Payables

	2005 \$'000	2004 \$'000
Directors' retirement allowances	444	-
See Note 19 for further details of Directors' retirement allowances		

13. Non-current Liabilities – Provisions

Directors' retirement allowances	-	444
See Note 19 for further details of Directors' retirement allowances		

14. Shareholders' Equity – Share Capital

	2005 Shares '000	2005 \$'000	2004 Shares '000	2004 \$'000
(a) Share Capital				
Ordinary shares – fully paid	116,066	115,845	116,066	115,845
	116,066	115,845	116,066	115,845

(b) Movements in Share Capital of the Company During the Past Two Years were as Follows:

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
30/06/03	Opening Balance		87,629		86,625
25/9/03	Rights issue	ii	21,907	1.00	21,907
15/4/04	Share Acquisition Plan	i	6,530	1.15	7,509
Various	Cost of share issues		-		(196)
30/06/04	Balance		116,066		115,845
30/06/05	Balance		116,066		115,845

- (i) In 2004, the Company operated a Share Acquisition Plan, which permits Directors to allot shares to a maximum value per year of \$5,000 per holder of shares. On 15 April 2004, shares were issued under this Plan at a price of \$1.15 each, being 9 per cent less than the ex interim dividend closing price on the Australian Stock Exchange on 11 February 2004. No such plan was in operation during 2005.
- (ii) The Company issued shares under the terms of a Rights Issue prospectus dated 8 August 2003 on the basis of one share for every four held at 20 August 2003, with an issue price of \$1.00.

15. Shareholders' Equity – Reserves

	2005 \$'000	2004 \$'000
(a) Balances		
Asset Revaluation Reserve	69,339	36,400
Asset Realisation Reserve	11,271	2,872
	80,610	39,272

Notes

to the Financial Statements continued

(b) Nature and Purpose of Reserves

(i) Asset Revaluation Reserve

This reserve is used to record increments and decrements on the revaluation of the investment portfolio and options written portfolio as described in accounting policy note 1(b)(ii) and 1(b)(iii).

(ii) Asset Realisation Reserve

This reserve records transfers from the Asset Revaluation Reserve from gains or losses arising from disposal of securities in the investment portfolio as described in accounting policy note 1(b)(ii). It is adjusted for applicable tax, if any, on such disposals as described in note 1(c). As the balance relates to net realised gains it may be distributed as cash dividends at the discretion of Directors.

	2005 \$'000	2004 \$'000
(c) Movements		
<i>(i) Asset Revaluation Reserve</i>		
- Opening balance	36,400	13,191
- Revaluation of the investment and options written portfolios	44,561	26,726
- Transfer to Asset Realisation Reserve	(11,622)	(3,517)
Closing balance	69,339	36,400
<i>(ii) Asset Realisation Reserve</i>		
- Opening balance	2,872	1,372
- Transfer to retained profits	(1,219)	(1,007)
- Transfer from Asset Revaluation Reserve	11,622	3,517
- Tax on disposals from investment portfolio	(2,004)	(1,010)
Closing balance	11,271	2,872

16. Shareholders' Equity – Retained Profits

Opening balance	2,436	1,621
Net profit of the Company	6,560	4,189
Transfer from Asset Realisation Reserve	1,219	1,007
Dividends provided for or paid	(6,384)	(4,381)
Closing balance	3,831	2,436

17. Dividends

(a) Dividends Paid During the Year

	2005 \$'000	2004 \$'000
Final dividend for the year ended 30 June 2004 of 3 cents fully franked at 30% paid on 18 August 2004 (2003: 3 cents fully franked at 30% paid on 25 August 2003).	3,482	2,629
Interim dividend for the year ended 30 June 2005 of 2.5 cents per share fully franked at 30%, paid 23 March 2005 (2004: 2 cents fully franked at 30% paid 15 March 2004)	2,902	1,752
	6,384	4,381

(b) Franking Credits

Balance on the franking account after allowing for tax payable in respect of the current year's profits, the receipt of dividends recognised as receivables and the payment of dividends recognised as a liability at balance date.

	3,528 Credit	2,081 Credit
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These franking account balances would allow the Company to frank additional dividend payments up to an amount of:

	8,232	4,856
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The Company's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and the Company paying tax.

