



ABN 31 085 290 928

Level 21, 101 Collins Street
Melbourne Victoria 3000

Mail Box 146, 101 Collins Street
Melbourne Victoria 3000

Telephone (03) 9650 9911

Facsimile (03) 9650 9100

Email invest@mirra.com.au

Website www.mirra.com.au

29 August 2014

←
The Manager
ASX Market Announcements
Australian Securities Exchange
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

**Mirrabooka Investments Limited
Statutory Annual Report, Annual Shareholder Review,
Notice of Meeting and Proxy Form**

Dear Sir / Madam

Please find attached the 2014 Statutory Annual Report, Annual Shareholder Review, Notice of Meeting and Proxy Form being sent to shareholders.

Yours faithfully

A handwritten signature in black ink, appearing to read "Simon Pordage", with a long horizontal line extending from the end of the signature.

Simon Pordage
Company Secretary



ANNUAL REPORT 2014

Finding opportunities
in small and medium
sized companies



MIRRABOOKA
Investments Limited

The investment goals of Mirrabooka are:

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

CONTENTS

1 Directors' Report	26 Financial Statements	45 Directors' Declaration
1 Year in Summary	26 Income Statement	
1 5 Year Summary	27 Statement of Comprehensive Income	46 Independent Audit Report
2 About the Company	28 Balance Sheet	
3 Review of Operations and Activities	29 Statement of Changes in Equity	48 Other Information
9 Top 20 Investments	31 Cash Flow Statement	48 Information About Shareholders
10 Board and Management		49 Substantial Shareholders
12 Remuneration Report	32 Notes to the Financial Statements	50 Holdings of Securities
14 Non-Audit Services	32 A. Understanding Mirrabooka's Financial Performance	54 Major Changes to the Investment Portfolio
15 Auditor's Independence Declaration	36 B. Costs, Tax and Risk	55 Sub-underwriting
	39 C. Unrecognised Items	55 Transactions in Securities
16 Corporate Governance Statement	40 Additional Information	56 Share Issues
	40 D. Balance Sheet Reconciliations	57 Company Particulars
	41 E. Income Statement Reconciliations	
	43 F. Other Information	

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 2014 as follows.

YEAR IN SUMMARY

PROFIT FOR THE YEAR \$7.8m ▼ Down 23.8% from 2013* <small>* 2013 figure included \$1.9 million of after tax gains in market value of Hastings Diversified Utilities Fund.</small>	TOTAL PORTFOLIO RETURN +22.8% S&P/ASX Mid Cap 50 and Small Ordinaries Accumulation Indices +16.9%	TOTAL PORTFOLIO \$347.6m Including cash ▲ \$297.0 million in 2013
NET OPERATING RESULT \$7.8m ▼ Down 6.0% from 2013	TOTAL SHAREHOLDER RETURN +21.2% Share price plus dividend	
FULLY FRANKED DIVIDEND 6.5¢ Final 10¢ Special 20¢ Total ▲ 15 cents total 2013	MANAGEMENT EXPENSE RATIO 0.64% 0.70% in 2013	

5 YEAR SUMMARY

	2014	2013	2012	2011	2010
Profit after tax (\$ million)	7.8	10.3	12.8	10.9	10.0
Net operating result after tax (\$ million)	7.8	8.3	8.4	9.1	6.6
Investments at market value (\$ million) ^(a)	317.1	262.8	238.9	239.2	205.9
Net operating result per share (cents)	5.6	6.0	6.1	6.8	5.2
Dividends per share (cents) ^(b)	20	15	10	10	10
Net asset backing per share (cents) ^(c)	241.5	210.8	186.7	190.3	173.8
Management expense ratio	0.64	0.70	0.79	0.79	0.93
Number of shareholders (30 June)	5,821	5,427	5,173	5,122	5,099

Notes

(a) Excludes cash.

(b) All dividends were fully franked. 2014 includes a special dividend of 10 cents. 2013 includes a special dividend of 5 cents. For 2014 the dividend carried an LIC Capital Gain attributable part of 20.7 cents. For 2013 it was 12.9 cents, for 2012 5.7 cents, 2011 4.6 cents and for 2010 7.1 cents.

(c) Net asset backing per share is 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.

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 Securities Exchange (ASX) or are in the S&P/ASX Mid 50s or Small Ordinaries Index.

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.

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 for risk management purposes 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.

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.

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 2013–14, this was 0.64 per cent of the portfolio's average market value (last year, 0.70 per cent).

By investing in the Company, shareholders have immediate access to a diversified portfolio including 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 to review investment decisions.

Investing in the Company

As a listed investment company, Mirrabooka shares can be bought or sold through the Australian Securities Exchange (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 by the shareholder 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

REVIEW OF OPERATIONS AND ACTIVITIES

Profit and Dividend

Mirrabooka's reported profit was \$7.8 million for the 12 months to 30 June 2014 compared with \$10.3 million last year. Last year's figure included \$1.9 million after tax from the takeover of Hastings Diversified Utilities Fund.

The net operating result, which measures the underlying income generated by the portfolio, was \$7.8 million, down marginally from \$8.3 million last year. This was as a result of a slight reduction in dividend income due to changes in the portfolio.

The Company maintained the final dividend at 6.5 cents per share fully franked. It also declared a special dividend of 10 cents per share fully franked sourced from after tax realised gains of \$26.7 million made during the year (the corresponding figure last year was \$18.1 million). The amount of the pre tax attributable gain, known as an 'LIC capital gain', is 20.7 cents per share. This enables some shareholders to claim a tax deduction in their tax return. Further details are on the dividend statements.

Figure 1: Earnings per share and dividends per share

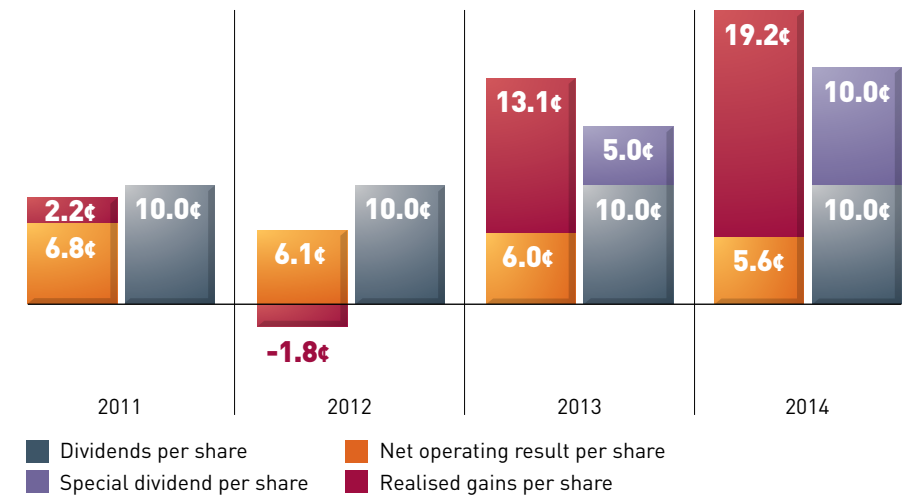
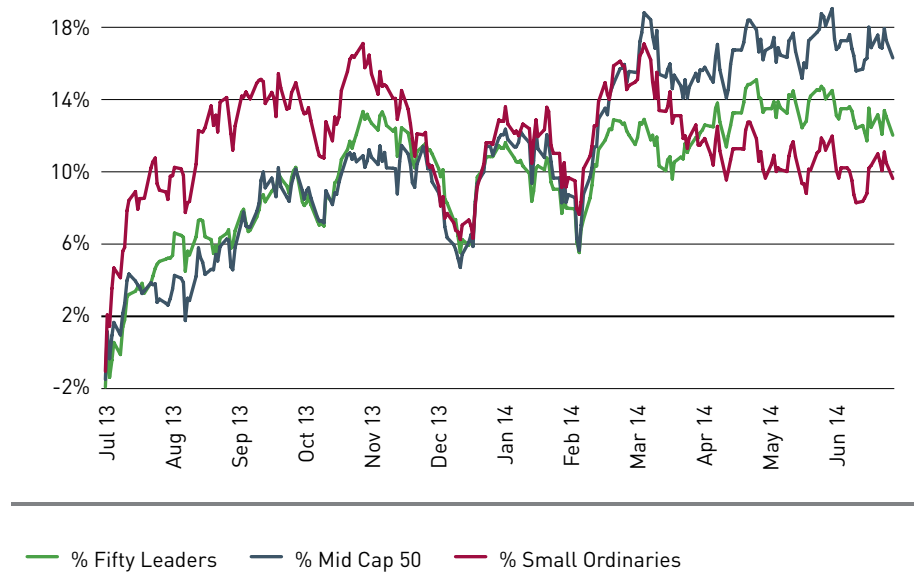


Figure 2: Sector performance by market capitalisation





REVIEW OF OPERATIONS AND ACTIVITIES continued

Portfolio

Mirrabooka's total portfolio return, including dividends paid, was 22.8 per cent. This compares with the combined small and midcap market index benchmark which was up 16.9 per cent. This was in a market where mid cap stocks significantly outperformed small cap stocks (and to a lesser extent large cap companies).

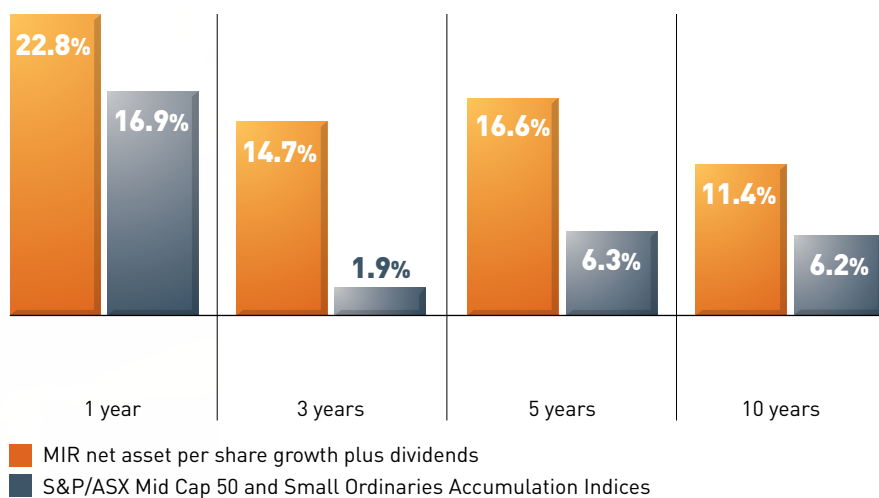
Given this trend, the selection of specific stocks as part of Mirrabooka's 'bottom up' investment process was again instrumental in delivery of outperformance over the year.

Mirrabooka also benefited from the performance of James Hardie and Oil Search, both of which performed strongly over the year and which are now large cap stocks.

As part of its investment approach, Mirrabooka does not automatically sell holdings if they become a top 50 company by market capitalisation. If we believe the company still has attractive investment merits we will continue to hold it. In some cases Mirrabooka will write call options over part of the holding as a way of generating some additional income, understanding if the options were to be exercised the holding would not be replaced given it is a top 50 company.

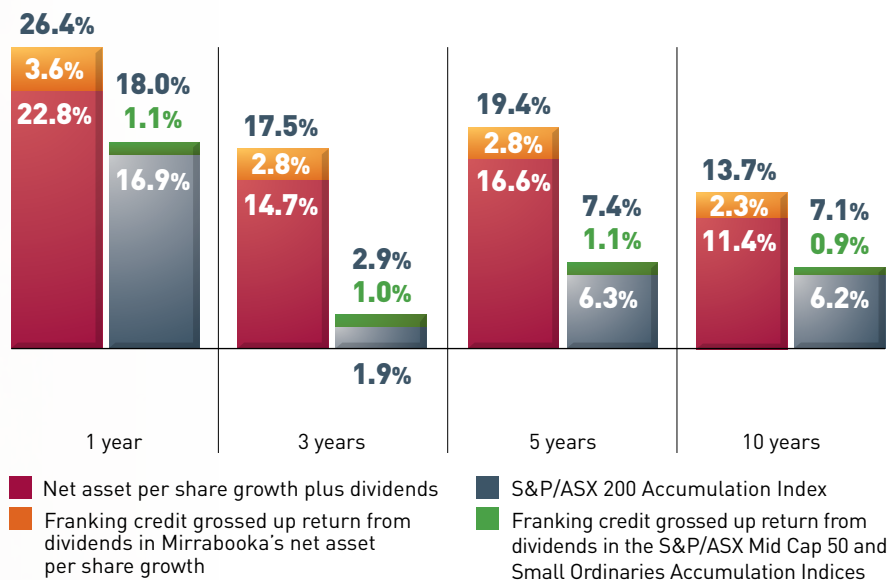
Overall, the most significant contributors to portfolio performance over the year were iProperty Group, James Hardie, Bega Cheese, Tassal Group, Equity Trustees and REA Group.

Figure 3: Portfolio return percentage per year to 30 June 2014



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

Figure 4: Portfolio performance including benefit of franking credits – per annum return to 30 June 2014



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

The five year return for the portfolio which is in line with the average holding period of stocks in the portfolio was 16.6 per cent per annum against the benchmark return of 6.3 per cent per annum.

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

Mirrabooka delivers fully franked dividends from operating earnings and after tax realised gains. These franking credits can add considerably to the return for shareholders. Assuming an investor can take full advantage of the franking credits, Mirrabooka's performance has added another 1.7 per cent to the outperformance of the portfolio when compared to the five year return when franking is also included (refer to Figure 4).

Realised gains through the year came from a number of adjustments to the portfolio, including the sale of the entire holding in REA Group and the partial sale of holdings in Austbrokers, Bega Cheese, Ramsay Healthcare and iProperty Group. The funds generated from these sales were deployed into new holdings, including Washington H Soul Pattinson, SAI Global, Lifestyle Communities, Challenger and Japara Healthcare. The largest additions to existing holdings were in Equity Trustees, Qube Holdings, Incitec Pivot and Treasury Wine Estates.

The details of new holdings added, other than those already outlined to shareholders in the Half-Year Review, are described below:

- **SAI Global** provides organisations globally with information services and solutions for managing risk, achieving compliance and driving business improvement. SAI's business is supported by the increasing need to meet regulations, standards and legislation in all their locations. The company is currently subject to a takeover bid by Pacific Equity Partners and has reportedly also been approached by a number of other interested parties.

- **Challenger** focuses on providing Australians with financial security in retirement and operates through two divisions: Life and Funds Management. The Life division includes annuity and life insurance business carried out by Challenger Life Company Limited which invests in assets providing long term income streams. The Funds Management division offers an end-to-end fund management business. This division also manages two listed funds and a number of unlisted fund mandates.
- **Japara Healthcare** is one of Australia's largest enterprises in the aged care and retirement industry. It owns and operates 35 aged care facilities and four retirement complexes throughout Victoria, South Australia, New South Wales and Tasmania.

In total, purchases in the investment portfolio were \$86.0 million for the year whereas sales amounted to \$96.5 million over the year.

At the end of June, Mirrabooka had \$30.6 million of cash (before the payment of the final and special dividends). We believe this provides the necessary flexibility to pursue opportunities that may arise into the new financial year in an environment which carries some heightened risk given uncertain economic conditions remain in Australia and globally.

Capital Changes

As a result of the reinvestment of dividends, 1,143,853 shares were issued in August 2013 at a price of \$2.26 per share and 360,474 shares were issued in February 2014 at a price of \$2.33.

The Company's contributed equity, net of share issue costs, rose \$3.5 million to \$157.5 million from \$154.0 million. At the close of the year the Company had 139.4 million shares on issue.

