



MIRRABOOKA
Investments Limited

29 August 2017

The Manager
ASX Market Announcements
Australian Securities Exchange
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Sydney NSW 2000

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Electronic Lodgement

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

Dear Sir / Madam

Please find attached the 2017 Statutory Annual Report, Annual Shareholder Review, Notice of Meeting and Proxy form being sent to shareholders.

Yours faithfully

Matthew Rowe
Company Secretary



MIRRABOOKA
Investments Limited

Annual Report 2017

Finding opportunities in small
and medium-sized companies



Contents

2 Directors' Report	23 Notes to the Financial Statements	41 Other Information
2 5 Year Summary	23 A. Understanding Mirrabooka's Financial Performance	41 Information About Shareholders
3 About the Company	26 B. Costs, Tax and Risk	42 Substantial Shareholders
4 Review of Operations and Activities	30 C. Unrecognised Items	43 Holdings of Securities
10 Top 20 Investments	31 Additional Information	49 Major Changes in the Investment Portfolio
11 Board and Management	31 D. Balance Sheet Reconciliations	50 Sub-underwriting
13 Remuneration Report	32 E. Income Statement Reconciliations	50 Transactions in Securities
15 Non-audit Services	34 F. Other Information	51 Shares Issues
16 Auditor's Independence Declaration	36 Directors' Declaration	52 Company Particulars
17 Financial Statements	37 Independent Audit Report	53 Shareholder Meeting
18 Income Statement		
19 Statement of Comprehensive Income		
20 Balance Sheet		
21 Statement of Changes in Equity		
22 Cash Flow Statement		



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 S&P/ASX 50 Leaders Index.



Year in Summary

Profit for the Year

\$7.6m

Down 14.4% from 2016

Fully Franked Dividend

6.5¢ Final | 14¢ Total
4¢ Special

15 cents total in 2016

Total Portfolio Return

+9.9% Including franking*

Combined S&P/ASX Mid 50 and Small Ordinaries Accumulation Index including franking* +13.8%

Total Shareholder Return

+3.0%

Share price plus dividend

Management Expense Ratio

0.62%

0.65% in 2016

Total Portfolio

\$379.2m

Including cash at 30 June

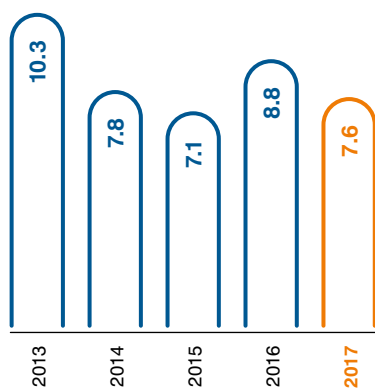
\$377.0 million in 2016

* Assumes a shareholder can take full advantage of the franking credits.

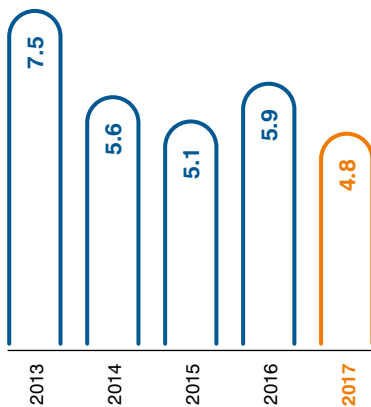
DIRECTORS' REPORT

5 Year Summary

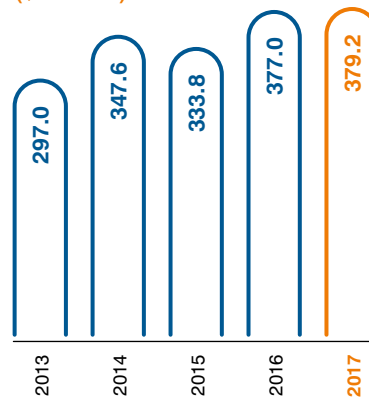
Profit After Tax (\$ Million)



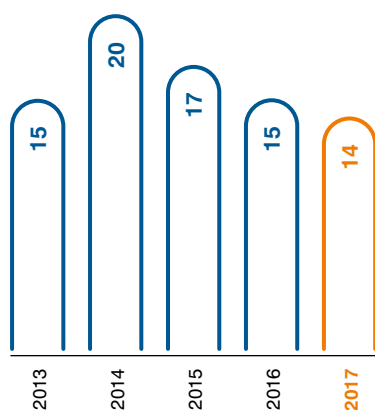
Net Profit Per Share (Cents)