(c) Dividends Declared After Balance Date

Since the end of the year Directors have declared a final dividend of 3.5 cents per share fully franked at 30 per cent. The aggregate amount of the final dividend for the year to 30 June 2005 to be paid on 24 August 2005, but not recognised as a liability at the end of the financial year

	4,062	
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Notes

to the Financial Statements *continued*

18. Earnings Per Share

	2005 Cents	2004 Cents
Basic earnings per share	5.65	3.96
	Number	Number
Weighted average number of ordinary shares used as the denominator	116,065,999	105,685,087
	\$'000	\$'000
Earnings used in calculating basic earnings per share	6,560	4,189

19. Directors

Persons who were Directors of Mirrabooka Investments Limited for part or all of the financial year ended 30 June 2005 were:

TA Campbell
 RE Barker
 D Evans
 RJ Fynmore
 GA Tomlinson

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of Mirrabooka requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. The amount of remuneration for each Director excludes amounts owing when the Directors' retirement allowances were frozen at 30 June 2004. The total amount of remuneration approved by shareholders at the last Annual General Meeting was \$300,000.

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Mirrabooka does not pay any performance based remuneration. Mr Barker is made available as Managing Director of Mirrabooka by AFIC. The fees to which he is entitled as a Director of the Company are paid directly to AFIC pursuant to his remuneration arrangements with them. Also as part of these remuneration arrangements with AFIC, Mr Barker receives an 'at risk' component determined by AFIC which is based on performance. The performance criteria includes quantitative and qualitative assessments which include, amongst other things, the services that he has provided to Mirrabooka and for which AFIC is paid.

As proposed at the AGM last year, the Directors and the Company have agreed to freeze Directors retirement benefits at the 30 June 2004 level. This frozen amount will be paid to the respective Directors when they ultimately retire, without further adjustment. As the liability for benefits has now been crystallised, it has been reclassified from a provision to a payable. The Company continues to pay Superannuation Guarantee Contributions (SGC) on Directors' fees.

Notes

to the Financial Statements *continued*

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2005 were as follows:

	Primary	Post Employment		Total Remuneration \$
	Fee \$	Superannuation \$	Retirement Allowance \$	
TA Campbell – Chairman (Non-Executive)				
2005	80,000	7,200	-	87,200
2004	58,000	5,220	26,100	89,320
RE Barker – Managing Director (Executive)*				
2005	40,000	3,600	-	43,600
2004	29,000	2,610	13,050	44,660
D Evans – Director (Non-Executive)				
2005	40,000	3,600	-	43,600
2004	21,095	1,898	9,189	32,182
RJ Fynmore – Director (Non-Executive)#				
2005	43,600	-	-	43,600
2004	29,652	1,958	13,050	44,660
GJ Paynter – Director (Non-Executive – retired 10 October 2003)				
2005	-	-	-	-
2004	8,044	724	9,904	18,672
GA Tomlinson – Director (Non-Executive)				
2005	40,000	3,600	-	43,600
2004	29,000	2,610	13,050	44,660
Total Remuneration: Directors				
2005	243,600	18,000	-	261,600
2004	174,791	15,020	84,343	274,154

* Directors fees for RE Barker are paid to AFIC as part of his employment arrangements.

Upon reaching age 70, Directors no longer receive Superannuation Guarantee Contributions (SGC) and this amount is paid as other fees in lieu of SGC.

(c) Directors' Retirement Allowances

The retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement, where a Director had held office for five or more years and a proportionate part for less than five years service. As noted above, the Company has discontinued Directors retirement allowances.

The movement in the provision is as follows:

	2005 \$	2004 \$
Carrying amount at the start of the year	444,189	443,700
Additional provisions recognised	-	84,343
Payments – on retirement of GJ Paynter	-	(83,854)
Transfer to amounts payable	(444,189)	-
Carrying amount at the end of the year	-	444,189

(d) Shareholdings

At balance date, shares issued by the Company and held directly, indirectly or beneficially by Directors of the Company, or by entities to which they were related were:

	Opening Balance	Net Changes	Closing Balance
TA Campbell	6,990,156	(5,204,565)	1,785,591
RE Barker	302,431	5,660	308,091
D Evans	25,000	-	25,000
RJ Fynmore	250,000	50,000	300,000
GA Tomlinson	62,500	-	62,500

Directors and Director-related entities received normal dividends on these shares.

The Balance at 1st July 2004 for TA Campbell included 6,704,565 shares held on behalf of Goldman Sachs JB Were, an entity to which TA Campbell is related, by Invia Custodians Pty Ltd. All were sold during the year. The net changes recorded for Mr Campbell therefore reflect these 6,704,565 shares disposed plus 1,500,000 shares purchased by Mr Campbell or a related party.

Notes

to the Financial Statements continued

20. Executives

Executives are officers who are involved in, concerned with, or who take part in, the management of the affairs of the Company.