Dividends

A final fully franked dividend of 6.5 cents per share has been declared. This is in line with last year's final dividend. In addition, a fully franked special dividend of 10 cents per share has also been declared (last year 5 cents per share).

The dividends paid during the year ended 30 June 2014 were as follows:

	<u>\$'000</u>
Final dividend for the year ended 30 June 2013 of 6.5 cents per share fully franked at 30 per cent, and special dividend of 5 cents per share, fully franked at 30 per cent, paid on 9 August 2013	15,854
Interim dividend for the year ended 30 June 2014 of 3.5 cents per share fully franked at 30 per cent paid on 11 February 2014	4,865
	<u>20,719</u>



REVIEW OF OPERATIONS AND ACTIVITIES continued

Financial Condition

The Company's financing consists primarily of shareholders' funds.

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 providing medium to long term investment gains through holding core investments in selected small and medium size companies and providing attractive dividend returns to shareholders from these investments.

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 Report 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 98/100 relating to the 'rounding off' of amounts in the Directors' Report and financial statements. Unless specifically stated otherwise, amounts in the Directors' Report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

TOP 20 INVESTMENTS

As at 30 June 2014

Includes investments held in both the investment and trading portfolios.

Valued at closing prices at 30 June 2014

	Total Value \$'000	% of Portfolio
1 James Hardie Industries*	14,222	4.5
2 Oil Search*	13,116	4.1
3 Equity Trustees	13,008	4.1
4 ALS	11,961	3.8
5 Tassal Group	10,422	3.3
6 Ansell	9,719	3.1
7 Qube Holdings	9,576	3.0
8 Tox Free Solutions	8,788	2.8
9 Perpetual	7,581	2.4
10 Alumina	7,184	2.3
11 InvoCare	7,077	2.2
12 IRESS	6,880	2.2
13 Seek	6,578	2.1
14 BigAir Group	6,509	2.1
15 iProperty Group	6,120	1.9
16 Fletcher Building	6,078	1.9
17 Coca-Cola Amatil	5,573	1.8
18 Vocus Communications	5,474	1.7
19 Toll Holdings	5,355	1.7
20 Incitec Pivot	5,220	1.6
Total	166,439	

As a percentage of total portfolio value (excludes cash)

52.5%

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

BOARD AND MANAGEMENT

Directors

Terrence A Campbell AO BCom (Melb). Chairman and Independent Non-Executive Director. Chairman of the Investment Committee.

Mr Campbell has been a Director of the Company since December 1998. He is Chairman of Australian Foundation Investment Company Limited (AFIC), Senior Chairman of Goldman Sachs Australia & New Zealand (formerly Goldman Sachs JBWere) and Advisory Director of Goldman Sachs. Mr Campbell was formerly Chairman and Chief Executive of Goldman Sachs JBWere. He was also formerly a Director of Djerriwarrh Investments Limited and AMCIL Limited.

Ross E Barker BSc (Hons), MBA, F Fin. Managing Director. Member of the Investment Committee.

Mr Barker has been a Director of the Company since December 1998 and was appointed Managing Director in February 2001. He is also Managing Director of AFIC, Djerriwarrh Investments Limited and AMCIL Limited. He is also a Director of Melbourne Business School Ltd and a member of the Financial Reporting Council.

Ian A Campbell FAICD. Independent Non-Executive Director. Member of the Audit Committee and Investment Committee.

Mr Campbell was appointed a Director of the Company in November 2007. He was Managing Director of GUD Holdings Limited from 1998 to 2013 and prior to that was Managing Director of Pacific Dunlop Cables Group. He was formerly Deputy President of Australian Industry Group (Victoria).

David E Meiklejohn AM BCom, Dip Ed, FCPA, FAIM, FAICD. Independent Non-Executive Director. Chairman of the Audit Committee. Member of the Investment Committee.

Mr Meiklejohn was appointed a Director of the Company in March 2006. He is also a Director of Coca-Cola Amatil Limited. He is a former Chairman of PaperlinX Limited, SPC Ardmona Limited, a former Deputy Chairman of GasNet Australia Limited, a former President of the Melbourne Cricket Club and a former Director of Australia and New Zealand Banking Group Limited, WMC Resources Limited and OneSteel Limited. He was formerly Chief Financial Officer and a Director of Amcor Limited.

Graeme W Sinclair BCom, ACA, ACIS, FAICD. Independent Non-Executive Director. Member of the Audit Committee and Investment Committee.

Mr Sinclair was appointed a Director of the Company in August 2009. A chartered accountant by training, he is a Director of Peet Ltd, a Trustee of The William Buckland Foundation and a Director of Habitat for Humanity Australia (Victoria). He was formerly Managing Director and Group Chief Executive Officer of The Myer Family Company Pty Ltd group and Chairman of Australian Geographic Retail Pty Ltd.

Senior Executives

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

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver is a Director on the Board of Trust for Nature (Victoria).

R Mark Freeman BE, MBA, Grad Dip App Fin (Sec Inst), AMP (INSEAD). Chief Investment Officer.

Mr Freeman has been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes.

Simon M Pordage LLB (Hons), FGIA, FCIS, MAICD. Company Secretary.

Mr Pordage joined the Company in February 2009. He is a Chartered Secretary and has over 16 years' company secretarial experience and was previously Deputy Company Secretary for Australia & New Zealand Banking Group Limited and prior to that was Head of Board Support for Barclays PLC in the United Kingdom. He is a Vice President and Non-Executive Director of Governance Institute of Australia, Chairman of their National Legislation Review Committee and Deputy Chairman of their Victorian Council.

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

Mr Porter joined the Company in January 2005. He is a chartered accountant and has had over 20 years' experience in accounting and financial management both in the United Kingdom 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. He is also a Non-Executive Director of the Royal Victorian Eye & Ear Hospital.

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 2014 and the numbers of meetings attended by each Director were:

	Board		Investment		Audit	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
TA Campbell	14	12	19	16	-	4*
RE Barker	14	13	19	17	-	3*
IA Campbell	14	14	13**	14	4	4
DE Meiklejohn	14	13	19	18	4	4
GW Sinclair	14	14	19	18	4	4

* Attended meetings by invitation.

** IA Campbell was appointed to the Investment Committee on 14 November 2013.

Retirement, Election and Continuation in Office of Directors

Mr IA Campbell, having been last elected re-elected by shareholders at the 2011 Annual General Meeting (AGM), will retire and being eligible, will offer himself for re-election at the forthcoming 2014 AGM.

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. 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 2014 were:

TA Campbell
RE Barker
IA Campbell
DE Meiklejohn
GW Sinclair

(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 maximum amount of remuneration for Non-Executive Directors approved by shareholders at the Annual General Meeting in 2013 was \$500,000.

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 Investment Company Services Ltd (AICS). As part of his remuneration arrangements with AICS, Mr Barker receives an 'at risk' component which is based on performance, as do other Executives. The performance criteria include quantitative and qualitative assessments which include, amongst other things, the services that they have provided to Mirrabooka and for which AICS is paid.

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2014 were as follows:

	Primary Fee \$	Post Employment Superannuation \$	Total Remuneration \$
TA Campbell – Chairman (Non-Executive)			
2014	122,654	11,346	134,000
2013	130,000	-	130,000
RE Barker – Managing Director (Executive)			
2014	-	-	-
2013	-	-	-
IA Campbell (Non-Executive)			
2014	61,327	5,673	67,000
2013	59,633	5,367	65,000
DE Meiklejohn – Director (Non-Executive)			
2014	61,327	5,673	67,000
2013	59,633	5,367	65,000
GW Sinclair – Director (Non-Executive)			
2014	61,327	5,673	67,000
2013	59,633	5,367	65,000
Total Remuneration: Directors			
2014	306,635	28,365	335,000
2013	308,899	16,101	325,000

(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.

	Amount Payable on Retirement \$
RE Barker	87,000
TA Campbell	174,000
	261,000

(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 five Executives (2013: five); RE Barker, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; RM Freeman, Chief Investment Officer; AJB Porter, Chief Financial Officer; and SM Pordage, Company Secretary.

No remuneration is paid to the Executives directly by Mirrabooka as their services are provided pursuant to the arrangement with AICS described in the financial statements.

Holdings of Securities Issued by the Company

As at the date of this report, Directors and Executives 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:

	Balance at 1 July 2013	Net Changes	Balance at 30 June 2014
TA Campbell	2,424,760	-	2,424,760
RE Barker	425,095	15,065	440,160
IA Campbell	55,474	3,699	59,173
DE Meiklejohn	123,660	8,244	131,904
GW Sinclair	31,660	-	31,660
RM Freeman	160,180	-	160,180
GN Driver	26,038	1,738	27,776
SM Pordage	986	901	1,887
AJB Porter	1,807	1,798	3,605

In accordance with the Company's policy, no Mirrabooka shares held by Directors or Executives are held subject to margin loans.

NON-AUDIT SERVICES

Details of non-audit services performed by the auditors may be found in Note F2 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, as set out below, 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 as set out in the *Corporations Act 2001* 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 Auditor's Independence Declaration is set out on page 15.

This report in relation to the financial year to 30 June 2014 is presented by the Directors of the Company in accordance with a resolution of Directors.



Terrence Campbell AO
Chairman

Melbourne
7 August 2014

AUDITOR'S INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of Mirrabooka Investments Limited for the year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been:

1. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Charles Christie', is written over a horizontal line.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
7 August 2014

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

CORPORATE GOVERNANCE STATEMENT

The Board of the Company is committed to having high standards of ethical behaviour and to having an effective system of corporate governance commensurate with the size of the Company and the scope of its business operations.

In accordance with ASX Listing Rule 4.10.3, set out below are the applicable ASX Corporate Governance Council's eight principles of corporate governance (ASX Governance Principles) and how the Board has applied each principle and the recommendations set out within them.

A full copy of the ASX Governance Principles and underlying recommendations can be found on the ASX's website.

The Company is fully supportive of the 'if not, why not' disclosure-based approach to governance adopted by the ASX Governance Principles and the recognition within them that there is no single model of corporate governance and that good corporate governance practice is not restricted to adopting the recommendations contained in the ASX Governance Principles.

There are a small number of recommendations made in the ASX Governance Principles that the Board, following careful consideration, has not adopted. Full details of these, together with an explanation of why an alternate and more appropriate approach has been taken by the Board, are set out in the following statement.

Principle 1: Laying Solid Foundations for Management and Oversight

Compliance with this Principle requires the Company to establish and disclose the respective roles and responsibilities of both the Board and management.

Role of the Board

The Company's stated Corporate Objective is to provide shareholders with medium to long term investment gains through holding core investments in selected small and medium sized companies in Australia and New Zealand and to provide attractive dividend returns to shareholders from these investments.

The role of the Board underpins and supports the Corporate Objective of the Company. The Board generally sets objectives and goals for the operation of the Company, oversees the Company's management, regularly reviews the Company's performance and monitors its affairs in the best interests of the Company. For these responsibilities, the Board is accountable to its shareholders as owners of the Company.

The Board operates under a Board charter, available on the Company's website, which documents the role of the Board outlined above and the matters that the Board has reserved to itself. Those matters include:

- setting the Corporate Objective of the Company and approving business strategies and plans of the Company designed to meet that objective;
- approving the expense budget at least annually;
- approving changes to the Company's capital structure and dividend policy;
- appointing and removing the CEO/Managing Director and carrying out succession planning for the CEO/Managing Director as applicable;
- reviewing the composition of the Board and Board Committees, the independence of Directors, the Board's performance and carrying out succession planning for the Chairman and other Non-Executive Directors;
- determining the Company's risk appetite; and
- reviewing the performance of management and the Company, including in relation to the risk management, internal controls and compliance systems adopted by the Company and the monitoring and review of the performance of Australian Investment Company Services Limited (AICS) in relation to the services that AICS provides to the Company.

The Directors normally meet formally as a Board monthly.

Delegation to Board Committees

The Board has established the following principal Board Committees to assist the Board in exercising its authority:

- Investment Committee; and
- Audit Committee.

The number of Board and Board Committee meetings held during the year and attendance by Directors are set out on page 11.

Each Board Committee operates under a formal charter that is made publicly available on the Company's website. The role and work of the Audit Committee is outlined under Principle 4 on page 21 and Principle 7 on pages 23 and 24.

The Investment Committee meets regularly (see page 11). The general role of the Committee, whose membership currently comprises each of the Directors, is to review investment decisions to support the Company's Corporate Objective. In doing this, the Committee:

- reviews investment decisions to maintain the investment and trading portfolios;
- makes decisions in relation to other portfolio-related activities, including voting instructions and lodgement of proxies in respect of general meetings of companies in which the Company has invested;
- receives reports from management on portfolio matters, including portfolio performance, transaction reports, portfolio position reports and performance attribution analysis; and
- receives reports and recommendations in relation to the review and analysis of companies/securities in which the Company is able to invest, or has invested.

The Committee also plays a role in the oversight of investment risk, which is set out under Principle 7 on page 23.

Delegation to Management

The Company has entered into an agreement with Australian Investment Company Services Limited (AICS) to provide a comprehensive range of management and investment services to the Company on a non-exclusive basis under the leadership of the Managing Director, including the day-to-day maintenance of the portfolios and associated research.

The Managing Director is responsible to the Company for the performance of those services and the Board acts in close consultation and cooperation with AICS in relation to the provision of services by AICS to the Company. The Audit Committee (see page 24) receives an independently verified annual report on the effectiveness of the control procedures put in place by AICS for investment management and administration operations. The Audit Committee also receives regular reports on the services provided by AICS. The Company pays AICS an annual fee for their services based on the cost of providing the services, rather than on the size of the portfolio.

The Board believes that the Company is fully compliant with Principle 1. As set out above, the Board reviews the performance of AICS, under the leadership of the Managing Director, in providing services to the Company. Separate evaluations of the performance of individual Senior Executives are carried out by AICS.

Principle 2: Structuring the Board to Add Value

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

The Board

The Board is comprised of a Non-Executive Chairman (TA Campbell), Managing Director (RE Barker) and three other Non-Executive Directors (IA Campbell, DE Meiklejohn and GW Sinclair), each of whom has a personal financial interest in the Company.

The Directors' Report on page 10 sets out the details of the skills, experience, and expertise of each Director.

The roles of the Chairman and Managing Director are separate. The role of the Managing Director is set out under Principle 1, above. The role of the Chairman is set out in the Board charter, and includes being responsible for:

- the business of the Board, taking into account the issues and the concerns of all Directors and the requirements of the Board charter;
- the leadership and conduct of Board and Company meetings to be in accordance with the agreed agenda, the Company's Corporate Objective and Principles of Conduct (described under Principle 3, below); and
- encouraging active engagement by Directors and an open and constructive relationship between the Board and the Managing Director and Senior Executives.

The Chairman also has the authority to act and speak for the Board between meetings, subject to any agreed consultation processes.

Appointment and Renewal

Details of the term of office held by each Director in office as at the date of this report are as follows:

TA Campbell	– 15 years
RE Barker	– 15 years
DE Meiklejohn	– 8 years
IA Campbell	– 6 years
GW Sinclair	– 5 years

The Board 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. Being a long term investor is an essential part of the Company's Corporate Objective and continuity on the Board is regarded as an important factor in the Board's approach.

Due to the size of the Company, it has not established a formal Nomination Committee and the functions of a Nomination Committee are undertaken by the full Board, including looking at Board composition and discussing potential Board candidates. The mix of skills and diversity that the Board is looking for in its own membership is discussed under Principle 3, below.

Each Director of the Company is encouraged to have a financial interest in the Company and each current Director has a financial interest in the Company. In this way, the Directors participate in improving shareholder value on the same basis as all other shareholders.

The Chairman periodically meets with each Director individually and collectively to discuss various issues including Board composition, the performance and effectiveness of the Board as a whole, Board Committees and individual Directors, with the intention of providing mutual feedback. This is an ongoing process.