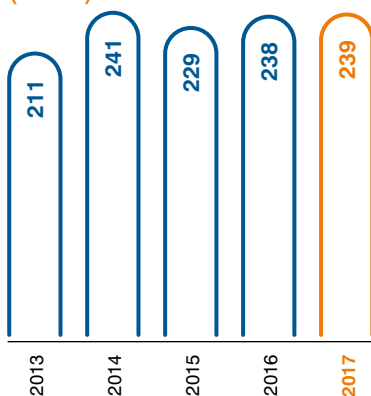
Investments at Market Value (\$ Million)^(a)



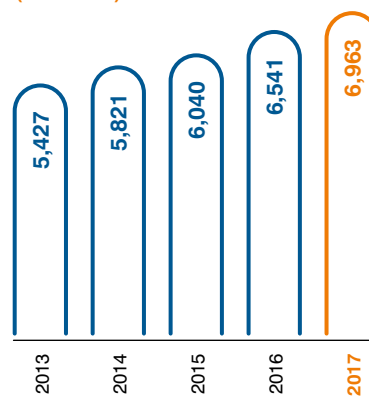
Total Dividends Per Share (Cents)^(b)



Net Asset Backing Per Share (Cents)^(c)



Number of Shareholders (30 June)



Notes

(a) Includes cash.

(b) All dividends were fully franked.

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

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 S&P/ASX 50 Leaders Index.

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

Mirrabooka invests in companies that have the following characteristics outlined on this page.

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. In managing the higher risk that is inherent in the small and mid-cap sector of the market, Mirrabooka approaches management of the portfolio in the following way.

What We Look For in Companies



Approach to Managing the Portfolio



Review of Operations and Activities

Profit and Dividend

Mirrabooka's reported profit was \$7.6 million for the 12 months to 30 June 2017 compared with \$8.8 million last year. The decline was a result of a fall of \$1.0 million in dividend income, given some of the adjustments made to the portfolio during the year. There was also a reduced smaller contribution from the trading and options portfolios of \$0.7 million, down from \$1.3 million in the corresponding period last year.

The Company maintained the final dividend at 6.5 cents per share fully franked. A special dividend of 4.0 cents per share fully franked has also been declared. The special dividend was set taking into account the lower rate of franking credit at 27.5 per cent because of the recent changes to corporate tax legislation. Total dividends for the year are 14.0 cents per share fully franked.

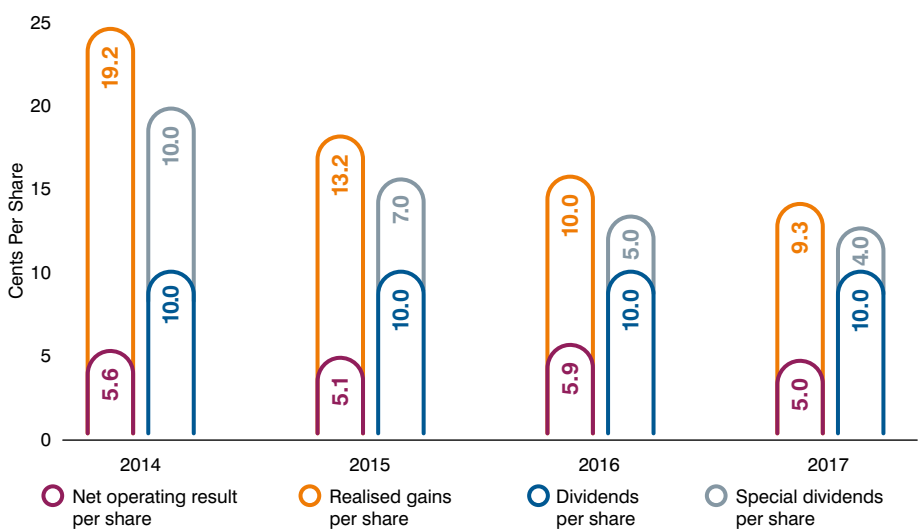
5 cents of the 6.5 cents final dividend and the entire 4 cent special dividend are sourced from realised capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an 'LIC capital gain', attached to this dividend is 12.9 cents. This enables some shareholders to claim a tax deduction in their tax return. Further details are on the dividend statements.

Portfolio Returns

During the twelve-month period, returns in the mid and small-cap companies sectors were heavily influenced by resources companies, with the Mid Cap Resources sector up 76.3 per cent over the period. In contrast, many previously highly priced industrial companies in the mid and small-cap sectors experienced sharp declines in valuations as investors reassessed their growth opportunities and profit expectations.