The Company has four executives: RE Barker, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and SE Crook, Company Secretary and General Counsel (2004: three executives).

Other than the Managing Director whose Directors fees are paid directly to AFIC no remuneration is paid to the executives as their services are provided pursuant to the arrangement with AFIC described in Note 3.

Other than the Managing Director, no executive has shareholdings in Mirrabooka (2004: Nil).

21. Related Parties

All transactions with related parties were made on normal commercial terms and conditions and approved by independent Directors. Directors TA Campbell and D Evans are or were interested in the following transactions as Directors, employees and shareholders of Goldman Sachs JBWere Pty Ltd, Goldman Sachs JBWere Services Pty Ltd and/or Goldman Sachs JBWere Capital Markets Limited.

	2005 \$'000	2004 \$'000
(a) The Company invests surplus funds deposits at call with Goldman Sachs JBWere Capital Markets Limited and bills of exchange		
- interest revenue received or receivable for deposits at call	148	95
- expense paid or payable for management of the cash and bill portfolio	21	11
- deposits at call (at balance date)	2,510	4,065
(b) The Company obtains investment advice and buys and sells some of its securities through Goldman Sachs JBWere Pty Ltd		
- Brokerage expenses paid or payable	49	20
- Portfolio advice services paid or payable	961	755

22. Remuneration of Auditors

	2005 \$	2004 \$
During the year the auditor earned the following remuneration:		
PricewaterhouseCoopers		
Audit or review of financial reports	58,443	43,055
Non-Audit Services		
Taxation compliance services	7,150	6,380
Other assurance services #	-	11,000
Other taxation services	-	1,650
Total Non-Audit Services	7,150	19,030
Total remuneration	65,593	62,085

The other assurance services related to assurance over accounting disclosure in respect to the rights issue prospectus. These costs were included in the cost of share issues as detailed in note 14(b).

The Company's Audit Committee oversees the relationship with the Company's External Auditors. The Audit Committee reviews the scope of the audit and the proposed fee. The taxation compliance were considered audit-related, and the Audit Committee after reviewing the proposed scope and cost of such work did not believe that it compromised audit independence. Other non-audit services would not normally be provided by the external audit firm. However, if for special reasons such services were to be proposed, the Audit Committee would review the proposal to also ensure they did not affect the independence of the external audit function. The Company also conforms to legal requirements regarding audit partner rotation every five years.

Notes

to the Financial Statements *continued*

23. Reconciliation of Net Cash Flows from Operating Activities to Net Profit

	2005 \$'000	2004 \$'000
Net Profit	6,560	4,189
- Capital gains tax provision included in Asset Realisation Reserve	(2,004)	(1,010)
- Dividends received as securities under DRP investments	(178)	(270)
- decrease (increase) in current receivables	992	(1,664)
- less the increase (decrease) in receivables for investment portfolio	(1,429)	1,429
- decrease (increase) in the trading portfolio	(140)	(1,045)
- decrease (increase) in future income tax benefit	66	15
- increase (decrease) in options written	48	(36)
- decrease (increase) in market value options written	(5)	-
- increase (decrease) in current accounts payables	2,731	(61)
- less the decrease (increase) in payables for investment portfolio	(2,475)	108
- increase (decrease) in provision for income tax	1,220	1,150
Net cash flows from operating activities	5,386	2,805

24. Contingencies

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

25. Impact of Adopting International Financial Reporting Standards (IFRS)

The Australian Accounting Standards Board (AASB) has mandated the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), for application to reporting periods beginning on or after 1 January 2005. The adoption of AIFRS will be first reflected in the Company's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. The Company has elected not to defer the application of Accounting Standards AASB 132 (Financial Instruments: Disclosure and Presentation) and AASB 139 (Financial Instruments: Recognition and Measurement) as permitted by Accounting Standard AASB 1 (First Time Adoption of AIFRS).

The Company has analysed and quantified below what the effects of the change in accounting standards would be to the Profit and Loss Statement and to the Balance Sheet that are reported at 30 June 2005 under Australian Generally Accepted Accounting Principles ("AGAAP"). Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004. Whilst there may be changes to these figures as a result of future pronouncements or clarifications from the AASB, the below quantifications are held to be materially correct at the time of publication:

(a) Trading Portfolio to be Measured at Market Value

Under AIFRS the trading portfolio will be revalued to fair market value continuously with all increments and decrements being included in Net Profit, whereas currently the trading portfolio is currently valued at the lower of carrying value and market value in aggregate. Depending on the size of the Trading Portfolio this change may result in increased volatility in reported results.