All Directors have entered into an agreement with the Company covering the terms of their appointment with respect to access to documents, Directors' indemnity against liability, and Directors' and Officers' insurance.

To assist Directors to fully meet their responsibilities to bring an independent view to matters coming before them, the Board has agreed upon 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 Company's constitution provides that each Non-Executive Director must seek re-election by shareholders at least every three years if they wish to remain a Director. Any new Non-Executive Director appointed by the Board must seek election by shareholders at the next Annual General Meeting of the Company. This approach is consistent with the ASX Listing Rules.

Independence of Directors

The Board reviews the independence of each of the Directors (excluding the Managing Director) on an annual basis, taking into account the factors set out in ASX Governance Principles, including situations where an individual Director may be a partner in, controlling shareholder of, or Executive of an entity which has a material commercial relationship with the Company. In looking at such relationships, the Board has set an initial materiality threshold of \$500,000 and this threshold is reviewed annually by the Board.

Mr Campbell is Chairman of Australian Foundation Investment Company Limited (AFIC), which is a substantial shareholder of the Company, holding 6.26 per cent of the issued capital of the Company. The Board annually reviews the circumstances of Mr Campbell's relationship with AFIC, including the size of the substantial holding in the Company by AFIC, Mr Campbell's status as an independent Non-Executive Director of AFIC and the procedures both the Company and AFIC have in place to manage conflicts of interest. Following this review, the Board continues to consider that Mr Campbell is an independent Director.

DE Meiklejohn, IA Campbell and GW Sinclair are also considered to be independent. Accordingly, the Board consists of a majority of independent Non-Executive Directors.

Any real or potential conflicts of interest that Directors may have are dealt with by procedures consistent with the Corporations Act requirements which are designed to ensure that conflicted Directors do not take part in the decision-making on the relevant issue. The Board is of the view that, given Mirrabooka's nature as a long term investor, the length of service on the Board does not, of itself, compromise independence. In fact, the Board believes that it assists the Board for Directors to have had 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 believes that the Company is fully compliant with Principle 2 but acknowledges that for the reasons stated above, it does not consider it appropriate to follow the recommendation that a separate Nomination Committee be established.

Principle 3: Promotion of Ethical and Responsible Decision-making

Compliance with this Principle requires that the Company should actively promote ethical and responsible decision-making.

The Company, including its Directors and Senior Executives, is committed to maintaining the highest 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 the shareholders' interests.

The Company has in place a Securities Dealing Policy for Directors and Senior Executives, Corporate Principles of Conduct and a Board Diversity Policy, which are available on the Company's website.

Securities Dealing Policy

Under the Securities Dealing Policy, Directors and Senior Executives are prohibited from dealing in the Company's securities from the close of business on 15 December and 15 June up to and including the calendar day after the Company's announcement of its half and full year financial results as appropriate; and the opening of business on the last business day of each month up to and including the calendar day after the monthly net tangible asset per share announcement.

In addition, they must not deal in the Company's securities for short term purposes, must not engage in short-selling of the Company's securities, and are prohibited from using the Company's securities as security for margin lending arrangements or other loans. They must also use their best endeavours to ensure they are not put in a position of conflict with the policy by virtue of having margin or other loans over other securities.

Compliance with the policy is a condition of the appointment of each Senior Executive with the Company and a condition of their employment with AICS.

Corporate Principles of Conduct

The Company has adopted Corporate Principles of Conduct which outlines ethical standards to be followed by Directors and Senior Executives of the Company when carrying out their responsibilities with a view to the Company achieving its aims. Under the Principles, Directors and Senior Executives will:

- conduct business in good faith in the best interests of the Company with efficiency, honesty and fairness;
- perform their duties with the utmost integrity and the standard of care and diligence expected of an organisation of the highest calibre;
- treat others with dignity and respect; and
- not engage in conduct likely to have an adverse effect on the reputation of the Company.

The Corporate Principles of Conduct also sets out details of how conflicts of interest should be avoided. The Company's Directors and employees must disclose to the Company any material personal interest that they or any associate may have in a matter that relates to the affairs of the Company.

Where a conflict of interest may arise, full disclosure by all interested persons must be made and appropriate arrangements followed, such that interested persons are not included in making the relevant decisions and discussions.

AICS has its own comprehensive Principles of Conduct in place that covers the behaviours and actions of its employees.

Board Diversity Policy

The Board views diversity as including, but not being limited to, skills, qualifications, experience, gender, race, age, disability, ethnicity and cultural background and during the year established a Board Diversity policy that is available on the Company's website.

The policy sets out how the Board's composition must support the Corporate Objective of the Company, and in doing so, the Company has a number of defining characteristics that have an important influence on how the Board deals with Board and organisational diversity, including:

- As the Company is a long term shareholder, the Board believes it is beneficial to have Directors who serve for a long period of time, experiencing different economic and business cycles.
- Given the size of the Company and the narrow focus of its activities, the Board does not believe it is necessary to have a large number of Directors.
- As management, financial, business development/marketing and securities/stock market services are provided to the Company by AICS, the Company has no employees.
- Senior Executives of the Company are the Senior Executives of AICS. AICS is responsible for its own employment practices. However, the Company has in place processes to monitor the performance of AICS.

As such, the policy is limited to Board diversity.

The Board recognises that having a diverse Board will assist it in effectively carrying out its role in meeting the Company's Corporate Objective and in its own composition aims for a mix of individuals with a breadth of investment expertise, experience in managing and leading companies and experience in advising companies on corporate issues. All appointments to the Board will be based on merit, and will include consideration of the Board's diversity needs, including gender diversity.

The Board has set as an objective to embed gender diversity as an active consideration in any succession planning for Board positions. No new Directors were appointed during the year.

The Board has five Directors, all male, including the Managing Director. The Company also has four other Senior Executives, provided by AICS, who are all male.

Whistleblower Protection Policy

The Company also has in place a Whistleblower Protection Policy. The policy establishes a formal framework within which individuals are able, in a secure way, to express their genuine concerns about unlawful behaviour or breaches of policy, free from the threat of victimisation or reprisal and on the understanding that their concerns will be investigated and that, where appropriate, action will be taken to redress the situation.

Any individual making a report in good faith under the policy will be protected by the Company from any victimisation, including harassment, reprisals, discrimination or other form of detriment, as a result of making such a report.

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

Principle 4: Safeguarding Integrity in Financial Reporting

Compliance with this Principle requires that the Company has a structure to independently verify and safeguard the integrity of the Company's financial reporting.

Audit Committee

The Company has established an Audit Committee which comprises three members, all of whom are independent Directors: DE Meiklejohn (Chairman), IA Campbell and GW Sinclair. Details of their qualifications and number of meetings attended are set out in the Directors' Report on pages 10 and 11.

All members of the Audit Committee have the requisite financial experience and understanding to effectively discharge the Committee's responsibilities under its charter. In addition, the Chairman of the Committee is a Fellow of CPA Australia, but has no additional responsibilities to other Committee members, other than being Chairman.

The Audit Committee is responsible for reviewing:

- the Company's accounting policies;
- the content of financial statements;
- issues relating to the controls applied to the Company's activities;
- the conduct, effectiveness and independence of the external audit;
- risk management and related issues; and
- compliance issues.

The Audit Committee meets regularly with the external auditors in the absence of management.

The role of the Audit Committee in respect to its oversight of risk management and related issues is set out under Principle 7, on pages 23 and 24.

Written Affirmations

The Board has received from the Managing Director and the Chief Financial Officer written affirmation concerning the Company's financial statements as set out in the Directors' Declaration on page 45.

External Audit

The Company has a process to ensure the independence and competence of the Company's external auditor and includes the Audit Committee reviewing any non-audit work to ensure that it does not conflict with audit independence. The Audit Committee meets regularly with the external auditor in the absence of management.

Policies relating to rotating external audit engagement partners are set by the external audit firm in accordance with the Corporations Act and international best practice requirements. In the event the Company decides to change the external auditor it would enter into a competitive tender. Details of non-audit services provided by the external auditor are set out on page 14.

The Board believes that the Company is fully compliant with Principle 4 and its recommendations.

Principle 5: Timely and Balanced Disclosure

Compliance with this 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, the market is kept advised of all information required to be disclosed under the Listing Rules, which it is believed would or may have a 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 the ASX Listing Rules and the Corporations Act disclosure requirements and to ensure accountability at a senior management level for that compliance. The policy is publicly available on the Company's website.

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

Principle 6: Respecting the Rights of Shareholders

Compliance with this Principle requires that the Company respects the rights of shareholders and facilitates the effective exercise of those rights.

The 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's policy is to maintain active communication with shareholders as owners of the Company.

In addition to communicating to shareholders via 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.

In addition and importantly, the Company holds regular teleconferences for its shareholders at the half and full year, which provide them with further opportunities to question members of the Board and management about the Company's activities. During the financial year, the Company also held informal shareholder meetings in Sydney and Perth.

The Company maintains a comprehensive website that contains all ASX announcements, Annual Reports, Half-Year Reports, details of corporate governance practices, presentations to shareholders and related material, and these are available for shareholders.

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

Principle 7: Recognising and Managing Risk

Compliance with this Principle requires that the Board establishes 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. The Risk Management Framework adopted by the Company is available on the Company's website.

The framework has been developed to take into account the principles and guidelines outlined in AS/NZS ISO 31000: 2009 Risk Management – Principles and Guidelines. This approach involves establishing the context in which it operates, identifying the risks, analysing those risks, evaluating the risks, treating the risks where appropriate and monitoring, reviewing and reporting risks and the overall performance of the framework. This process is underpinned through regular communication and consultation with key business stakeholders.

The framework forms the basis for embedding enterprise risk management within the culture of the organisation. Its objectives are to:

- enable the Company to meet its obligations and objectives;
- increase the likelihood the Company will be successful in its business operations by mitigating potentially damaging events occurring (e.g. operational risk) and maximising the results of positive events (e.g. financial position, investment strategies, etc.), through the implementation of risk management strategies;
- provide decision-makers with the means to identify risks and to determine whether the controls in place are adequate to mitigate those risks;
- provide a mechanism to assess the levels of risk that can be accepted;
- ensure that the application of risk management practices is understood by the agents, employees, officers and Directors of the Company; and a strong risk culture is well entrenched; and
- reduce the consequence and/or likelihood of potentially damaging events by regular reviews of investments and investment strategies or by transferring the impact of potentially damaging events to third parties (e.g. by insurance and contractual arrangements) for outsourced arrangements, where appropriate.

The Board is assisted in its risk management activities by the Audit Committee and coordination of risk management activities is done by the Chief Financial Officer, who reports to the Audit Committee on such matters.

There are two main areas of risk that have been identified:

- investment risk; and
- operational risk.

Investment Risk

Investment risk includes:

- market risk;
- credit, counter-party and settlement risk;
- liquidity risk; and
- reputational risk (insofar as it relates to the investments that the Company enters into).

The Investment Committee is primarily responsible for dealing with issues arising from investment risk and has delegated day-to-day management of the portfolios to an experienced investment team provided by AICS. All decisions of the team are reviewed, discussed and where necessary, ratified by the Committee. 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.

Operational Risk

The Company's management is primarily responsible for recognising and managing operational risk issues such as legal and regulatory risk, systems and process risk, human resource risk, reputational risk (insofar as it relates to the operations of the Company), disaster recovery and occupational health and safety risk. This is in the context that most of Mirrabooka's administrative functions have been outsourced to AICS using AICS's systems and staff. Accordingly, risk issues associated with these activities are handled in accordance with the policies and procedures adopted by AICS for dealing with them. The Audit Committee has specific oversight of management's role in identifying and responding to risk issues.

The Company has received a report from AICS outlining the control objectives for AICS and the specific policies and procedures established to meet these procedures. These policies include management oversight, segregation of duties, multiple sign-offs and specific authorisation levels. AICS has stated that these have been in place throughout the period, and have been effective in meeting the control objectives. This statement and verification have been confirmed by AICS's internal auditors, Ernst & Young, under the requirements of Auditing Standard 810. In addition, the Chairman of the Company's Audit Committee receives copies of AICS Board and AICS Risk Management, Audit and Remuneration Committee meeting papers and is invited to attend meetings.

Written Affirmations

The Board has received from the Managing Director and the Chief Financial Officer written affirmation that, to the best of their knowledge and belief, the integrity of the 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 are operating efficiently and effectively in all material respects insofar as they relate to the financial reporting risks.

The Audit Committee and the Board have also received reports from the Senior Executives as to the effectiveness of the Company's management of its material business risks, whilst noting that the Company, as a listed investment company, actively takes on appropriate levels of risk as part of its investment activities.

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

Principle 8: Remunerating Fairly and Responsibly

Compliance with this 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 and having no employees, it 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.

Non-Executive Directors do not receive any performance-based remuneration.

Management Remuneration Approach

Because the Company has outsourced its research, dealing and administrative functions to AICS, it has not adopted any 'at risk' remuneration arrangements for the Managing Director or any other person involved in the activities of the Company. In relation to Mr Barker's position as Managing Director of the Company, he is made available for this position by AICS and the costs related to the provision of him as Managing Director of the Company are fully covered by the general management fee charged by AICS.

As part of their remuneration by AICS, the Managing Director, Senior Executives and the investment team receive an 'at risk' component based on the achievement of short term objectives which include, among other things, the services they have provided to the Company and for which AICS has been paid.

Further information on Directors' remuneration is set out in the Remuneration Report on pages 12 and 13.

The Board believes that the Company is fully compliant with Principle 8 but that, for the reasons given above, it is not appropriate for the Company to follow the recommendation that a separate Remuneration Committee be established. In addition, as the Company does not have any equity-based remuneration schemes, there is no need to have a policy around prohibiting the hedging of risk over unvested entitlements in such schemes.

FINANCIAL STATEMENTS CONTENTS

26 Financial Statements

- 26 Income Statement
- 27 Statement of Comprehensive Income
- 28 Balance Sheet
- 29 Statement of Changes in Equity
- 31 Cash Flow Statement

32 Notes to the Financial Statements

- 32 A. Understanding Mirrabooka's Financial Performance
 - 32 A1. How Mirrabooka Manages its Capital
 - 32 A2. Investments Held and How they are Measured
 - 33 A3. Operating Income
 - 34 A4. Dividends Paid
 - 35 A5. Earnings Per Share
- 36 B. Costs, Tax and Risk
 - 36 B1. Management Costs
 - 36 B2. Tax
 - 38 B3. Risk
- 39 C. Unrecognised Items
 - 39 C1. Contingencies

40 Additional Information

- 40 D. Balance Sheet Reconciliations
 - 40 D1. Current Assets – Cash
 - 40 D2. Revaluation Reserve
 - 40 D3. Realised Capital Gains Reserve
 - 41 D4. Retained Profits
 - 41 D5. Share Capital
- 41 E. Income Statement Reconciliations
 - 41 E1. Reconciliation of Net Cash Flows from Operating Activities to Profit
 - 42 E2. Tax Reconciliations
 - 42 E3. Reconciliation of Profit Before Tax
- 43 F. Other Information
 - 43 F1. Related Parties
 - 43 F2. Remuneration of Auditors
 - 43 F3. Segment Reporting
 - 44 F4. Summary of Other Accounting Policies

FINANCIAL STATEMENTS

INCOME STATEMENT

For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Dividends and distributions	A3	8,639	9,050
Revenue from deposits and bank bills		835	873
Other revenue		25	12
Total revenue		9,499	9,935
Net gains on trading portfolio		797	404
Income from options written portfolio		-	36
Income from operating activities		10,296	10,375
Administration expenses	B1	(2,107)	(1,984)
Operating result before income tax expense		8,189	8,391
Income tax expense*	B2, E2	(395)	(98)
Net operating result for the year		7,794	8,293
Net gains/(losses) on investments			
Net losses on open options positions		(1)	-
Deferred tax on net losses on open options positions*		-	-
Net gains on puttable instruments and non-equity investments		44	2,819
Tax on net gains on puttable instruments and non-equity investments*	B2	(13)	(846)
		30	1,973
Profit for the year		7,824	10,266
		Cents	Cents
Basic earnings per share	A5	5.63	7.46
		2014 \$'000	2013 \$'000
* Total Tax Expense	B2, E2	408	944

This Income Statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2014

	Year to 30 June 2014			Year to 30 June 2013		
	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Profit for the year	7,794	30	7,824	8,293	1,973	10,266
Other comprehensive income						
Unrealised gains/(losses) for the period on securities in the portfolio at 30 June	-	49,480	49,480	-	40,197	40,197
Deferred tax expense on above	-	(14,551)	(14,551)	-	(12,516)	(12,516)
Plus gains/(losses) for the period on securities realised during the period	-	16,147	16,147	-	4,164	4,164
Tax expense on above	-	(4,749)	(4,749)	-	(1,296)	(1,296)
Total other comprehensive income²	-	46,327	46,327	-	30,549	30,549
Total comprehensive income	7,794	46,357	54,151	8,293	32,522	40,815

1. 'Capital' includes realised or unrealised gains or losses (and the tax on those) on securities in the investment portfolio. Income in the form of distributions and dividends is recorded as 'revenue'. All other items, including expenses, are included in 'net operating result', which is categorised under 'revenue'.