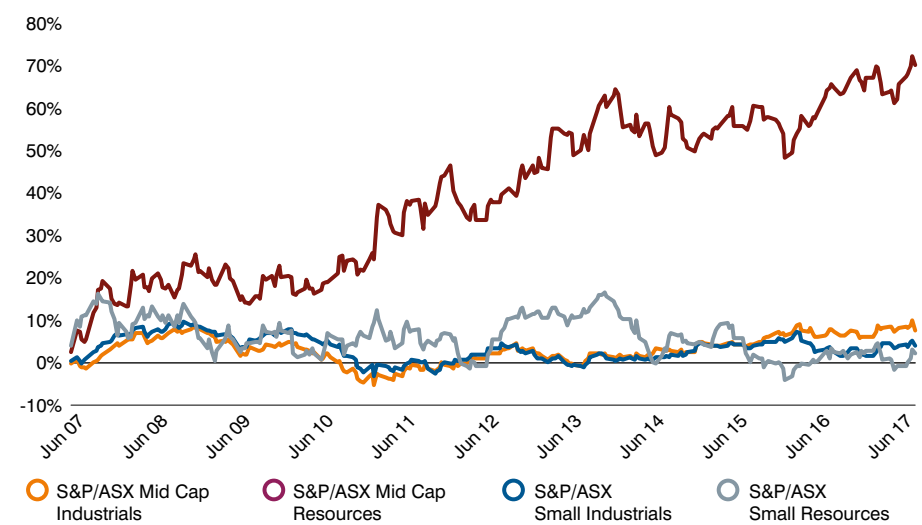
In the environment where many resource stocks performed so strongly, Mirrabooka's short-term portfolio performance was below its mid and small-cap benchmark. The Company has few investments in the resource sector. However, over the longer term, which smooths the cyclicity of the resource sector, Mirrabooka's performance

Figure 1: Earnings Per Share and Dividends Per Share



Note: For 2017 the dividend carried an LIC capital gain attributable part of 12.9 cents. For 2016 it was 13.6 cents, for 2015 it was 17.1 cents and for 2014 it was 20.7 cents.

Figure 2: Performance of Different Segments of the Small and Mid Cap Market



Source: FactSet

was well ahead of its benchmark. For example, the five-year portfolio returns, including the benefit of franking was 15.8 per cent per annum compared with the benchmark, including the benefit of franking, of 12.2 per cent per annum. Significant positive contributors to portfolio performance over the year included Treasury Wine Estates, Lifestyle Communities, ALS, Challenger and Mainfreight.

The tax paid on realised gains can impact relative performance figures against the Index which does not have this impost. The inclusion of the benefit of franking credits attached to the dividend distributed to shareholders is one way of redressing this.