At balance date the amount by which the market value of the trading portfolio exceeded its carrying value was \$0, and the reversal of previous unrealised gains would have resulted in a loss for the year of \$106,000.

Notes

to the Financial Statements *continued*

(b) Income Tax Impact of Measuring Trading Portfolio at Market Value

Under AIFRS, the Company will be required to recognise an additional tax asset or liability reflecting the deferred tax effect of measuring the trading portfolio at market value as described in (a) above. The additional deferred tax liability or asset on the trading portfolio will be reflected in income tax expense.

At balance date this would require recognition of an additional deferred tax liability of \$0. The reversal of previous years unrealised gains through the Profit and Loss Statement would have resulted in an income tax credit of \$31,800.

(c) Realised Gains of Investment Portfolio Included in Net Profit

Under AIFRS, the net realised gains of the investment portfolio (net of tax) will be included in Net Profit rather than treated as a direct equity adjustment. Net unrealised gains on securities in the investment portfolio will continue to be recognised through the Asset Revaluation Reserve. Consequently, the Asset Realisation Reserve will cease to exist.

The net realised gains (after tax) of \$9.6 million are already disclosed in the Profit and Loss Statement, but will now appear as part of Net Profit.

(d) Recognition of Deferred Capital Gains Tax on Investment Portfolio

Under AIFRS, the Company must recognise an additional deferred tax liability amount for the capital gains tax payable on unrealised gains in the investment portfolio (apart from hybrid and convertible securities) as disclosed in Note 8. This additional deferred tax liability is offset against the unrealised gains on the investment portfolio recognised in the Asset Revaluation Reserve of the Company.

At balance date this would require recognition of an additional deferred tax liability of \$21.6 million with a corresponding reduction in the Asset Revaluation Reserve. During the year the charge to the Asset Revaluation Reserve would have been \$11.0 million.

(e) Hybrids and Convertible Securities

Under AIFRS, the Company must either:

- remove the embedded derivative component of a hybrid security, account for this at fair value through the Profit and Loss Statement and fair value the remaining 'bond' part of the security through the Revaluation Reserve, or
- account for the entire asset at market value through the Profit and Loss Statement.

The Company has elected to do the latter. This would result in a reclassification of \$5.4 million from the Revaluation Reserve to Retained Earnings.

During the year, this would have had the effect of reclassifying unrealised gains of \$1.9 million from direct equity adjustments to Net Profit.

(f) Recognition of Deferred Capital Gains Tax on Unrealised Gains on Hybrids and Convertible Securities

Under AIFRS, the Company must account for deferred capital gains tax on the unrealised gain on hybrids and convertible securities that form part of the investment portfolio, as they are being measured at fair value through Profit and Loss Statement. At balance date this would require recognition of an additional tax deferred liability of \$1.6 million with a corresponding charge to Retained Earnings. The effect on the Profit and Loss Statement for the year would have been an income tax expense of \$0.6 million.

Notes

to the Financial Statements *continued*

(g) Unrealised Gains or Losses on Options Written Portfolio included in Net Profit

Under AIFRS, the unrealised gains and losses of the options written portfolio will be included in Net Profit. At present they are recognised against the unrealised gains and losses of the investment portfolio in the Asset Revaluation Reserve.

At balance date there was \$5,000 unrealised loss on the options written portfolio that would be reclassified from the Revaluation Reserve to the Profit and Loss Statement. There were no options in the Options Written portfolio in the previous financial year.

(h) Income Tax Impact of Options Written Portfolio Accounting

Under AIFRS, the Company must recognise the deferred tax amount of the unrealised gains and losses of the options written portfolio, with the amount recognised being included in tax expense.

At balance date this would result in a decreased deferred tax liability and recognition of a corresponding tax credit of \$2,000 in Net Profit.