2. Total tax movement in other comprehensive income: 2014: \$(19.3) million; 2013: \$(13.8) million.

None of the items included in other comprehensive income will be recycled through the Income Statement.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BALANCE SHEET

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
Current assets			
Cash	D1	30,593	34,191
Receivables		1,038	3,128
Trading portfolio		-	943
Total current assets		31,631	38,262
Non-current assets			
Investment portfolio	A2	317,126	261,818
Total non-current assets		317,126	261,818
Total assets		348,757	300,080
Current liabilities			
Payables		289	442
Tax payable		11,695	8,832
Options sold		79	-
Total current liabilities		12,063	9,274
Non-current liabilities			
Deferred tax liabilities	E2	134	173
Deferred tax liabilities – investment portfolio	B2	35,125	26,041
Total non-current liabilities		35,259	26,214
Total liabilities		47,322	35,488
Net assets		301,435	264,592
Shareholders' equity			
Share capital	A1, D5	157,456	154,045
Revaluation reserve	A1, D2	69,858	50,162
Realised capital gains reserve	A1, D3	61,014	46,760
Retained profits	A1, D4	13,107	13,625
Total shareholders' equity		301,435	264,592

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

Year ended 30 June 2014	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		154,045	50,162	46,760	13,625	264,592
Dividends paid	A4	-	-	(12,408)	(8,311)	(20,719)
Shares issued under Dividend Reinvestment Plan	D5	3,424	-	-	-	3,424
Other share capital adjustments		(13)	-	-	-	(13)
Total transactions with shareholders		3,411	-	(12,408)	(8,311)	(17,308)
Profit for the year		-	31	-	7,793	7,824
Other comprehensive income (net of tax)						
Net unrealised gains for the period for stocks held at 30 June		-	35,141	-	-	34,929
Net gains for the period on securities sold		-	11,186	-	-	11,398
Transfer to realised capital gains of cumulative gains on investments sold		-	(26,662)	26,662	-	-
Other comprehensive income for the year		-	19,665	26,662	-	46,327
Total equity at the end of the year		157,456	69,858	61,014	13,107	301,435

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY continued

For the year ended 30 June 2014

Year ended 30 June 2013	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		152,033	35,723	34,150	13,566	235,472
Dividends paid	A4	-	-	(5,473)	(8,234)	(13,707)
Shares issued under Dividend Reinvestment Plan	D5	2,021	-	-	-	2,021
Other share capital adjustments		(9)	-	-	-	(9)
Total transactions with shareholders		2,012	-	(5,473)	(8,234)	(11,695)
Profit for the year		-	1,973	-	8,293	10,266
Other comprehensive income (net of tax)						
Net unrealised gains for the period for stocks held at 30 June		-	27,681	-	-	27,681
Net gains for the period on securities sold		-	2,868	-	-	2,868
Transfer to realised capital gains of cumulative gains on investments sold		-	(18,083)	18,083	-	-
Other comprehensive income for the year		-	12,466	18,083	-	30,549
Total equity at the end of the year		154,045	50,162	46,760	13,625	264,592

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

For the year ended 30 June 2014

	Note	2014 \$'000 Inflows/ (Outflows)	2013 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		6,149	2,671
Purchases for trading portfolio		(3,570)	(1,827)
Interest received		970	964
Proceeds from entering into options in options written portfolio		78	71
Payment to close out options in options written portfolio		-	(35)
Dividends and distributions received		6,927	7,633
		10,554	9,477
Other receipts		25	12
Administration expenses		(2,083)	(2,001)
Income taxes paid		-	(30)
Net cash inflow/(outflow) from operating activities	E1	8,496	7,458
Cash flows from investing activities			
Sales from investment portfolio		94,538	84,110
Purchases for investment portfolio		(81,517)	(61,522)
Tax paid on capital gains		(7,808)	(20)
Net cash inflow/(outflow) from investing activities		5,213	22,568
Cash flows from financing activities			
Share issue transaction costs		(13)	(9)
Dividends paid		(17,294)	(11,685)
Net cash inflow/(outflow) from financing activities		(17,307)	(11,694)
Net increase/(decrease) in cash held		(3,598)	18,332
Cash at the beginning of the year		34,191	15,859
Cash at the end of the year	D1	30,593	34,191

For the purpose of the Cash Flow Statement, 'cash' includes cash and deposits held at call.

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

A. Understanding Mirrabooka's Financial Performance

A1. How Mirrabooka Manages its Capital

Mirrabooka's objective is to provide shareholders with attractive investment returns through a steady stream of fully franked dividends and capital growth.

Mirrabooka recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy-back the Company's shares or sell assets to settle any debt.

Mirrabooka's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity is provided below:

	2014 \$'000	2013 \$'000
Share capital	157,456	154,045
Revaluation reserve	69,858	50,162
Realised capital gains	61,014	46,760
Retained profits	13,107	13,625
	301,435	264,592

Refer to Notes D2–D5 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

Mirrabooka has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings as at the end of the reporting period can be found at the end of this report.

The investment portfolio holds securities which the Company intends to retain on a long term basis. The options written portfolio and trading portfolio are held for short term trading only and are relatively small in size when utilised. The Board has therefore focused the information below on the investment portfolio.

The balance and composition of the investment portfolio was:

	2014 \$'000	2013 \$'000
Equity instruments (at market value)	315,632	260,368
Puttable instruments and convertible notes that are classified as debt	1,494	1,450
	317,126	261,818

How Investments are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by Mirrabooka are classified as Level 1 (other than an immaterial amount of call options and the Company's investment in the unlisted Catapult International, which are Level 2). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period.

Net Tangible Asset Backing Per Share

The Investment Committee regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains in Mirrabooka's long term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2014 and 30 June 2013 were as follows:

	30 June 2014 \$	30 June 2013 \$
Net tangible asset backing per share		
Before tax	2.41	2.11
After tax	2.16	1.92

Equity Investments

The shares in the investment portfolio are classified under the accounting standards as available-for-sale financial assets, because they are held for long term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in 'other comprehensive income' (OCI) in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realisation reserve.

Puttable Instruments and Convertible Notes

Puttable instruments and convertible notes are classified as financial assets at fair value through profit and loss under the accounting standards and therefore need to be treated differently in the financial statements, even though they are managed in the same way as the rest of the investment portfolio. Changes in the value of these investments are reflected in the Income Statement and not in the Statement of Comprehensive Income with the other investments. Any gains or losses on these securities are transferred from retained profits to the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realisation reserve.

Securities Sold and How They Are Measured

During the period \$92.6 million (2013: \$62.4 million) of equity securities and no puttable instruments were sold (2013: \$22.0 million). The cumulative gain on the sale of securities was \$26.7 million for the period after tax, (2013: \$18.1 million). This has been transferred from the revaluation reserve to the realisation reserve (see Statement of Changes in Equity). These purchases were accounted for at the date of trade.

Where securities are sold, any difference between the sale price and the carrying amount is transferred from the revaluation reserve to the realisation reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'listed investment company' (LIC) gain as part of the dividend, which conveys certain taxation benefits to many of Mirrabooka's shareholders.

A3. Operating Income

The total dividends and distributions received from Mirrabooka's investments in 2014 are set out below:

	2014 \$'000	2013 \$'000
Dividends and distributions		
Securities held in investment portfolio at 30 June	6,715	6,981
Investment securities sold during the year	1,920	2,065
Securities held in trading portfolio at 30 June	-	4
Trading securities sold during the year	4	-
	8,639	9,050

Dividend Income

Dividends from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

Trading Income

Net gains on the trading and options portfolio are set out below.

	2014 \$'000	2013 \$'000
Net gains		
Net realised gains from trading portfolio	797	269
Realised gains on options written portfolio	-	36
Unrealised gains from trading portfolio	-	135
	797	440

NOTES TO THE FINANCIAL STATEMENTS continued

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2014 are shown below:

	2014 \$'000	2013 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2013 of 6.5 cents fully franked plus special dividend of 5 cents, also fully franked at 30 per cent, paid 9 August 2013 (2013: 6.5 cents fully franked at 30 per cent paid on 3 August 2012)	15,854	8,894
Interim dividend for the year ended 30 June 2014 of 3.5 cents per share fully franked at 30 per cent, paid 11 February 2014 (2013: 3.5 cents fully franked at 30 per cent paid 12 February 2013)	4,865	4,813
	20,719	13,707
(b) Franking Credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	26,210	21,993
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:	(9,855)	(6,794)
Net available	16,355	15,199
These franking account balances would allow Mirrabooka to frank additional dividend payments up to an amount of:	38,162	35,464
Mirrabooka's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on Mirrabooka paying tax.		
(c) Dividends Declared After Balance Date		
Since the end of the year, Directors have declared a final dividend of 6.5 cents per share fully franked at 30 per cent, plus a 10 cent special dividend. The aggregate amount of the final dividend for the year to 30 June 2014 to be paid on 8 August 2014, but not recognised as a liability at the end of the financial year is:	22,996	
(d) Listed Investment Company Capital Gain Account		
Balance of the listed investment company (LIC) capital gain account	61,254	47,992
This equates to an attributable amount of:	87,505	68,560

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains, or the receipt of LIC distributions from LIC securities held in the portfolios. \$20.2 million of the capital gain (\$28.9 million of the attributable amount) will be paid out as part of the final and the special dividend on 8 August 2014.

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year.

	2014	2013
Basic earnings per share	Number	Number
Weighted average number of ordinary shares used as the denominator	139,020,819	137,577,015
	\$'000	\$'000
Profit for the year	7,824	10,266
	Cents	Cents
Basic earnings per share	5.63	7.46
Basic net operating result per share	\$'000	\$'000
Net operating result	7,794	8,293
	Cents	Cents
Basic net operating result per share	5.61	6.03

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share. This also applies to diluted net operating profit before net gains on investment and options written portfolio per share.

NOTES TO THE FINANCIAL STATEMENTS continued

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2014 \$'000	2013 \$'000
Administration fees paid to AICS	(1,310)	(1,294)
Other administration expenses	(797)	(690)

Administration Fees Paid to AICS

Australian Investment Company Services Limited (AICS) undertakes the day-to-day management of Mirrabooka's investments and its operation, including financial reporting and administration.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits \$	Post Employment Benefits \$	Total \$
2014 Directors	306,635	28,365	335,000
2013 Directors	308,899	16,101	325,000

Mirrabooka recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

B2. Tax

Mirrabooka's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis.

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio, puttable instruments, convertible notes that are classified as debt and the options written portfolio.

A provision also has to be made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where Mirrabooka disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Tax Expense

The income tax expense for the period is shown below:

	2014 \$'000	2013 \$'000
<i>(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable</i>		
Operating result before income tax expense	8,189	8,391
Tax at the Australian tax rate of 30 per cent (2013: 30 per cent)	2,457	2,517
Tax offset for franked dividends	(1,679)	(1,862)
Tax effect of sundry items not taxable in calculating taxable income	8	(71)
	786	584
Over provision in prior years	(391)	(486)
Income tax expense on operating profit before net gains on investments	395	98
Net gains/(losses) on investments	43	2,819
Tax at the Australian tax rate of 30 per cent (2013: 30 per cent)	13	846
Tax expense on net gains on investments	13	846
Total tax expense	408	944

Deferred Tax Liabilities – Investment Portfolio

The accounting standards require us to recognise a deferred tax liability for the potential capital gains tax on the unrealised gain in the investment portfolio. This amount is shown in the Balance Sheet. However, the Board does not intend to sell the investment portfolio, so this tax liability is unlikely to arise at this amount. Any sale of securities would also be affected by any changes in capital gains tax legislation or tax rate applicable to such gains when they are sold.

	2014 \$'000	2013 \$'000
Deferred tax liabilities on unrealised gains in the investment portfolio	35,125	26,041
Opening balance at 1 July	26,041	19,958
Charged to Income Statement for puttable instruments/non-equity investments	13	846
Tax on realised gains	(10,229)	(8,575)
Charged to OCI for ordinary securities on gains or losses for the period	19,300	13,812
	35,125	26,041

NOTES TO THE FINANCIAL STATEMENTS *continued*

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

As a listed investment company that invests in tradeable securities, Mirrabooka can never be free of market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio, would lead to a reduction in Mirrabooka's comprehensive income of \$11.0 million and \$22.1 million respectively, at a tax rate of 30 per cent (2013: \$9.1 million and \$18.2 million), and a reduction in profit after tax of \$52,000 and \$105,000 respectively, at a tax rate of 30 per cent (2013: \$51,000 and \$102,000). The revaluation reserve at 30 June 2014 was \$69.9 million (2013: \$50.2 million). It would require a fall in the value of the investment portfolio of 31 per cent after tax to fully deplete this (2013: 27 per cent).

Mirrabooka seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee (normally fortnightly) and risk can be managed by reducing exposure where necessary. Mirrabooka does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Mirrabooka's investment by sector is as below:

	2014 %	2013 %
Energy	10.18	8.34
Materials	17.64	16.22
Industrials	16.00	16.95
Consumer discretionary	11.04	13.27
Consumer staples	8.05	8.21
Healthcare	7.66	6.69
Financials	10.32	9.73
Real estate	3.69	3.14
Information technology and telecoms	6.62	5.55
Utilities	0.00	0.38
Cash	8.80	11.52

There were no securities representing over 5 per cent of the investment portfolio at 30 June 2014 (2013: 1 – Tox Free Solutions 5.3 per cent).

Mirrabooka is not currently materially exposed to interest rate risk as all its cash investments are short term for a fixed interest rate. Mirrabooka is also not directly exposed to currency risk as all its investments are quoted in Australian dollars.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolio.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Mirrabooka is exposed to credit risk from cash, receivables, securities in the trading portfolio and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in short term deposits with Australia's big four commercial banks or their wholly-owned subsidiaries. In the unlikely event of a bank default, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within three days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale.

Trading and Investment Portfolios

Converting and convertible notes or other interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. This risk will be realised in the event of a shortfall on winding-up of the issuing companies.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

Mirrabooka monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a (normally) fortnightly basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require Mirrabooka to purchase securities, and facilities that need to be repaid. Mirrabooka ensures that it has either cash or access to short term borrowing facilities sufficient to meet these contingent payments.