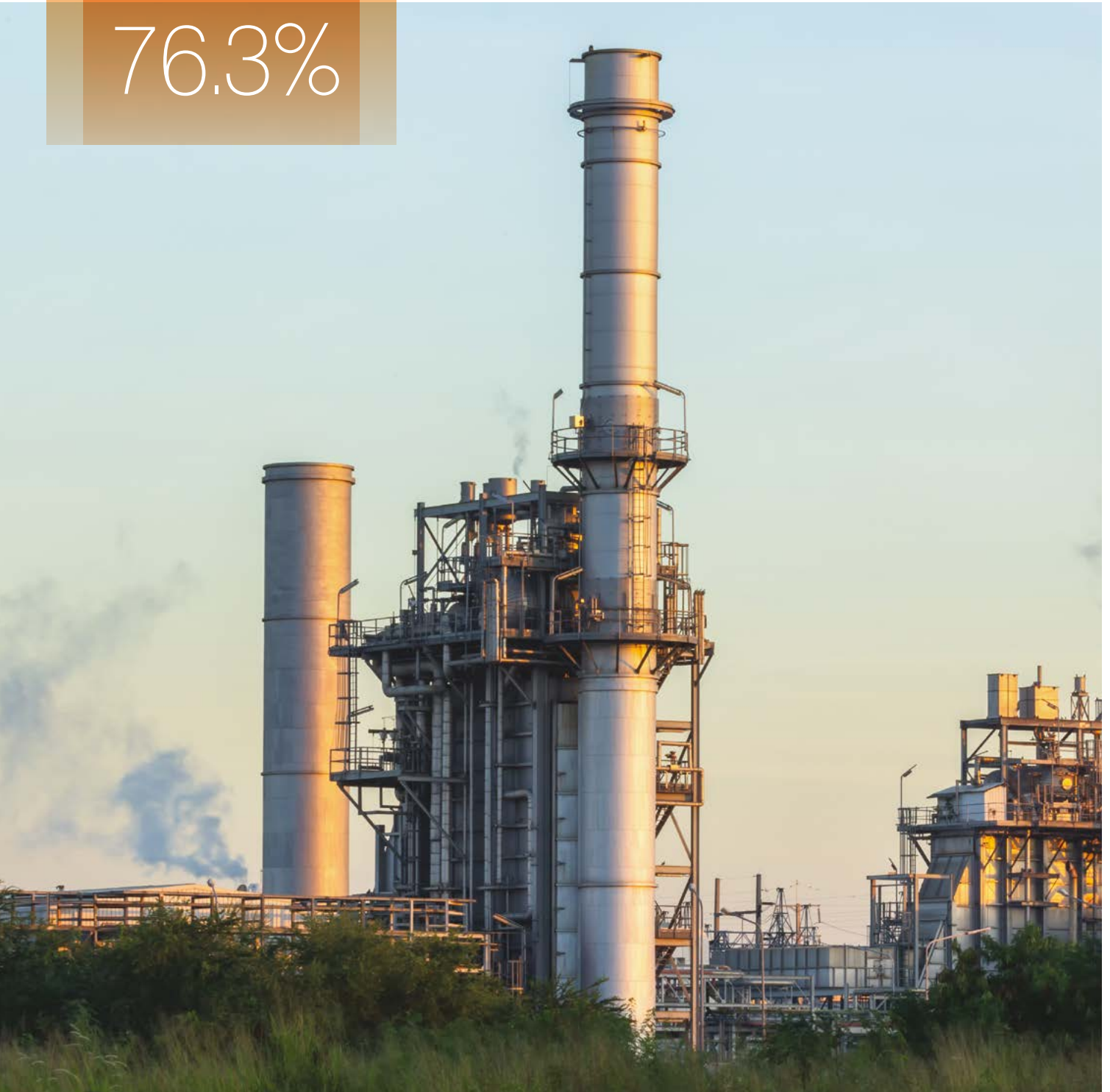
Mid Cap Resources
sector up

76.3%

“

During the twelve-month period returns in the mid and small-cap companies sectors were heavily influenced by resources companies.

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Portfolio Adjustments

During the period, Mirrabooka looked to consolidate the portfolio around higher-quality holdings.

The largest purchase was in Isentia Group, which occurred at various stages throughout the year. A number of new companies were also added including Computershare, Carsales, CYBG (Clydesdale Bank) and Macquarie Telecom Group.

Details of new companies added in the second half of the financial year are:

- CYBG is a British banking group with a strong emphasis on its personal customer base and a business banking capability across its United Kingdom network. They operate under two major brands, Clydesdale Bank and Yorkshire Bank, with a strong presence in the north of England and Scotland. CYBG was divested from National Australia Bank in early 2016 and its holding company CYBG plc, trades on the London and Australian stock exchanges.
- Macquarie Telecom Group is a telecommunications business. It offers a range of solutions including data, voice, mobile and colocation services among mid to large businesses and government customers. It operates through its Telecom and Hosting segments. The Telecom segment relates to the provision of voice and mobiles telecommunications services and the provision of services utilising the Macquarie Telecom data network. The Hosting segment refers to the provision of services utilising Macquarie Telecom's data hosting facilities.

Major sales were a result of takeovers, companies becoming top 50 companies by size and where, in our opinion, a company had become more risky because of an overly high share price or a significant

Figure 3: Portfolio Return Percentage Per Year to 30 June 2017, Including Franking