Summary of Impact of Adopting AIFRS

Profit and Loss Statement for the Year Ended 30 June 2005

	As per Profit and Loss \$'000	Adjustment \$'000	As per AIFRS \$'000
Revenue from investment portfolio	7,214	-	7,214
Income from trading portfolio	699	(106) (a)	593
Revenue from deposits and bank bills	792	-	792
Other income	27	-	27
Total income from ordinary activities	8,732	(106)	8,626
Administration and borrowing expenses	(1,677)	-	(1,677)
Operating profit	7,055	(106)	6,949
Income tax expense	(495)	32 (b)	(463)
Net operating profit	6,560	(74)	6,486
Realised gains on ordinary securities in investment portfolio	-	12,468 (c)	12,468
Realised gains on other securities in investment portfolio	-	(846) (c)	(846)
Unrealised gains on other securities in investment portfolio	-	1,943 (e)	1,943
Unrealised losses on options written portfolio	-	(5) (g)	(5)
Tax on unrealised losses on options written portfolio	-	2 (h)	2
Tax on gains in investment portfolio	-	(2,588) (c) & (f)	(2,588)
Net Profit	6,560	10,900	17,460
Direct adjustments against equity			
Realised gains/(losses) on investment portfolio (net of tax)	9,618	(9,618)	-
Unrealised gains/(losses) on investment portfolio	32,939	(12,938) (d) & (e)	20,001 [#]
Total valuation adjustments recognised directly in equity	42,557	(22,556)	20,001
Net profit plus direct equity adjustments	49,117	(11,656)	37,461

Net of deferred capital gains tax on investment portfolio.

Notes

to the Financial Statements *continued*

Balance Sheet

	As per Balance Sheet		Adjustment		As per AIFRS	
	30/06/05 \$'000	30/06/04 \$'000	30/06/05 \$'000	30/06/04 \$'000	30/06/05 \$'000	30/06/04 \$'000
Trading portfolio (a)	1,185	1,045	-	106	1,185	1,151
Future income tax benefit	146	133	-	-	146	133
Investment portfolio (c) & (e)	181,630	144,344	-	-	181,630	144,344
Other assets	23,250	13,877	-	-	23,250	13,877
Total assets	206,211	159,399	-	106	206,211	159,505
Deferred tax liability (b),(d), (f) & (h)	-	-	(23,166)	(11,616)	23,166	11,616
Other liabilities	5,925	1,846	-	-	5,925	1,846
Total liabilities	5,925	1,846	(23,166)	(11,616)	29,091	13,462
Net assets	200,286	157,553	(23,166)	(11,510)	177,120	146,043
Shareholders' equity						
Share capital	115,845	115,845	-	-	115,845	115,845
Reserves	80,610	39,272	(38,229)	(16,893)	42,381	22,379
Retained earnings	3,831	2,436	15,063	5,383	18,894	7,819
Total shareholders' equity	200,286	157,553	(23,166)	(11,510)	177,120	146,043

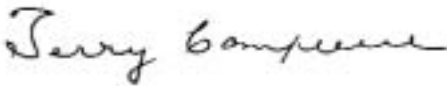
Directors’ Declaration

In the Directors’ opinion:

- (1) the financial statements and notes set out on pages 36 to 64 are in accordance with the Corporations Act 2001 including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the Company’s financial position as at 30 June 2005 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2005. The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer and to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



Terry Campbell
Chairman

Melbourne
28 July 2005

Independent Audit Report



PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77 Melbourne
Australia
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Independent audit report to the members of Mirrabooka Investments Limited

Audit opinion

In our opinion, the financial report of Mirrabooka Investments Limited:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Mirrabooka Investments Limited as at 30 June 2005, and of its performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Scope

The financial report and directors' responsibility

The financial report comprises the balance sheet, profit and loss statement, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Mirrabooka Investments Limited ("the Company"), for the year ended 30 June 2005.

The directors of the Company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the Company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.



We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PricewaterhouseCoopers
Chartered Accountants

Simon Gray
Partner

Melbourne
28 July 2005

OTHER INFORMATION

Information About Shareholders

At 21 July 2005 there were 4,074 shareholders. These holders were distributed in the following categories:

Size of Holding	Number of Shareholders
1 to 1,000	106
1,001 to 5,000	491
5,001 to 10,000	744
10,001 to 100,000	2,627
100,001 and over	106
	<hr/> 4,074
Percentage held by the 20 largest holdings	24.40%

There were four holdings of less than an economic parcel of \$500 (302 shares).

Major Shareholders

The 20 largest holders of the Company's ordinary shares as at 21 July 2005 are noted below:

Shareholder	Shares Held	%
1 Australian Foundation Investment Company Limited	6,555,000	5.65
2 Djerriwarrh Investments Limited	6,211,339	5.35
3 M F Custodians Ltd	5,964,343	5.14
4 Terrence Campbell	1,785,591	1.54
5 Invia Custodian Pty Limited	1,201,110	1.03
6 Rosebery Investments Pty Ltd	941,125	0.81
7 Somoke Pty Limited	893,389	0.77
8 Tower Trust Limited	781,185	0.67
9 SDS Holdings Pty Ltd	500,000	0.43
10 RBC Global Services Australia Nominees Pty Limited	495,304	0.43
11 Ian Tweedie, Ian Fraser and John Hannaford	375,000	0.32
12 Yelgarn Pty Ltd	323,090	0.28
13 Ross Barker	308,091	0.27
14 Abtourk (Vic No 11) Pty Ltd	305,000	0.26