Mirrabooka's inward cash flows depend upon the dividends received. Should these drop by a material amount, Mirrabooka would amend its outward cash flows accordingly. Mirrabooka's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of Mirrabooka are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses Mirrabooka's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 6 Months \$'000	6–12 Months \$'000	Greater than 1 Year \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
30 June 2014					
Non-derivatives					
Payables	289	-	-	289	289
	289	-	-	289	289
30 June 2013					
Non-derivatives					
Payables	442	-	-	442	442
	442	-	-	442	442

C. Unrecognised Items

Unrecognised items, such as contingencies, do not appear in the financial statements, usually because they don't meet the requirements for recognition. However, they have the potential to have a significant impact on the Group's financial position and performance.

C1. Contingencies

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

ADDITIONAL INFORMATION

Additional information that shareholder may find useful is included here. It is grouped into three sections:

- D. Balance Sheet reconciliations
- E. Income Statement reconciliations
- F. Other information

D. Balance Sheet Reconciliations

This section provides information about the basis of calculation of line items in the financial statements that the Directors do not consider significant in the context of the Group's operations.

D1. Current Assets – Cash

	2014 \$'000	2013 \$'000
Cash at bank and in hand	18	16
Fixed term deposits	30,575	34,175
	30,593	34,191

Cash holdings yielded an average floating interest rate of 3.4 per cent (2013: 4.2 per cent). All cash investments not held in a transactional account or an overnight 'at call' account are invested in short term deposits with Australia's big four commercial banks or their wholly-owned subsidiaries, all rated 'AA-' by S&P.

D2. Revaluation Reserve

	2014 \$'000	2013 \$'000
Opening balance at 1 July	50,162	35,723
Gains/(losses) on investment portfolio		
– Equity Instruments	65,627	44,361
– Puttable/debt instruments (transferred from retained profits)	44	2,819
Provision for tax on unrealised gains	(19,313)	(14,658)
Cumulative taxable realised (gains)/losses (net of tax)	(26,662)	(18,083)
	69,858	50,162

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

D3. Realised Capital Gains Reserve

	2014 \$'000	2013 \$'000
Opening balance at 1 July	46,760	34,150
Dividends paid	(12,408)	(5,473)
Cumulative taxable realised gains for period through OCI (net of tax)	26,662	18,083
	61,014	46,760

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in A2.

D4. Retained Profits

	2014 \$'000	2013 \$'000
Opening balance at 1 July	13,625	13,566
Dividends paid	(8,311)	(8,234)
Profit for the year	7,824	10,266
Transfer to revaluation reserve (puttable instruments and non-equity investments) (net of tax)	(31)	(1,973)
	13,107	13,625

This reserve relates to past profits.

D5. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2012	Balance		136,829		152,033
3/8/2012	Dividend Reinvestment Plan	(i)	674	1.85	1,246
12/2/2013	Dividend Reinvestment Plan	(i)	362	2.14	775
Various	Costs of issue		-		(9)
30/6/2013	Balance		137,865		154,045
9/8/2013	Dividend Reinvestment Plan	(i)	1,144	2.26	2,584
11/2/2014	Dividend Reinvestment Plan	(i)	360	2.33	840
Various	Costs of issue		-		(13)
30/6/2014	Balance		139,369		157,456

(i) Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange in the five days after the shares begin trading on an ex-dividend basis.

All shares have been fully paid, rank *pari passu* and have no par value.

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows from Operating Activities to Profit

	2014 \$'000	2013 \$'000
Profit for the year	7,824	10,266
Change in fair value of puttable instruments	(30)	(1,973)
Net decrease/(increase) in trading portfolio	943	(281)
Increase/(decrease) in options written portfolio	79	-
Dividends received as securities under DRP investments	(837)	(1,189)
Decrease/(increase) in current receivables	2,090	(998)
– Less increase/(decrease) in receivables for investment portfolio	(1,986)	1,578
Increase/(decrease) in deferred tax liabilities	9,045	6,121
– Less (increase)/decrease in deferred tax liability on investment portfolio	(9,084)	(6,083)
Increase/(decrease) in current payables	(153)	(640)
– Less decrease/(increase) in payables for investment portfolio	163	619
Increase/(decrease) in provision for tax payable	2,863	8,594
– Less CGT provision	(10,229)	(8,576)
– Add taxes paid on capital gains	7,808	20
Net cash flows from operating activities	8,496	7,458

ADDITIONAL INFORMATION continued

E2. Tax Reconciliations

Tax Expense Composition

	2014 \$'000	2013 \$'000
Charge for tax payable relating to the current year	825	546
Over provision in prior years	(391)	(486)
Increase/(decrease) in deferred tax liabilities	(39)	38
Increase in deferred tax liabilities – investment portfolio	13	846
	408	944

Amounts Recognised Directly Through Other Comprehensive Income

Net increase in deferred tax liabilities relating to capital gains tax on the movement in gains in the investment portfolio	19,300	13,812
	19,300	13,812

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2014 \$'000	2013 \$'000
(a) The difference in the value of the trading portfolio for tax and accounting purposes	-	(61)
(b) Tax on unrealised losses in the options written portfolio	-	-
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	85	80
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(219)	(192)
	(134)	(173)

Movements:

Opening asset balance at 1 July	(173)	(135)
Credited/(charged) to Income Statement	39	(38)
Credited/(charged) to OCI	-	-
	(134)	(173)

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect Mirrabooka's ability to claim the deduction.

The portion of deferred tax liability likely to be reversed within the next 12 months is \$219,000 (2013: \$253,000). This relates primarily to items described in item (d) above.

E3. Reconciliation of Profit Before Tax

The Board considers Mirrabooka's operating result after tax to be a key measure of Mirrabooka's performance. This amount excludes the impact of unrealised gains/losses on options and any gains or losses on Mirrabooka's investment portfolio. It reconciles to Mirrabooka's profit before tax as follows:

	2014 \$'000	2013 \$'000
Operating result after income tax expense	7,794	8,293
Add back income tax expense	395	98
Net gains on puttable instruments and non-equity investments	44	2,819
Net losses on open options positions	(1)	-
Profit for the year before tax	8,232	11,210

F. Other Information

This section covers other information that is not directly related to specific line items in the financial statements, including information about related party transactions, share based payments, assets pledged as security and other statutory information.

F1. Related Parties

All transactions with deemed related parties were made on normal commercial terms and conditions and approved by independent Directors.

F2. Remuneration of Auditors

During the year the auditor earned the following remuneration:

	2014 \$	2013 \$
PricewaterhouseCoopers		
Audit or review of financial reports	82,804	81,180
Non-audit services		
Taxation compliance services	47,979	45,485
Total remuneration	130,783	126,665

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of Segments

The Board makes the strategic resource allocations for Mirrabooka. Mirrabooka has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for Mirrabooka's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and Mirrabooka's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for Mirrabooka's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of capital gains tax on investments (as reported in Mirrabooka's net tangible asset announcements to the ASX).

Other Segment Information

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

Mirrabooka is domiciled in Australia and all of Mirrabooka's income is derived from Australian entities or entities that maintain a listing in Australia. Mirrabooka has a diversified portfolio of investments, with no investment comprising more than 10 per cent of Mirrabooka's income, including realised income from the trading and options written portfolios.

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Financial Report has been authorised for issue and is presented in the Australian currency. Mirrabooka has the power to amend and reissue the Financial Report.

Mirrabooka 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
Market value	Fair value for actively traded securities
Cash	Cash and cash equivalents
Share capital	Contributed equity
Options	Derivatives written over equity instruments that are valued at fair value through profit or loss

Other terminology used in the report is defined as follows:

Phrase	Definition
Net operating result	Total operating income after operating expenses and income tax are deducted

Mirrabooka complies with International Financial Reporting Standards (IFRS). Mirrabooka is a 'for profit' entity.

Mirrabooka has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2014 ('the inoperative standards') except for AASB 9 which was adopted on 7 December 2009. The impact of the inoperative standards has been assessed and the impact has been identified as not being material. Mirrabooka only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

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

Rounding of Amounts

Mirrabooka is a company of the kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments 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.

DIRECTORS' DECLARATION

In the Directors' opinion:

(1) the financial statements and notes set out on pages 26 to 44 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 2014 and of its performance 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.

Note 1 to the financial statements confirms that the financial statements also comply with International Reporting Standards as issued by the International Accounting Standards Board.

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 2014.

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.



Terrence Campbell AO
Chairman

Melbourne
7 August 2014



Independent auditor's report to the members of Mirrabooka Investments Limited

Report on the financial report

We have audited the accompanying financial report of Mirrabooka Investments Limited (the company), which comprises the balance sheet as at 30 June 2014, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note F, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Auditor's opinion

In our opinion:

1. the financial report of Mirrabooka Investments Limited is in accordance with the *Corporations Act 2001*, including:
 2. giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 3. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
4. the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note F.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Mirrabooka Investments Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Charles Christie
Partner

Melbourne
7 August 2014

OTHER INFORMATION

INFORMATION ABOUT SHAREHOLDERS

At 21 July 2014 there were 5,889 holdings of shares. These holdings were distributed in the following categories:

Size of Holding	Holdings
1 to 1,000	382
1,001 to 5,000	1,170
5,001 to 10,000	1,156
10,001 to 100,000	3,046
100,000 and over	135
Total	5,889

Percentage held by the 20 largest holders	16.92%
Average shareholding	23,666 %

There were 105 shareholdings of less than a marketable parcel of \$500 (169 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

- (i) on a show of hands, one vote for each shareholder; and
- (ii) on a poll, one vote for each fully paid ordinary share.

Major Shareholders

The 20 largest registered shareholders of the Company's ordinary shares as at 21 July 2014 are noted below:

Holder	Shares Held	%
Australian Foundation Investment Company Limited	8,727,827	6.26
Djerriwarrh Investments Limited	4,616,481	3.31
Terrence A Campbell	2,424,760	1.74
Navigator Australia Ltd <MLC Investment Sett A/C>	824,135	0.59
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	599,536	0.43
National Nominees Limited	586,258	0.42
Mr Ian Stanley Fraser + Mr John Bruce Hannaford + Mr Andrew Stanley Fraser <Joe White Bequest A/C>	583,240	0.42
Australian Executor Trustees Limited <No 1 Account>	473,334	0.34
Baker Custodian Corporation	450,000	0.32
Ross Barker	440,160	0.32
Yelgarn Pty Ltd <Montgomery Super Fund A/C>	421,707	0.30
Somoke Pty Limited <Pulman Super Fund A/C>	413,953	0.30
Dequetteville Nominees Pty Ltd	408,478	0.29
OR Dolgoshein Pty Ltd <Geoffrey J Long S/F A/C>	402,204	0.29
Abtourk (Vic No 11) Pty Ltd	399,700	0.29
Annie Oceana Pty Ltd <Ellis Super Fund A/C>	392,011	0.28
Lonceta Pty Ltd <Hancock Super Fund A/C>	359,715	0.26
Prof Peter Angas Parsons	352,267	0.25
Brownell Superannuation Pty Ltd <Brownell Super Fund A/C>	350,000	0.25
Newstead Superannuation Pty Ltd	350,000	0.25

SUBSTANTIAL SHAREHOLDERS

The Company has been notified of substantial shareholdings as follows:

<u>Holder</u>	<u>Number of Shares</u>	<u>Date Notified</u>
Australian Foundation Investment Company Limited	5,200,000	28/06/01

The above notice was lodged prior to the rights issues of September 2003 and February 2008. Current shareholding reflected on page 48.

HOLDINGS OF SECURITIES

As at 30 June 2014

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

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
JHX*	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	1,130	1,030	14,222
OSH*	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in Papua New Guinea	1,512	1,360	13,116
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	396	620	13,008
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	1,350	1,350	11,961
TGR	Tassal Group	Producer of Atlantic salmon from Tasmania	3,055	2,700	10,422
ANN	Ansell	Designer, manufacturer and distributor of a wide range of industrial, surgical and examination gloves and other protective products	485	490	9,719
QUB	Qube Holdings	Provider of import and export logistics services with national operations	1,919	4,200	9,576
TOX	Tox Free Solutions	Waste management and environmental service business	4,000	2,600	8,788
PPT	Perpetual	Financial services company offering investment management, financial advice and corporate trust services	147	160	7,581
AWC	Alumina	Forty per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	5,322	5,322	7,184
IVC	InvoCare	Provider of services related to funerals, burials and cremations	925	700	7,077
IRE	IRESS	Provider of share market and wealth management information systems	1,250	840	6,880
SEK	Seek	Operator of employment classifieds websites in Australia and offshore with interests in education and training	345	415	6,578
BGL	BigAir Group	Provider of wireless broadband solutions for corporate customers and university campus environments	7,000	7,152	6,509
IPP	iProperty Group	Operator of internet-based real estate portals in Asian markets including Malaysia, Singapore, Hong Kong and Indonesia	2,497	2,000	6,120
FBU	Fletcher Building	Building materials company with diversified activities in manufacturing, construction and distribution predominantly in New Zealand and Australia	660	743	6,078
CCL	Coca-Cola Amatil	Manufacturer and distributor of a range of carbonated soft drinks, fruit products and other beverages	589	589	5,573
VOC	Vocus Communications	Provider of wholesale data centre, voice, and international internet connectivity to telecommunications companies and ISPs	1,379	1,150	5,474
TOL	Toll Holdings	Transport and logistics group operating in the Asia Pacific region	1,050	1,050	5,355
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen-based fertiliser and industrial explosives	605	1,800	5,220
LIC	Lifestyle Communities	Developer, owner and manager of independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities onsite	0	3,225	5,176
SAI	SAI Global	Provider of information services and systems for risk management, compliance and business improvement	0	1,000	5,110
FNP	Freedom Foods	Producer of specialist allergen-free foods, with related packaging and marketing interests in dairy and seafood	1,957	1,810	4,995
AUB	Austbrokers Holdings	Investor in a network of small to medium Australian insurance brokers	1,167	452	4,872

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
SXY	Senex Energy	Oil and gas explorer and developer with assets in South Australia and Queensland	8,500	7,000	4,865
SOL	Washington H Soul Pattinson	Listed investment company with a diverse portfolio of investments including coal mining, building materials, telecommunications, pharmaceuticals and other listed equities	0	321	4,741
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	396	375	4,590
AHD	Amalgamated Holdings	Entertainment, hospitality and leisure company, with interests in cinemas, hotels, resorts and a wildlife park	485	485	4,525
ICQ	iCar Asia	Operator of a network of automotive-related classifieds websites across South East Asia	2,750	2,750	4,483
RMD	ResMed	Leading developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	600	800	4,384
INA	Ingenia Communities Group	Owner, operator and developer of a diversified portfolio of seniors' housing communities	7,805	8,500	4,250
NUF	Nufarm	Agricultural chemical company that manufactures and sells crop protection and seeds treatment products globally	900	909	4,228
RHC*	Ramsay Health Care	Private hospital operator with hospitals in Australia, the United Kingdom, France and Indonesia	190	90	4,085
AWE	AWE	Oil and gas company with production, development and exploration assets in Australia, New Zealand, United States and Indonesia	1,300	2,264	4,075
TWE	Treasury Wine Estates	Wine company with over 50 brands produced in Australia, New Zealand, the United States and Italy and sold globally	130	813	4,073
BSL	BlueScope Steel	Steel company with intergrated operations in Australia and New Zealand, with specialised manufacturing in the United States and Asia	750	750	4,065
CGF	Challenger	Financial services company providing life insurance, annuities and funds management	0	520	3,869
JHC	Japara Healthcare	Provider of residential aged care services	0	1,625	3,819
REH	Reece Australia	Distributor and retailer of plumbing, building and hardware supplies	122	122	3,692
ILU	Iluka Resources	Miner of zircon and titanium-based mineral sands products with an additional iron ore production royalty	450	450	3,659
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	262	262	3,581
TSE	Transfield Services	Operations, maintenance and construction services business, operating globally in the resources, energy, industrial, infrastructure, property and defence sectors	900	3,200	3,472
ASB	Austal	Designs, constructs and maintains specialist high-performance aluminium vessels for defence and commercial purposes	1,500	2,550	3,264
CTX	Caltex Australia	Australia's leading transport fuel supplier and convenience retailer, with integrated oil refining, logistics and marketing operations across the country	0	150	3,236
WLL	Wellcom Group	Production company providing pre media, digital asset management and specialty printing services to advertisers, retailers and corporations	1,463	1,104	3,190
BGA	Bega Cheese	Manufacturer and distributor of cheeses and related dairy products for Australia's domestic retail market and several export destinations	1,786	600	2,922
BLD	Boral	Provider of building and construction materials in Australia, the United States and Asia	550	550	2,888