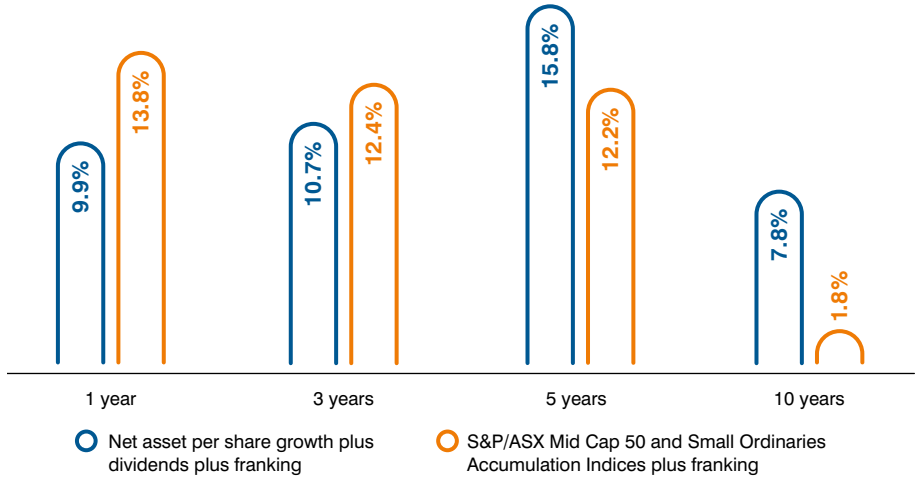
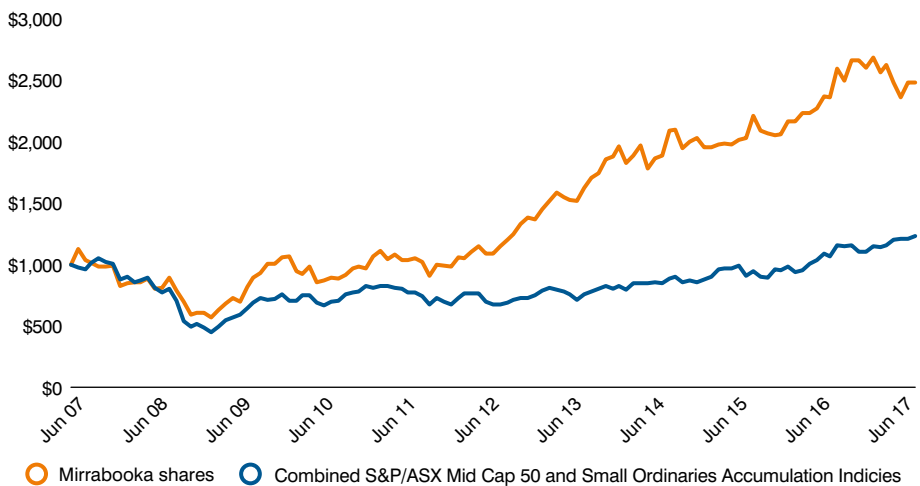


Figure 4: Performance of an Investment of \$1,000 in Mirrabooka Shares Including the Benefit of Franking – 10 Years to 30 June 2017



Note assumes an investor can take full advantage of the franking credits. This chart calculates the benefit of franking credits at the time dividends are paid for both Mirrabooka and the Index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

negative change in outlook. The number of companies in the portfolio was reduced by 16 holdings, down to 73 by financial year-end as Mirrabooka also sold a number of smaller holdings where there was no longer conviction to invest more.

Mirrabooka's investment mandate means that it is often interested in Initial Public Offerings (IPOs) to provide new opportunities for investment. It assesses these against its usual investment criteria. However, it was notable that in the second half of the financial year very few of these came to the market as investor appetite diminished.

In total, purchases in the investment portfolio were \$57.2 million for the year, whereas sales amounted to \$96.4 million over the year. This meant there was a build-up of the cash position by year-end.

Share Price Performance

Figure 4 outlines the benefit of compound returns and the value of Mirrabooka's investment approach given the relative total share price return (including dividends) from an investment of \$1,000 in Mirrabooka over 10 years versus the return from the combined Mid Cap 50 and Small Ordinaries Accumulation Indices.

The attractive nature of Mirrabooka's dividend in the current low interest rate environment has seen strong demand for the Company's shares. At 30 June 2017 the share price was trading at a premium of 13 per cent to the net asset backing per share, which is down from 16 per cent at the beginning of the financial year and the mid-year high of 26 per cent. The recent history is shown in Figure 5.

Opportunities to Invest

Despite the fall in many company share prices in the small and mid-cap sectors, it is still difficult to find enticing value as these sectors are still trading at premiums to their long-term average. In addition, many smaller companies are tied to the performance of specific sectors in the domestic economy where the picture remains mixed.

At year-end, Mirrabooka held a relatively high level of cash of \$35.7 million, which represents 9.4 per cent of the total portfolio. As we move into the new financial year, we are cautious, but remain confident opportunities for investment will arise.