Shareholder	Shares Held	%
15 Baker Custodian Corporation	304,340	0.26
16 Russell Fynmore	300,000	0.26
17 Russell Kay Hancock	290,290	0.25
18 A & M Dixon Investments Pty Ltd	280,588	0.24
19 Annie Oceana Pty Ltd	250,000	0.22
20 Chalcott Nominees Pty Ltd	250,000	0.22

Substantial Shareholders

The Company has been notified of substantial shareholdings as follows:

Holder	Number of Shares	Date Notified
Australian Foundation Investment Company Limited	5,200,000	28/6/2001
Djerriwarrh Investments Limited	5,000,000	28/6/2001
MF Custodians Ltd	5,000,000	2/7/2001

Holdings of Securities

As at 30 June 2005

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 and posted on Mirrabooka's website www.mirra.com.au), 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 of Shares '000	Market Value \$'000
HSP	Healthscope	Hospital owner and operator	3,500	16,450
TCL*	Transurban Group	Involved in development and operation of electronic toll roads	1,707	12,668
NUF	Nufarm	Agricultural, industrial and pharmaceutical chemicals	850	9,053
MAP	Macquarie Airports	International airport fund with interests in Sydney, Rome, Bristol & Birmingham airports	2,070	7,411
CEY	Centennial Coal Company	Producer of domestic and export thermal and coking coal	1,300	6,318
APNG	APN News & Media 7.25% unsecured convertible notes	Publishing	1,200	6,300
BAX	Baxter Group	Waste management	1,100	5,665
ORG	Origin Energy	Oil and gas producer and supplier	642	4,883
BOL	BOOM Logistics	Provides national based crane lifting solutions	2,152	4,842
PRK	Patrick Corporation	Stevedoring and logistics	810	4,528
ALN	Alinta	West Australian gas retailer and distributor	440	4,290
GNS	Gunns	Forestry products	1,000	4,290
ILU	Iluka Resources	Mining of titanium and other minerals	550	4,141
CPU	Computershare	Share registry services	700	4,102
PRG	Programmed Maintenance Services	Maintenance, painting and other services	1,200	3,840

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

Code	Company	Principal Activities	Number of Shares '000	Market Value \$'000
DVC	DCA Group	Health care provider	1,000	3,790
SHV	Select Harvests	Almond producer and exporter	315	3,052
FOA	Foodland Associated	Retailer and wholesaler	100	2,715
DUE	Diversified Utility & Energy Trusts	Investment fund principally investing in Australian and New Zealand utility and energy assets	1,100	2,706
JHX	James Hardie Industries N.V.	Construction materials	350	2,657
PPC	Peet & Company	Involved in the acquisition, management, development, marketing and sales of broadacre residential land estates	1,750	2,625
AIX	Australian Infrastructure Fund	Diversified transport infrastructure fund	1,000	2,590
CKL	Colorpak	Design and production of folding paperboard packaging products	4,000	2,560
NFD	National Foods	Operates in the milk, dairy foods and specialty cheese markets and has leading brands and market shares in all sectors	375	2,400
SSX	Smorgon Steel Group	Manufacturer of scrap metal and steel products	1,900	2,346
ROC	Roc Oil Company	Oil and gas exploration and production	1,200	2,316
OSH	Oil Search	Exploration, development and production of oil and gas in PNG and Australia	750	2,303
SYM	Symex Holdings	Manufacturer of Oleo products which are used by producers of personal care, plastics, toiletries, rubber, food, pulp and paper surface coating and lubricants.	1,500	2,295
CAB	Cabcharge Australia	Taxi charge service	500	2,250
FUN	Funtastic	Distributor and marketer of children's products	1,150	2,208