HOLDINGS OF SECURITIES *continued*

As at 30 June 2014

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
TPM	TPG Telecom	Provider of a diverse range of communication services to residential users, small and medium enterprises, government and large corporate enterprises. The company owns and operates their own domestic network infrastructure and an international submarine cable connecting Australia and Guam	0	430	2,369
NHC	New Hope Corporation	Energy company, predominantly operating open cut coal mines in Queensland	400	820	2,198
JBH	JB Hi-Fi	Retailer of audio visual equipment and content, consumer electronics and technology-related accessories	120	120	2,196
DMP	Domino's Pizza Enterprises	Franchisor for the Domino's Pizza brand and network in Australia, New Zealand, France, Belgium, and the Netherlands	127	100	2,146
WCL	Westside Corporation	Coal seam gas producer with gas production, significant uncontracted reserves and exploration interests in Queensland. The company operates the Meridian gasfields west of Gladstone as part joint venture	0	5,000	2,025
BKL	Blackmores	Natural healthcare company that distributes premium branded vitamins and supplements in Australia and South East Asia	50	70	1,904
CVW	ClearView Wealth	Life insurance company with associated offerings in wealth management and financial advice	0	2,138	1,711
FLT	Flight Centre Travel Group	Global travel agency business with retail, corporate and wholesale brands across a range of countries	0	35	1,556
WIC	Westoz Investment Company	Listed investment company focused on Western Australian-based companies	0	1,171	1,545
TAP	Tap Oil	Oil and gas explorer and producer with interests in Australia, Africa and South East Asia	3,000	3,000	1,530
COE	Cooper Energy	Oil and gas explorer and producer with a primary focus on projects located in Australia (the Cooper/Eromanga and Otway Basins) and Tunisia	2,500	3,000	1,515
BRU	Buru Energy	Oil and gas company exploring and developing the petroleum resources of the Canning Superbasin, in the Kimberley region of Western Australia	1,200	1,310	1,454
CDP	Carindale Property Trust	Fifty per cent interest in the Westfield Carindale Shopping Centre, south east of Brisbane	255	255	1,454
PHG	Pulse Health	Operator of private hospitals, day surgeries and related healthcare services in regional communities	0	2,567	1,399
BLX	Beacon Lighting Group	Australia's largest lighting and accessory retailer with integrated operations from design and sourcing, through to merchandising and retailing	0	1,064	1,101
APE	AP Eagers	Operator of a national footprint of full service motor vehicle dealerships representing a broad range of car and truck brands in Australia	0	186	1,063
EML	Emerchants	Issuer and processor of prepaid financial cards, ranging from reloadable cards through to traditional, single-store gift cards. The Group is headquartered in Brisbane, and primarily targets corporate and government clients	0	1,602	1,025
ESV	eServGlobal	Specialist provider of mobile-based payment software, focused on both domestic mobile-to-mobile transfers and cross-border remittance to more than 50 countries	0	1,300	962
LSX	Lion Selection Group	Mining investment company that invests in, and provides funding to, mining companies in the project development phase	2,211	3,155	946
FPH	Fisher & Paykel Healthcare	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnea	0	200	886

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
RUL	RungePincokMinarco	Provider of software and engineering consultancy services to the mining industry	0	1,500	870
CKL	Colorpak	Packaging company with clients in the pharmaceutical, healthcare, food, cosmetics and wine industries	2,400	1,363	858
EPD	Empired	IT services provider, offering end-to-end solutions to a range of clients in both the government and private sectors	0	1,385	831
NFNG	Nufarm Step-Up Securities	Agricultural chemical company that manufactures and sells crop protection and seeds products globally	10	10	812
SFC	Schaffer Corporation	Industrial corporation with interests in the manufacture of automotive leather and building materials	0	127	750
BUL	Blue Energy	Developer of Coal Seam Gas, Natural Gas and Conventional Oil resources within eastern Australia	9,030	14,071	704
PPCG	Peet 9.5 per cent Convertible Notes	Acquisition, management, development and marketing of broadacre residential land estates	7	7	682
GHC	Generation Healthcare REIT	Real estate investment trust that invests in hospitals, medical centres, laboratories and other purpose-built healthcare facilities	0	500	660
OFX	OzForex Group	Specialist online foreign exchange and international payments service provider with operations across six continents	0	250	660
YBR	Yellow Brick Road	Provider of mortgage broking, investment and wealth management	0	1,000	650
QHL	Quickstep Holdings	Manufacturer of carbon fibre components for the aeronautical, defence and automotive industries. The company operates a manufacturing facility in Sydney, with development operations in North America and Europe	0	3,500	648
VLW	Villa World	Property developer and home-builder, offering house and land packages in master-planned communities down Australia's east coast	0	300	606
	Catapult Group International#	Provider of GPS athlete-tracking devices to elite sporting bodies	0	0.3	441
SUL	Super Retail Group	One of Australia's leading specialty retailers, with over 600 stores across the sporting, automotive, camping and outdoor segments	0	41	344
Total					317,047

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

Unlisted stock.

MAJOR CHANGES TO THE INVESTMENT PORTFOLIO

Acquisitions (Above \$2 Million)	Cost \$'000
Equity Trustees	5,518
Qube Holdings	4,877
Washington H Soul Pattinson*	4,357
SAI Global*	4,022
Perpetual ^(a)	3,819
Lifestyle Communities*	3,745
Challenger*	3,461
Japara Health Care*	3,426
Incitec Pivot	3,391
Treasury Wine Estates	3,343
Caltex Australia*	2,934
Transfield Services	2,648
SFG Australia*	2,207
TPG Telecom*	2,135

Disposals (Above \$2 Million)	Proceeds \$'000
REA Group [#]	11,098
Austbrokers Holdings	7,935
Bega Cheese	6,111
IRESS	4,767
Cromwell Property Group [#]	4,687
Tox Free Solutions	4,569
Ramsay Health Care	4,350
Trust Company ^(b)	3,819
Mermaid Marine [#]	3,627
Transurban Group [#]	3,397
Perpetual	3,384
Bradken [#]	3,276
iProperty Group	2,656
SFG Australia [#]	2,539
InvoCare	2,496
iSelect [#]	2,234

* New stock in the portfolio.

Complete disposal from the portfolio.

(a) Consideration for takeover of Trust Company.

(b) Takeover by Perpetual.

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	Amount Underwritten
Ingenia Communities Group	RBS Morgans Corporate Ltd & Petra Capital Pty Ltd	1 for 3 non-renounceable entitlement issue @ \$0.365 per share	\$1,449,589
Corporate Travel Management	Morgans Corporate Ltd	4 for 27 renounceable rights issue @ \$4.60 per share	\$74,962
Lion Selection Group Ltd	Bailieu Holst Ltd	Share Purchase Plan @ \$0.53 per share	\$500,000

TRANSACTIONS IN SECURITIES

During the year ended 30 June 2014, the Company recorded 777 transactions in securities. \$464,054 in brokerage (including GST) was paid or accrued for the year.

SHARE ISSUES

Date of Issue	Type	Price Per Share \$
11 February 2014	DRP	2.33
9 August 2013	DRP	2.26
12 February 2013	DRP	2.14
3 August 2012	DRP	1.85
10 February 2012	DRP	1.74
5 August 2011	DRP	1.83
16 August 2010	Share Purchase Plan	1.60
12 February 2010	DRP	1.99
7 August 2009	DRP	1.55
13 February 2009	DRP	1.32
29 February 2008	1 for 7 rights issue	1.95
2 August 2007	DRP	2.49
2 March 2007	DRP	2.09
23 August 2006	DRP	1.86
15 March 2004	Share Acquisition Plan	1.15
23 September 2003	1 for 4 rights issue	1.00
13 April 2003	Share Acquisition Plan	1.00
22 April 1999	Initial share issue	1.00

COMPANY PARTICULARS

Mirrabooka Investments Limited (MIR)
ABN 31 085 290 928

Directors

Terrence A Campbell AO, Chairman
Ross E Barker, Managing Director
Ian A Campbell
David E Meiklejohn AM
Graeme W Sinclair

Company Secretaries

Simon M Pordage
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

Level 21, 101 Collins Street
Melbourne Victoria 3000

Mailing Address

Mail box 146
101 Collins Street
Melbourne Victoria 3000

Contact Details

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

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

Telephone 1800 780 784 (toll free)

Share Registrar

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

Shareholder

Enquiry Line 1300 653 924
+61 3 9415 4342
(from overseas)
Facsimile +61 3 9473 2500
Website www.investorcentre.com/contact

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

Securities Exchange Code

MIR Ordinary shares

Annual General Meeting

Time 1.30pm
Date Monday 6 October 2014
Venue RACV City Club
Location 501 Bourke Street
Melbourne



MIRRABOOKA
Investments Limited



ANNUAL REVIEW 2014

Finding opportunities
in small and medium
sized companies



MIRRABOOKA
Investments Limited

The investment goals of Mirrabooka are:

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

CONTENTS

- 1 Year in Summary
- 2 Review of Operations and Activities
- 8 Top 20 Investments
- 9 Income Statement
- 10 Balance Sheet
- 11 Statement of Changes in Equity
- 12 Holdings of Securities
- 21 Major Changes to the Investment Portfolio
- 23 5 Year Summary
- 24 Company Particulars

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 Securities Exchange (ASX) or are in the S&P/ASX Mid Cap 50s or Small Ordinaries Index.

YEAR IN SUMMARY

PROFIT FOR THE YEAR

\$7.8m

▼ Down 23.8% from 2013*

* 2013 figure included \$1.9 million of after tax gains in market value of Hastings Diversified Utilities Fund.

TOTAL SHAREHOLDER RETURN

+21.2%

Share price plus dividend

NET OPERATING RESULT

\$7.8m

▼ Down 6.0% from 2013

MANAGEMENT EXPENSE RATIO

0.64%

0.70% in 2013

FULLY FRANKED DIVIDEND

6.5¢ Final

10¢ Special

**20¢
Total**

▲ 15 cents total 2013

TOTAL PORTFOLIO

\$347.6m
Including cash

▲ \$297.0 million in 2013

TOTAL PORTFOLIO RETURN

+22.8%

S&P/ASX Mid Cap 50 and Small
Ordinaries Accumulation Indices +16.9%

REVIEW OF OPERATIONS AND ACTIVITIES

Profit and Dividend

Mirrabooka's reported profit was \$7.8 million for the 12 months to 30 June 2014 compared with \$10.3 million last year. Last year's figure included \$1.9 million after tax from the takeover of Hastings Diversified Utilities Fund.

The net operating result, which measures the underlying income generated by the portfolio, was also \$7.8 million, down marginally from \$8.3 million last year. This was as a result of a slight reduction in dividend income due to changes in the portfolio.

The Company maintained the final dividend at 6.5 cents per share fully franked. It also declared a special dividend of 10 cents per share fully franked sourced from after tax realised gains of \$26.7 million made during the year (the corresponding figure last year was \$18.1 million). The amount of the pre tax attributable gain, known as an 'LIC capital gain', is 20.7 cents per share. This enables some shareholders to claim a tax deduction in their tax return. Further details are on the dividend statement.

Figure 1: Earnings per share and dividends per share

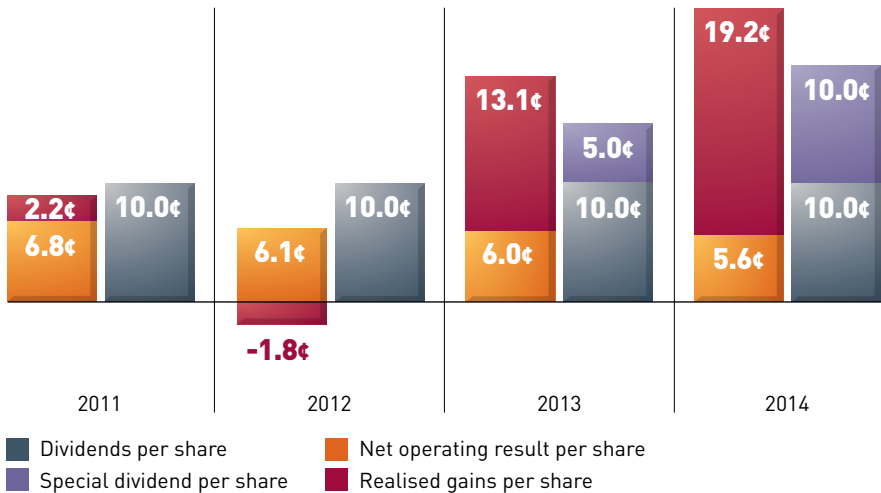
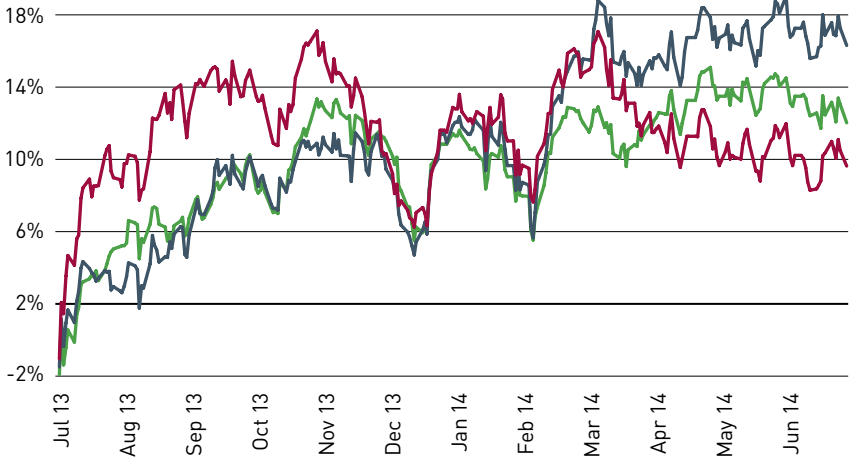


Figure 2: Sector performance by market capitalisation



— % Fifty Leaders — % Mid Cap 50 — % Small Ordinaries

Portfolio

Mirrabooka's total portfolio return, including dividends paid, was 22.8 per cent. This compares with the combined small and midcap market index benchmark which was up 16.9 per cent. This was in a market where mid cap stocks significantly outperformed small cap stocks (and to a lesser extent large cap companies).

Given this trend, the selection of specific stocks as part of Mirrabooka's 'bottom up' investment process was again instrumental in delivery of outperformance over the year.