Figure 5: Share Price Relative to Net Asset Backing

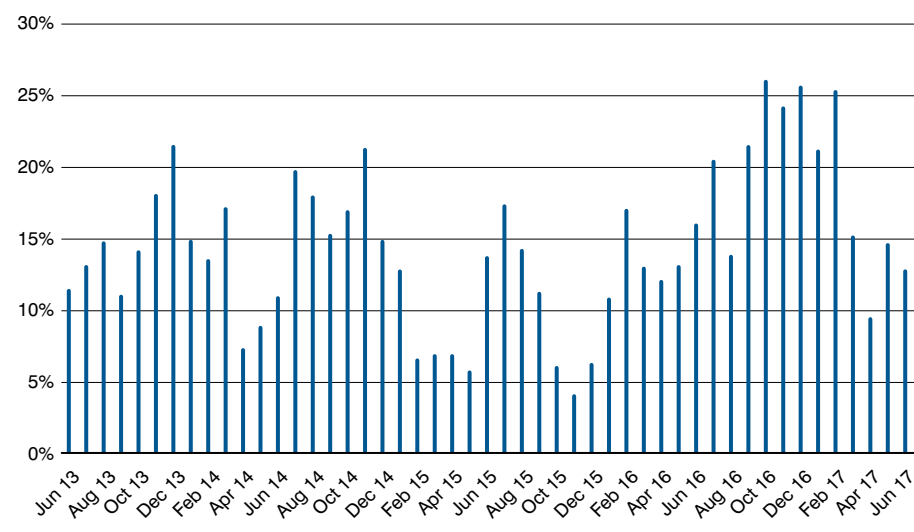
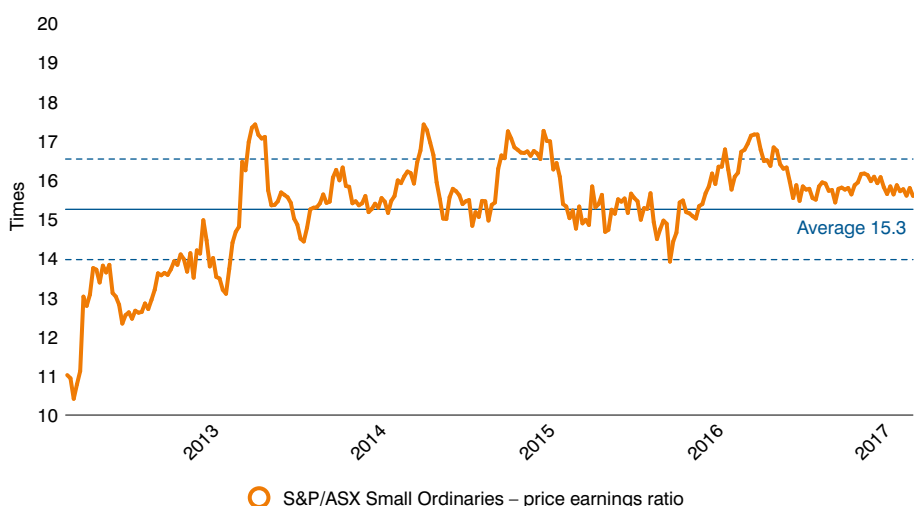


Figure 6: Price Earnings Ratios – Small Ordinaries



Source: FactSet

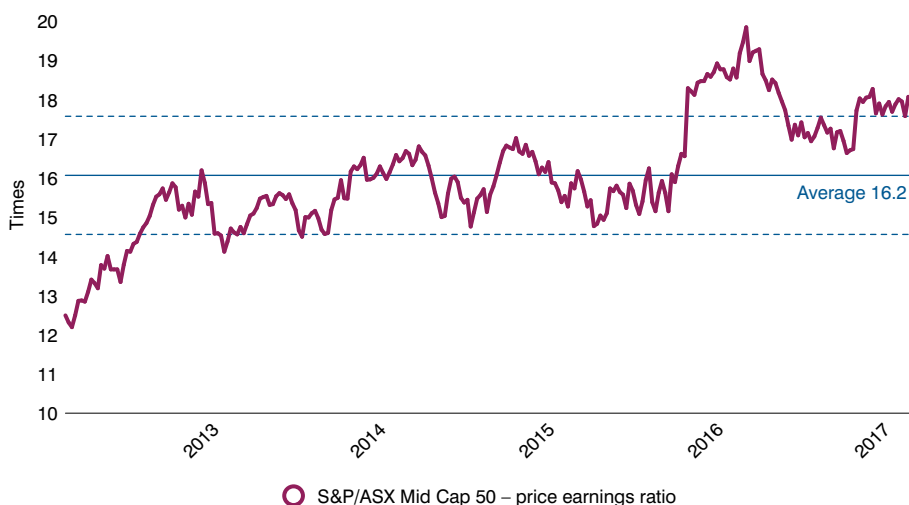
Capital Changes

As a result of the reinvestment of dividends, 1,162,888 shares were issued in August 2016 at a price of \$2.71 per share and 383,826 shares were issued in February 2017 at a price of \$2.57.

The Company's contributed equity, net of share issue costs, rose \$4.2 million to \$197.1 million from \$192.9 million. At the close of the year, the Company had 156.7 million shares on issue.

Review of Operations and Activities continued

Figure 7: Price Earnings Ratios – Mid Cap 50 Sector



Source: FactSet

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 4 cents per share has also been declared (last year 5 cents per share).