Holdings of Securities

As at 30 June 2005 *continued*

Code	Company	Principal Activities	Number of Shares '000	Market Value \$'000
IRE	Iress Market Technology	Designs, develops, markets and supports share market information systems	500	2,150
OKN	Oakton	IT services company providing planning, delivering and running of IT solutions for customers	1,187	2,124
TOL	Toll Holdings	A major transport and logistics group in Australia and New Zealand	150	1,959
MMS	McMillan Shakespeare	Provides salary packaging administration and fleet management services	1,217	1,911
VSL	Vision Systems	Fire detection and security technology	1,700	1,904
SHL	Sonic Healthcare	Specialist diagnostics company providing radiology and pathology services in Australia and overseas	150	1,885
IPL	Incitec Pivot	Fertiliser manufacturer and supplier	116	1,862
ASZ	ASG Group	Provides computer infrastructure, application development, systems integration and specialist technical services	3,875	1,821
PXS	Pharmaxis	Research, development and commercialisation of human therapeutic products that address chronic respiratory and autoimmune diseases	1,057	1,817
SBC	Southern Cross Broadcasting (Australia)	Television and radio broadcasting	150	1,815
TGR	Tassal Group	Producer and exporter of Atlantic Salmon in Tasmania	2,000	1,780
GRO	GroPep	Growth factor research	1,250	1,700
AUS	AuSelect	Resource investment company	2,075	1,691

Code	Company	Principal Activities	Number of Shares '000	Market Value \$'000
EXL	Excel Coal	Coal company primarily focused in New South Wales	225	1,685
SAI	SAI Global	Provides a range of standards related and business improvement products and services	550	1,557
GNCPA	GrainCorp 6.5% redeemable converting preference shares	Provider of handling, storage, marketing and logistics to the Australian grain growing industry	14	1,460
AEU	Australian Education	Property trust specialising in childcare centres throughout Australia	1,000	1,450
PEM	Perilya	Diversified minerals exploration company	2,074	1,410
FWD	Fleetwood Corporation	Provider of mobile accommodation	200	1,242
HDF	Hastings Diversified Utilities Fund	Investment vehicle managed by Westpac subsidiary Hastings Funds Management investing in utility infrastructure assets	454	1,204
WLL	Wellcom	Production based solutions company providing specialist services to advertising, retailers and corporate organisations	1,200	1,200
DMP	Domino's Pizza Australia New Zealand	Food retailer operating pizza chain comprising both franchisee owned & company owned corporate stores	500	1,185
VSLG	Vision Systems 9% unsecured convertible notes	Fire detection and security technology	650	1,067
TSH	TSV Holdings	Importer, wholesaler, distributor, designer and systems integrator of advanced electronic communications systems	2,450	882

Holdings of Securities

As at 30 June 2005 *continued*

Code	Company	Principal Activities	Number of Shares '000	Market Value \$'000
CGO	CPT Global	IT Training and consulting	1,250	819
GDY	Geodynamics	Developing geothermal energy generation solutions	443	727
BKN	Bradken	Manufacturer and supplier of consumable parts, capital equipment and associated refurbishment and maintenance services	250	722
RSP	Resource Pacific	Mining company	700	700
AAQ	Australis Aquaculture	Production and marketing of barramundi in the US	1,000	650
TIS	Tissue Therapies	Provides tissue culture and repair technology through a novel growth factor platform technology	570	342
LGD	Legend Corporation	Electronics engineering and manufacturing company that designs, manufactures and distributes memory modules and related computer components	500	300
CST	Cellestis	Focused on the commercialisation of technology in medical diagnostics, initially in the detection of tuberculosis	100	296
DVCO	DCA Group options expiring 30/09/05	Health care provider	195	273
UGL	United Group	Provides maintenance, facilities management, manufacturing, fabrication, engineering, construction and business process outsourcing services	26	251
HSN	Hansen Technologies	Develops integrates & supports billing systems software for the utilities and telecommunications industries.	815	220
CYT	Cytopia	Focused on discovery and development of new drugs to treat cancer, immune disorders and cardiovascular diseases	500	220

Code	Company	Principal Activities	Number of Shares '000	Market Value \$'000
PEP	Peplin	Developing therapeutic products for the treatment of skin cancer and other diseases with limited treatment options	653	196
MSB	Mesoblast	Committed to the rapid global commercialisation of a unique adult stem cell technology for orthopaedic applications	400	172
SLT	Select Vaccines	Focused on development and commercialisation of diagnostics, vaccines and therapeutic products for infectious diseases	600	162
IIN	iiNet	Internet service provider in Australia and New Zealand	50	143
SHC	Sunshine Heart Inc.	Focused on commercialisation of an implantable non-blood contacting cardiac assist device to treat patients with moderate to severe long term heart failure	400	120
#	United Customer Management Solutions	Outsourcer for telecommunication, utility and financial services sector	3,894	99
Total				182,767

Unlisted.