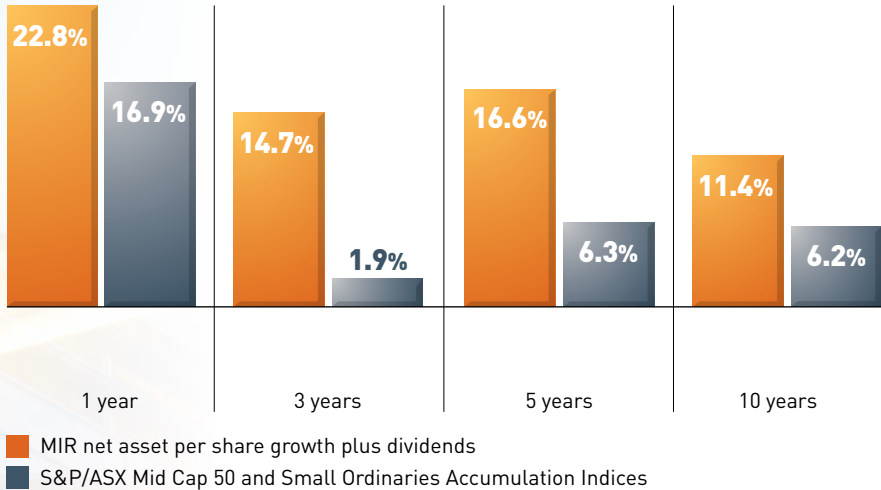
Mirrabooka also benefited from the performance of James Hardie and Oil Search, both of which had large increases in their respective share prices over the year and which are now large cap stocks.



REVIEW OF OPERATIONS AND ACTIVITIES

continued

Figure 3: Portfolio return percentage per year to 30 June 2014



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

As part of its investment approach, Mirrabooka does not automatically sell holdings if they become a top 50 company by market capitalisation. If we believe the company still has attractive investment merits we will continue to hold it. In some cases Mirrabooka will write call options over part of the holding as a way of generating some additional income, understanding if the options were to be exercised the holding would not be replaced given it is a top 50 company.

Overall, the most significant contributors to portfolio performance over the year were iProperty Group, James Hardie, Bega Cheese, Tassal Group, Equity Trustees and REA Group.

The five year return for the portfolio which is in line with the average holding period of stocks in the portfolio was 16.6 per cent per annum against the benchmark return of 6.3 per cent per annum.

REVIEW OF OPERATIONS AND ACTIVITIES

continued

Mirrabooka delivers fully franked dividends from operating earnings and after tax realised gains. These franking credits can add considerably to the return for shareholders. Assuming an investor can take full advantage of the franking credits, Mirrabooka's performance has added another 1.7 per cent to the outperformance of the portfolio when compared to the five year return when franking is also included (refer to Figure 4).

Realised gains through the year came from a number of adjustments to the portfolio, including the sale of the entire holding in REA Group and the partial sale of holdings in Austbrokers, Bega Cheese, Ramsay Healthcare and iProperty Group.

The funds generated from these sales were deployed into new holdings, including Washington H Soul Pattinson, SAI Global, Lifestyle Communities, Challenger and Japara Healthcare. The largest additions to existing holdings were in Equity Trustees, Qube Holdings, Incitec Pivot and Treasury Wine Estates.

The details of new holdings added, other than those already outlined to shareholders in the Half-Year Review, are described below:

- **SAI Global** provides organisations globally with information services and solutions for managing risk, achieving compliance and driving business improvement. SAI's business is supported by the increasing need to meet regulations, standards and legislation in all their locations. The company is

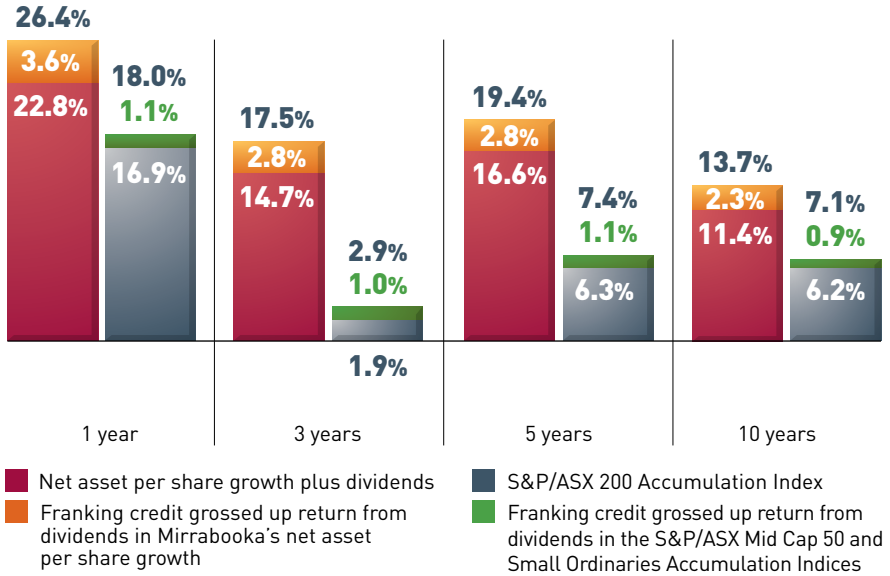
currently subject to a takeover bid by Pacific Equity Partners and has reportedly also been approached by a number of other interested parties.

- **Challenger** focuses on providing Australians with financial security in retirement and operates through two divisions: Life and Funds Management. The Life division includes annuity and life insurance business carried out by Challenger Life Company Limited which invests in assets providing long term income streams. The Funds management division offers an end-to-end fund management business. This division also manages two listed funds and a number of unlisted fund mandates.
- **Japara Healthcare** is one of Australia's largest enterprises in the aged care and retirement industry. It owns and operates 35 aged care facilities and four retirement complexes throughout Victoria, South Australia, New South Wales and Tasmania.

In total, purchases in the investment portfolio were \$86.0 million for the year whereas sales amounted to \$96.5 million over the year.

At the end of June, Mirrabooka had \$30.6 million of cash (before the payment of the final and special dividends). We believe this provides the necessary flexibility to pursue opportunities that may arise into the new financial year in an environment which carries some heightened risk given uncertain economic conditions remain in Australia and globally.

Figure 4: Portfolio performance including benefit of franking credits – per annum return to 30 June 2014



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

TOP 20 INVESTMENTS

As at 30 June 2014

Includes investments held in both the investment and trading portfolios.

Valued at closing prices at 30 June 2014

		Total Value \$'000	% of Portfolio
1	James Hardie Industries*	14,222	4.5
2	Oil Search*	13,116	4.1
3	Equity Trustees	13,008	4.1
4	ALS	11,961	3.8
5	Tassal Group	10,422	3.3
6	Ansell	9,719	3.1
7	Qube Holdings	9,576	3.0
8	Tox Free Solutions	8,788	2.8
9	Perpetual	7,581	2.4
10	Alumina	7,184	2.3
11	InvoCare	7,077	2.2
12	IRESS	6,880	2.2
13	Seek	6,578	2.1
14	BigAir Group	6,509	2.1
15	iProperty Group	6,120	1.9
16	Fletcher Building	6,078	1.9
17	Coca-Cola Amatil	5,573	1.8
18	Vocus Communications	5,474	1.7
19	Toll Holdings	5,355	1.7
20	Incitec Pivot	5,220	1.6
	Total	166,439	

As a percentage of total portfolio value (excludes cash)

52.5%

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

INCOME STATEMENT

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
Dividends and distributions	8,639	9,050
Revenue from deposits and bank bills	835	873
Net gains on trading portfolio	797	404
Income from options written portfolio	-	36
Other income	25	12
Total income	10,296	10,375
Administration expenses	(2,107)	(1,984)
Operating result before income tax	8,189	8,391
Income tax	(395)	(98)
Net operating result	7,794	8,293
Net unrealised gains on 'puttable instruments' and non-equity investments	44	2,819
Net losses on open options positions	(1)	-
Tax expense on net gains on investments	(13)	(846)
	30	1,973
Profit for the year	7,824	10,266
	Cents	Cents
Net operating result per share	5.61	6.03
Profit for the year per share	5.63	7.46

BALANCE SHEET

As at 30 June 2014

	2014 \$'000	2013 \$'000
Current assets		
Cash	30,593	34,191
Receivables	1,038	3,128
Trading portfolio	-	943
Total current assets	31,631	38,262
Non-current assets		
Investment portfolio	317,126	261,818
Total non-current assets	317,126	261,818
Total assets	348,757	300,080
Current liabilities		
Payables	289	442
Tax payable	11,695	8,832
Options written portfolio	79	-
Total current liabilities	12,063	9,274
Non-current liabilities		
Deferred tax liabilities – other	134	173
Deferred tax liabilities – investment portfolio	35,125	26,041
Total non-current liabilities	35,259	26,214
Total liabilities	47,322	35,488
Net assets	301,435	264,592
Shareholders' equity		
Share capital	157,456	154,045
Revaluation reserve	69,858	50,162
Realised capital gains reserve	61,014	46,760
Retained profits	13,107	13,625
Total shareholders' equity	301,435	264,592

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2014

	2014 \$'000	2013 \$'000
Total equity at the beginning of the year	264,592	235,472
Dividends paid	(20,719)	(13,707)
Dividend Reinvestment Plan	3,411	2,012
Total transactions with shareholders	(17,308)	(11,695)
Profit for the year	7,824	10,266
Revaluation of investment portfolio	65,627	44,361
Provision for tax on revaluation	(19,300)	(13,812)
Revaluation of investment portfolio (after tax)	46,327	30,549
Total comprehensive income for the year	54,151	40,815
Realised gains on securities sold	36,891	26,660
Tax expense on realised gains on securities sold	(10,229)	(8,577)
Net realised gains on securities sold	26,662	18,083
Transfer from revaluation reserve to realised gains reserve	(26,662)	(18,083)
Total equity at the end of the year	301,435	264,592

A full set of Mirrabooka's accounts are available on the Company's website.

HOLDINGS OF SECURITIES

As at 30 June 2014

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

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
JHX*	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	1,130	1,030	14,222
OSH*	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in Papua New Guinea	1,512	1,360	13,116
EQT	Equity Trustees	Provider of private client, trustee, estate administration and funds management services	396	620	13,008
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	1,350	1,350	11,961
TGR	Tassal Group	Producer of Atlantic salmon from Tasmania	3,055	2,700	10,422
ANN	Ansell	Designer, manufacturer and distributor of a wide range of industrial, surgical and examination gloves and other protective products	485	490	9,719
QUB	Qube Holdings	Provider of import and export logistics services with national operations	1,919	4,200	9,576
TOX	Tox Free Solutions	Waste management and environmental service business	4,000	2,600	8,788
PPT	Perpetual	Financial services company offering investment management, financial advice and corporate trust services	147	160	7,581
AWC	Alumina	Forty per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	5,322	5,322	7,184

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
IVC	InvoCare	Provider of services related to funerals, burials and cremations	925	700	7,077
IRE	IRESS	Provider of share market and wealth management information systems	1,250	840	6,880
SEK	Seek	Operator of employment classifieds websites in Australia and offshore with interests in education and training	345	415	6,578
BGL	BigAir Group	Provider of wireless broadband solutions for corporate customers and university campus environments	7,000	7,152	6,509
IPP	iProperty Group	Operator of internet-based real estate portals in Asian markets including Malaysia, Singapore, Hong Kong and Indonesia	2,497	2,000	6,120
FBU	Fletcher Building	Building materials company with diversified activities in manufacturing, construction and distribution predominantly in New Zealand and Australia	660	743	6,078
CCL	Coca-Cola Amatil	Manufacturer and distributor of a range of carbonated soft drinks, fruit products and other beverages	589	589	5,573
VOC	Vocus Communications	Provider of wholesale data centre, voice, and international internet connectivity to telecommunications companies and ISPs	1,379	1,150	5,474
TOL	Toll Holdings	Transport and logistics group operating in the Asia Pacific region	1,050	1,050	5,355
IPL	Incitec Pivot	Manufacturer and supplier of nitrogen-based fertiliser and industrial explosives	605	1,800	5,220
LIC	Lifestyle Communities	Developer, owner and manager of independent living communities for elderly citizens. The company operates eight villages across Victoria, encompassing a full range of community and lifestyle-orientated facilities onsite	0	3,225	5,176

HOLDINGS OF SECURITIES *continued*

As at 30 June 2014

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
SAI	SAI Global	Provider of information services and systems for risk management, compliance and business improvement	0	1,000	5,110
FNF	Freedom Foods	Producer of specialist allergen-free foods, with related packaging and marketing interests in dairy and seafood	1,957	1,810	4,995
AUB	Austbrokers Holdings	Investor in a network of small to medium Australian insurance brokers	1,167	452	4,872
SXY	Senex Energy	Oil and gas explorer and developer with assets in South Australia and Queensland	8,500	7,000	4,865
SOL	Washington H Soul Pattinson	Listed investment company with a diverse portfolio of investments including coal mining, building materials, telecommunications, pharmaceuticals and other listed equities	0	321	4,741
ARP	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	396	375	4,590
AHD	Amalgamated Holdings	Entertainment, hospitality and leisure company, with interests in cinemas, hotels, resorts and a wildlife park	485	485	4,525
ICQ	iCar Asia	Operator of a network of automotive-related classifieds websites across South East Asia	2,750	2,750	4,483
RMD	ResMed	Leading developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	600	800	4,384
INA	Ingenia Communities Group	Owner, operator and developer of a diversified portfolio of seniors' housing communities	7,805	8,500	4,250

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
NUF	Nufarm	Agricultural chemical company that manufactures and sells crop protection and seeds treatment products globally	900	909	4,228
RHC*	Ramsay Health Care	Private hospital operator with hospitals in Australia, the United Kingdom, France and Indonesia	190	90	4,085
AWE	AWE	Oil and gas company with production, development and exploration assets in Australia, New Zealand, United States and Indonesia	1,300	2,264	4,075
TWE	Treasury Wine Estates	Wine company with over 50 brands produced in Australia, New Zealand, the United States and Italy and sold globally	130	813	4,073
BSL	BlueScope Steel	Steel company with intergrated operations in Australia and New Zealand, with specialised manufacturing in the United States and Asia	750	750	4,065
CGF	Challenger	Financial services company providing life insurance, annuities and funds management	0	520	3,869
JHC	Japara Healthcare	Provider of residential aged care services	0	1,625	3,819
REH	Reece Australia	Distributor and retailer of plumbing, building and hardware supplies	122	122	3,692
ILU	Iluka Resources	Miner of zircon and titanium-based mineral sands products with an additional iron ore production royalty	450	450	3,659
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	262	262	3,581

HOLDINGS OF SECURITIES *continued*

As at 30 June 2014

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
TSE	Transfield Services	Operations, maintenance and construction services business, operating globally in the resources, energy, industrial, infrastructure, property and defence sectors	900	3,200	3,472
ASB	Austal	Designs, constructs and maintains specialist high-performance aluminium vessels for defence and commercial purposes	1,500	2,550	3,264
CTX	Caltex Australia	Australia's leading transport fuel supplier and convenience retailer, with integrated oil refining, logistics and marketing operations across the country	0	150	3,236
WLL	Wellcom Group	Production company providing pre media, digital asset management and specialty printing services to advertisers, retailers and corporations	1,463	1,104	3,190
BGA	Bega Cheese	Manufacturer and distributor of cheeses and related dairy products for Australia's domestic retail market and several export destinations	1,786	600	2,922
BLD	Boral	Provider of building and construction materials in Australia, the United States and Asia	550	550	2,888
TPM	TPG Telecom	Provider of a diverse range of communication services to residential users, small and medium enterprises, government and large corporate enterprises. The company owns and operates their own domestic network infrastructure and an international submarine cable connecting Australia and Guam	0	430	2,369
NHC	New Hope Corporation	Energy company, predominantly operating open cut coal mines in Queensland	400	820	2,198