The dividends paid during the year ended 30 June 2017 were as follows:

	\$'000
Final dividend for the year ended 30 June 2016 of 6.5 cents fully franked at 30 per cent, plus special dividend of 5 cents, also fully franked at 30 per cent, paid 9 August 2016	17,837
Interim dividend for the year ended 30 June 2017 of 3.5 cents per share fully franked at 30 per cent, paid 14 February 2017	5,469
	23,306

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-sized 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 statements or the Directors' Report, which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

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

Rounding of Amounts

The Company is of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Unless specifically stated otherwise, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars in accordance with that Instrument.

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The attractive nature of Mirrabooka's dividend in the current low interest rate environment has seen strong demand for the Company's shares.

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At 30 June 2017 share price
traded at a premium of

13%



Top 20 Investments

As at 30 June 2017

Includes investments held in both the investment and trading portfolios.

	Total Value \$'000	% of Portfolio
1 Qube Holdings*	13,671	4.0
2 Lifestyle Communities	13,599	4.0
3 Mainfreight	11,215	3.3
4 ALS*	11,024	3.2
5 IRESS	10,660	3.1
6 Challenger*	8,800	2.6
7 Freedom Foods Group	8,616	2.5
8 ResMed*	8,420	2.5
9 Seek*	8,404	2.4
10 Alumina	8,073	2.3
11 Perpetual*	7,958	2.3
12 Iluka Resources*	7,771	2.3
13 AUB Group	7,724	2.2
14 Nufarm*	7,693	2.2
15 Healthscope	6,630	1.9
16 ClearView Wealth	6,614	1.9
17 ARB Corporation	6,598	1.9
18 Incitec Pivot*	6,421	1.9
19 Reece	6,401	1.9
20 Japara Healthcare	6,147	1.8
Total	172,439	

As a percentage of total portfolio value (excludes cash) 50.2%

* Indicates that options were outstanding against 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 Emeritus of Goldman Sachs Australia (formerly Goldman Sachs JBWere). Mr Campbell was formerly Chairman and Chief Executive of Goldman Sachs JBWere. He is Chairman of Australian Foundation Investment Company Limited (AFIC), and a former Director of Djerrivarrh 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, Djerrivarrh Investments Limited and AMCIL Limited. He is also Chairman of Melbourne Business School Ltd.

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 is a Non-Executive Director of BWX Limited. He was formerly Managing Director of GUD Holdings Limited and Deputy President of Australian Industry Group (VIC). He was also formerly Managing Director of Pacific Dunlop Cables Group.

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 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 WMC Resources Limited, Coca-Cola Amatil Limited, One Steel Limited and ANZ Banking Group 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 Habitat for Humanity Australia (Victoria) and a Trustee of The William Buckland Foundation. He was formerly Managing Director and Group Chief Executive Officer of The Myer Family Company Pty Ltd group, Chairman of Australian Geographic Retail Pty Ltd and a Director of Peet Ltd.

Board and Management continued

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 Deputy Chairman 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.

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 member of the National Executive of the G100, the peak body for CFOs and a former Non-Executive Director of the Royal Victorian Eye & Ear Hospital.

Matthew Rowe BA (Hons), MSc Corp Gov, FGIA, FCIS. Company Secretary

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 10 years of experience in corporate governance with a particular focus in listed investment companies. He was previously a corporate governance advisor at a professional services firm which included acting as Company Secretary for three ASX-listed companies. Prior to that Matthew was the Company Secretarial Manager for a funds management company based in the United Kingdom.

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 2017 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	13	12	19	16	-	3 [#]
RE Barker	13	12	19	18	-	4 [#]
IA Campbell	13	13	19	18	4	4
DE Meiklejohn	13	13	19	18	4	4
GW Sinclair	13	13	19	18	4	4

[#] Attended meetings by invitation.

Retirement, Election and Continuation in Office of Directors

Mr IA Campbell, having been last re-elected by shareholders at the 2014 Annual General Meeting (AGM), will retire and being eligible, will offer himself for re-election at the forthcoming 2017 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 2017 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 2017 were as follows:

	Primary Fee \$	Post-employment Superannuation \$	Total Remuneration \$
TA Campbell – Chairman (Non-Executive)			
2017	126,027	11,973	138,000
2016	126,027	11,973	138,000
RE Barker – Managing Director (Executive)			
2017	-	-	-
2016	-	-	-
IA Campbell (Non-Executive)			
2017	63,014	5,986	69,000
2016	63,014	5,986	69,000
DE Meiklejohn – Director (Non-Executive)			
2017	63,014	5,986	69,000
2016	63,014	5,986	69,000
GW Sinclair – Director (Non-Executive)			
2017	63,014	5,986	69,000
2016	63,014	5,986	69,000
Total remuneration: Directors			
2017	315,069	29,931	345,000
2016	315,069	29,931	345,000

Remuneration Report *continued*

(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: RE Barker, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; RM Freeman, Chief Investment Officer; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (and was appointed on 11 July 2016) (2016: five Executives, including SM Pordage who resigned as Company Secretary with effect from 29 April 2016).