Major Changes to the Investment Portfolio

(a) Acquisitions (Above \$1 Million)	Cost \$'000
Transurban Group (securities allotted post takeover by Hills Motorway Group)	8,924
Healthscope	5,095
Diversified Utility and Energy Trusts	2,578
National Foods	2,560
Peet & Company	2,202
Symex Holdings	2,078
Iress Market Technology	1,881
Toll Holdings	1,706
Oakton	1,640
Evans & Tate 7.75% Reset Convertible Preference	1,600
BOOM Logistics	1,573
Australian Education Trust	1,458
Hastings Diversified Utilities Fund	1,408
Oil Search	1,331
Wellcom	1,200
Domino's Pizza Australia New Zealand	1,100
Macquarie Airports	1,025

(b) Disposals (Above \$1 Million)	Proceeds \$'000
Hills Motorway Group (takeover by Transurban Group)	9,137
Macquarie Infrastructure Group	3,789
Pacifica Group	2,868
Foodland Associated	2,648
Spotless Group	2,552
AVJennings Homes	2,484
Nufarm	2,181
GWA International	1,994
Integrated Group	1,989
Excel Coal	1,545
Patrick Corporation	1,521
PaperlinX	1,463
GasNet Australia Group	1,445
Iluka Resources	1,284
Computershare	1,255
Healthscope	1,240
Corporate Express Australia	1,210
National Foods	1,105
Hills Industries	1,087
Transurban Group	1,072
Ion	1,020

Sub-Underwriting

During the year the Company participated as a sub-underwriter of issues of securities. The principal underwriter and securities involved were:

Company	Underwritten By	Description	Quantity Underwritten
Peplin	Wilson HTM Corporate Finance	One for three renounceable rights issue at \$0.42 per share	653,737
Resource Pacific	Cartesian Capital	Initial public offering at \$1.00 per share	500,000

Transactions in Securities

During the year ended 30 June 2005, the Company recorded 455 transactions in securities. \$236,607 in brokerage (including GST) was paid or accrued for the year.

Broker Dealings

Mirrabooka has dealt with the following brokers/investment banks during the year:

Austock Brokers
ABN AMRO Morgans
ANZ Investment Bank
Bell Potter Securities
Burdett Buckenridge Young
Cartesian Capital
CCZ Statton Equities
Citigroup Global Markets Australia
Credit Suisse First Boston Australia
Deutsche Securities Australia
E.L. & C. Baillieu Stockbroking
Euroz Securities
Goldman Sachs JBWere
Hartleys
HSBC Stockbroking (Australia)
Intersuisse
JP Morgan Securities Australia
Linwar Securities
Lodge Partners
Macquarie Securities (Australia)
Macquarie Financial Services
Morrison Securities
Patersons Securities
Shaw Stockbroking
State One Stockbroking
Taylor Collison
Tolhurst Noall
Tricom Equities
UBS Securities Australia
Wilson HTM

Transactions included on-market purchases/sales, participation in floats, share placements and sub-underwriting.

Key Statistics

	2005	2004	2003	2002	2001
Profit After Tax (\$ Million)	6.56	4.19	2.95	2.70	3.02
Investments at Market Value (\$ Million)	182.77	145.50	95.73	95.40	103.94
Earnings Per Share (Cents)	5.65	3.96	3.44	3.18	3.55
Dividends Per share (Cents)	6	5	5	5	5
Net Asset Backing (Cents) ^(a)	172.40	135.68	117.21	115.80	118.49
Number of Shareholders (30 June)	4,059	3,719	3,169	3,020	2,808

(a) Net asset per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

Company Particulars

Mirraboooka Investments Limited
ABN 31 085 290 928

Directors

Terrence A Campbell, Chairman
Ross E Barker, Managing Director
David Evans
Russell J Fynmore, AO
Geoffrey A Tomlinson

Secretary

Sue E Crook

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

Level 20, 101 Collins Street
Melbourne, Victoria 3000

Contact Details

Mail GPO Box 2114S
Melbourne, Victoria 3001
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 Stock Exchange):

Telephone (toll free) 1800 780 784

Share Registrar

Name ASX Perpetual Registrars
Limited
Mail GPO Box 1736
Melbourne, Victoria 3001
Level 4, 333 Collins Street
Melbourne, Victoria 3000
Shareholder
enquiry line 1300 554 474
+ 613 9615 9947 (from overseas)
Facsimile (03) 9615 9900
Email registrars@asxperpetual.com.au
Website www.asxperpetual.com.au

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

Stock Exchange

Code MIR

Annual General Meeting

Time 10:00am
Date Thursday 20 October 2005
Venue The Westin Melbourne
Location 205 Collins Street
Melbourne, Victoria