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
JBH	JB Hi-Fi	Retailer of audio visual equipment and content, consumer electronics and technology-related accessories	120	120	2,196
DMP	Domino's Pizza Enterprises	Franchisor for the Domino's Pizza brand and network in Australia, New Zealand, France, Belgium, and the Netherlands	127	100	2,146
WCL	Westside Corporation	Coal seam gas producer with gas production, significant uncontracted reserves and exploration interests in Queensland. The company operates the Meridian gasfields west of Gladstone as part joint venture	0	5,000	2,025
BKL	Blackmores	Natural healthcare company that distributes premium branded vitamins and supplements in Australia and South East Asia	50	70	1,904
CWW	ClearView Wealth	Life insurance company with associated offerings in wealth management and financial advice	0	2,138	1,711
FLT	Flight Centre Travel Group	Global travel agency business with retail, corporate and wholesale brands across a range of countries	0	35	1,556
WIC	Westoz Investment Company	Listed investment company focused on Western Australian-based companies	0	1,171	1,545
TAP	Tap Oil	Oil and gas explorer and producer with interests in Australia, Africa and South East Asia	3,000	3,000	1,530
COE	Cooper Energy	Oil and gas explorer and producer with a primary focus on projects located in Australia (the Cooper/Eromanga and Otway Basins) and Tunisia	2,500	3,000	1,515
BRU	Buru Energy	Oil and gas company exploring and developing the petroleum resources of the Canning Superbasin, in the Kimberley region of Western Australia	1,200	1,310	1,454

HOLDINGS OF SECURITIES *continued*

As at 30 June 2014

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
CDP	Carindale Property Trust	Fifty per cent interest in the Westfield Carindale Shopping Centre, south east of Brisbane	255	255	1,454
PHG	Pulse Health	Operator of private hospitals, day surgeries and related healthcare services in regional communities	0	2,567	1,399
BLX	Beacon Lighting Group	Australia's largest lighting and accessory retailer with integrated operations from design and sourcing, through to merchandising and retailing	0	1,064	1,101
APE	AP Eagers	Operator of a national footprint of full service motor vehicle dealerships representing a broad range of car and truck brands in Australia	0	186	1,063
EML	Emerchants	Issuer and processor of prepaid financial cards, ranging from reloadable cards through to traditional, single-store gift cards. The Group is headquartered in Brisbane, and primarily targets corporate and government clients	0	1,602	1,025
ESV	eServGlobal	Specialist provider of mobile-based payment software, focused on both domestic mobile-to-mobile transfers and cross-border remittance to more than 50 countries	0	1,300	962
LSX	Lion Selection Group	Mining investment company that invests in, and provides funding to, mining companies in the project development phase	2,211	3,155	946
FPH	Fisher & Paykel Healthcare	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnea	0	200	886
RUL	RungePin-cockMinarco	Provider of software and engineering consultancy services to the mining industry	0	1,500	870

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
CKL	Colorpak	Packaging company with clients in the pharmaceutical, healthcare, food, cosmetics and wine industries	2,400	1,363	858
EPD	Empired	IT services provider, offering end-to-end solutions to a range of clients in both the government and private sectors	0	1,385	831
NFNG	Nufarm Step-Up Securities	Agricultural chemical company that manufactures and sells crop protection and seeds products globally	10	10	812
SFC	Schaffer Corporation	Industrial corporation with interests in the manufacture of automotive leather and building materials	0	127	750
BUL	Blue Energy	Developer of Coal Seam Gas, Natural Gas and Conventional Oil resources within eastern Australia	9,030	14,071	704
PPCG	Peet 9.5 per cent Convertible Notes	Acquisition, management, development and marketing of broadacre residential land estates	7	7	682
GHC	Generation Healthcare REIT	Real estate investment trust that invests in hospitals, medical centres, laboratories and other purpose-built healthcare facilities	0	500	660
OFX	OzForex Group	Specialist online foreign exchange and international payments service provider with operations across six continents	0	250	660
YBR	Yellow Brick Road	Provider of mortgage broking, investment and wealth management	0	1,000	650
QHL	Quickstep Holdings	Manufacturer of carbon fibre components for the aeronautical, defence and automotive industries. The company operates a manufacturing facility in Sydney, with development operations in North America and Europe	0	3,500	648

HOLDINGS OF SECURITIES *continued*

As at 30 June 2014

Code	Company	Principal Activities	Number Held 2013 '000	Number Held 2014 '000	Market Value 2014 \$'000
VLW	Villa World	Property developer and home-builder, offering house and land packages in master-planned communities down Australia's east coast	0	300	606
	Catapult Group International [#]	Provider of GPS athlete-tracking devices to elite sporting bodies	0	0.3	441
SUL	Super Retail Group	One of Australia's leading specialty retailers, with over 600 stores across the sporting, automotive, camping and outdoor segments	0	41	344
Total					317,047

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

Unlisted stock.

MAJOR CHANGES TO THE INVESTMENT PORTFOLIO

Acquisitions (Above \$2 Million)	Cost \$'000
Equity Trustees	5,518
Qube Holdings	4,877
Washington H Soul Pattinson*	4,357
SAI Global*	4,022
Perpetual ^(a)	3,819
Lifestyle Communities*	3,745
Challenger*	3,461
Japara Health Care*	3,426
Incitec Pivot	3,391
Treasury Wine Estates	3,343
Caltex Australia*	2,934
Transfield Services	2,648
SFG Australia*	2,207
TPG Telecom*	2,135

* New stock in the portfolio.

(a) Acquired as consideration in the takeover of Trust Company.

MAJOR CHANGES TO THE INVESTMENT PORTFOLIO continued

Disposals (Above \$2 Million)	Proceeds \$'000
REA Group [#]	11,098
Austbrokers Holdings	7,935
Bega Cheese	6,111
IRESS	4,767
Cromwell Property Group [#]	4,687
Tox Free Solutions	4,569
Ramsay Health Care	4,350
Trust Company ^(b)	3,819
Mermaid Marine [#]	3,627
Transurban Group [#]	3,397
Perpetual	3,384
Bradken [#]	3,276
iProperty Group	2,656
SFG Australia [#]	2,539
InvoCare	2,496
iSelect [#]	2,234

[#] Complete disposal from the portfolio.

^(b) Takeover by Perpetual.

5 YEAR SUMMARY

	2014	2013	2012	2011	2010
Profit after tax (\$ million)	7.8	10.3	12.8	10.9	10.0
Net operating result after tax (\$ million)	7.8	8.3	8.4	9.1	6.6
Investments at market value (\$ million) ^(a)	317.1	262.8	238.9	239.2	205.9
Net operating result per share (cents)	5.6	6.0	6.1	6.8	5.2
Dividends per share (cents) ^(b)	20	15	10	10	10
Net asset backing per share (cents) ^(c)	241.5	210.8	186.7	190.3	173.8
Management expense ratio	0.64	0.70	0.79	0.79	0.93
Number of shareholders (30 June)	5,821	5,427	5,173	5,122	5,099

Notes

(a) Excludes cash.

(b) All dividends were fully franked. 2014 includes a special dividend of 10 cents. 2013 includes a special dividend of 5 cents. For 2014 the dividend carried an LIC Capital Gain attributable part of 20.7 cents. For 2013 it was 12.9 cents, for 2012 5.7 cents, 2011 4.6 cents and for 2010 7.1 cents.

(c) Net asset backing per share is 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

Mirrabooka Investments Limited (MIR)
ABN 31 085 290 928

Directors

Terrence A Campbell AO, Chairman
Ross E Barker, Managing Director
Ian A Campbell
David E Meiklejohn AM
Graeme W Sinclair

Company Secretaries

Simon Pordage
Andrew Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office

Level 21, 101 Collins Street
Melbourne Victoria 3000

Mail Address

Mail Box 146
101 Collins Street
Melbourne Victoria 3000

Contact Details

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

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

Telephone 1800 780 784 (toll free)

Share Registrar

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

Shareholder

Enquiry Lines 1300 653 924

+613 9415 4342 (from overseas)

Facsimile (03) 9473 2500

Website www.investorcentre.com/contact

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

Australian Securities Exchange Code

MIR Ordinary shares

Annual General Meeting

Time 1.30pm

Date Monday 6 October 2014

Venue RACV City Club

Location 501 Bourke Street
Melbourne

The Annual Report for 2014 is available on Mirrabooka's website www.mirra.com.au or by contacting the Company on (03) 9650 9911.



MIRRABOOKA
Investments Limited

NOTICE OF ANNUAL GENERAL MEETING 2014

The Annual General Meeting of Mirrabooka Investments Limited (the Company) will be held at:

RACV CITY CLUB, LEVEL 17, 501 BOURKE STREET, MELBOURNE, VICTORIA 3000

At 1.30pm (AEDT) on Monday 6 October 2014.

The Company has determined that, for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register at **7.00pm (AEST) on Saturday 4 October 2014.**

BUSINESS OF THE MEETING

1. FINANCIAL STATEMENTS AND REPORTS

To consider the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2014.

(Please note that no resolution will be required to be passed on this matter).

2. ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That the Remuneration Report for the financial year ended 30 June 2014 be adopted."

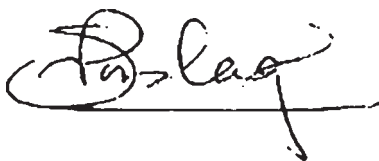
(Please note that the vote on this item is advisory only)

3. RE-ELECTION OF DIRECTOR

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Mr Ian Campbell, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."

By Order of the Board



Simon Pordage
Company Secretary
29 August 2014

EXPLANATORY NOTES

The Explanatory Notes below provide additional information regarding the items of business proposed for the Annual General Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

During this item there will be an opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2014. No resolution will be required to be passed on this matter.

Shareholders who have not elected to receive a hard copy of the Company's 2014 Annual Report can view or download it from the Company's website at:

www.mirra.com.au/Shareholder-Reports.aspx

2. ADOPTION OF REMUNERATION REPORT

During this item there will be an opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which commences on page 12 of the Company's 2014 Annual Report. The vote on the proposed resolution is advisory only.

Voting Exclusions on Item 2

Pursuant to section 250R(4) of the Corporations Act 2001, the Company is required to disregard any votes cast on item 2 (in any capacity) by or on behalf of either a member of the key management personnel, details of whose remuneration are included in the remuneration report; or a closely related party of such a member (together "prohibited persons").

However, the Company will not disregard a vote if:

- the prohibited person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
- the vote is not cast on behalf of a prohibited person.

Undirected Proxies on Item 2

If the Chairman of the meeting is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chairman of the meeting to vote for or against, or to abstain from voting on, the resolution on item 2 (Adoption of Remuneration Report) by marking the appropriate box opposite item 2 in the proxy form.

Pursuant to section 250R(5) of the Corporations Act 2001, if the Chairman of the meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite item 2, the relevant shareholder will be expressly authorising the Chairman to exercise the proxy in relation to item 2.

The Chairman intends to exercise such proxies by voting them in favour of the adoption of the Remuneration Report.

3. RE-ELECTION OF DIRECTOR

Mr Campbell was last re-elected by shareholders at the 2011 Annual General Meeting (AGM) and so is required to stand for re-election at this AGM. His biographical details are as follows:

Ian A Campbell

FAICD. Independent Non-Executive Director. Member of the Audit Committee and Investment Committee.

Mr Campbell is a Company Director who was appointed a Director of the Company in November 2007. He was Managing Director of GUD Holdings Limited from 1998 to 2013 and prior to that was Managing Director of Pacific Dunlop Cables Group.

Information regarding the Company's Corporate Governance arrangements and the Board's role can be found in the Company's 2014 Annual Report and on the Company's website at:

<http://www.mirra.com.au/Corporate-Governance.aspx>

SHAREHOLDER INFORMATION

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

The Board recommends that shareholders vote in favour of each item of business.

Where permissible, the Chairman of the meeting intends to vote undirected proxies in favour of all items of business.

Proxies

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be shareholders of the Company) to attend, vote and speak in the shareholder's place and to join in any demand for a poll.
2. Where a shareholder appoints more than one representative, proxy or attorney, those appointees are entitled to vote on a poll but not on a show of hands.
3. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. Where no such specification is made, each proxy may exercise half of the votes (any fractions of votes resulting from this are disregarded).
4. Proxy forms may be lodged online by visiting **www.investorvote.com.au** or by scanning the QR Code on the proxy form with a mobile device.
5. Relevant custodians may lodge their proxy forms online by visiting **www.intermediaryonline.com**
6. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be delivered in person, by mail or by fax to the Company's Share Registry (see details below) no later than 48 hours before the meeting, being **12.30pm (AEST) on Saturday 4 October 2014**. More details are on the proxy form.

Notice of Annual General Meeting 2014

7. A proxy need not vote in that capacity on a show of hands on any resolution nor (unless the proxy is the Chairman of the meeting) on a poll. However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of this Notice, including the voting exclusions noted above).
8. If a proxy does not attend the meeting or does not vote on a poll on a resolution, then the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting or the poll on that resolution, as applicable. If the Chairman of the meeting is appointed, or taken to be appointed, as a proxy, but the appointment does not specify the way to vote on a resolution, then the Chairman of the meeting intends to exercise the relevant shareholder's votes in favour of the relevant resolution (subject to the other provisions of this Notice, including the voting exclusions noted above).

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Unless it has previously been given to the Company, the representative should bring evidence of their appointment to the meeting, together with any authority under which it is signed. The appointment must comply with section 250D of the Corporations Act 2001.

Attorneys

A shareholder may appoint an attorney to vote on their behalf. To be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the meeting.

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street address:
Yarra Falls
452 Johnston Street
Abbotsford VIC 3067


Postal address:
GPO Box 242
Melbourne VIC 3001

Telephone: 1300 653 924 (within Australia)
+61 3 9415 4342 (outside Australia)
Facsimile: 1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)
Internet: www.investorcentre.com/contact



F 000001 000 MIR
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

In Person:
 Computershare Investor Services Pty Limited
 Yarra Falls, 452 Johnston Street
 Abbotsford, Victoria

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only (Custodians)
www.intermediaryonline.com

For all enquiries call:
 (within Australia) 1300 653 924
 (outside Australia) +61 3 9415 4342

Proxy Form



Appoint your proxy and view the Annual Report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
 Follow the instructions on the secure website to appoint your proxy.



Your access information that you will need to appoint your proxy online:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential. Please dispose
 of this form carefully if you appoint your proxy online.

 **For your vote to be effective it must be received by 12.30pm (AEST) Saturday 4 October 2014**

How to direct your proxy to vote

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a shareholder of the Company.

Lodgement of proxy form

This proxy form (and any authority under which it is signed or a certified copy of it) must be received at an address given above by 12.30pm (AEST) on Saturday 4 October 2014, being not later than 48 hours before the commencement of the meeting. Any proxy form received after that time will not be valid for the scheduled meeting.

Signing instructions for postal forms

Individual: Where the holding is in one name, the shareholder or attorney must sign.

Joint Holding: Where the holding is in more than one name, all of the shareholders or attorneys should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the meeting

If a representative of a corporate shareholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO APPOINT YOUR PROXY,
 or turn over to complete the form →**

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

XX

I/We being a shareholder/s of **MIRRABOOKA INVESTMENTS LIMITED** hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of **Mirrabooka Investments Limited** to be held at **RACV City Club, Level 17, 501 Bourke Street, Melbourne Victoria at 1.30pm (AEDT) on Monday 6 October 2014** and at any adjournment or postponement of that meeting.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting (to the extent permitted by law) to exercise my/our proxy in respect of item 2 even though the item is connected directly or indirectly with the remuneration of a member of key management personnel of Mirrabooka Investments Limited, which includes the Chairman of the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Item 2 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Re-election of Director - Mr Ian Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each item of business. Where permissible, the Chairman of the meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Shareholder(s)

This section must be completed.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

M I R

1 8 7 4 0 6 A

Computershare +