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 30 June 2017, 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 2016	Net Changes	Balance at 30 June 2017
TA Campbell	2,621,463	67,958	2,689,421
RE Barker	481,483	9,203	490,686
IA Campbell	75,376	4,269	79,645
DE Meiklejohn	149,779	-	149,779
GW Sinclair	38,479	-	38,479
RM Freeman	177,742	10,066	187,808
GN Driver	39,000	2,208	41,208
AJB Porter	6,949	1,120	8,069

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

No remuneration is paid to the Executives directly by Mirrabooka as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, the Managing Director, General Manager – Business Development and Investor Relations, the Chief Financial Officer and the Company Secretary are all required to purchase Mirrabooka shares as part of their Short Term Incentive Plans, and all purchased Mirrabooka shares during the year under this arrangement (with the exception of the Company Secretary, who commenced 11 July 2016). The Chief Investment Officer is not required to purchase any Mirrabooka shares as part of his incentive arrangements. However, he is a Mirrabooka shareholder and purchased shares during the year.

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's 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 Auditors' Independence Declaration is set out on page 16.

This report in relation to the financial year to 30 June 2017 is presented by the Directors of the Company in accordance with a resolution of Directors.



Terrence Campbell AO
Chairman

Melbourne
3 August 2017

Auditor's Independence Declaration



Auditor's Independence Declaration

As lead auditor for the audit of Mirrabooka Investments Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'Charles Christie'.

Charles Christie
Partner
PricewaterhouseCoopers

Melbourne
3 August 2017

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FINANCIAL STATEMENTS

17 Financial Statements

- 18 Income Statement
- 19 Statement of Comprehensive Income
- 20 Balance Sheet
- 21 Statement of Changes in Equity
- 22 Cash Flow Statement

23 Notes to the Financial Statements

23 A. Understanding Mirrabooka's Financial Performance

- 23 A1. How Mirrabooka Manages its Capital
- 23 A2. Investments Held and How They Are Measured
- 24 A3. Operating Income
- 25 A4. Dividends Paid
- 26 A5. Earnings Per Share

26 B. Costs, Tax and Risk

- 26 B1. Management Costs
- 27 B2. Tax
- 28 B3. Risk

30 C. Unrecognised Items

- 30 C1. Contingencies

31 Additional Information

31 D. Balance Sheet Reconciliations

- 31 D1. Current Assets – Cash
- 31 D2. Revaluation Reserve
- 31 D3. Realised Capital Gains Reserve
- 32 D4. Retained Profits
- 32 D5. Share Capital

32 E. Income Statement Reconciliations

- 32 E1. Reconciliation of Net Cash Flows from Operating Activities to Profit
- 33 E2. Tax Reconciliations

34 F. Other Information

- 34 F1. Related Parties
- 34 F2. Remuneration of Auditors
- 34 F3. Segment Reporting
- 35 F4. Summary of Other Accounting Policies

Income Statement

For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Dividends and distributions	A3	8,928	9,933
Revenue from deposits and bank bills		501	386
Other revenue		14	23
Total revenue		9,443	10,342
Net gains on trading portfolio		301	400
Income from options written portfolio		398	946
Income from operating activities		10,142	11,688
Administration expenses	B1	(2,325)	(2,299)
Profit for the year before income tax		7,817	9,389
Income tax expense	B2, E2	(247)	(544)
Profit for the year		7,570	8,845
		Cents	Cents
Basic earnings per share	A5	4.84	5.89

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

Statement of Comprehensive Income

For the Year Ended 30 June 2017

	Year to 30 June 2017			Year to 30 June 2016		
	Revenue ¹ \$'000	Capital ¹ \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Profit for the year	7,857	(287)	7,570	8,734	111	8,845
Other comprehensive income						
Gains for the period on securities	-	23,591	23,591	-	36,360	36,360
Tax on above	-	(4,138)	(4,138)	-	(10,926)	(10,926)
Total other comprehensive income	-	19,453	19,453	-	25,434	25,434
Total comprehensive income	7,857	19,166	27,023	8,734	25,545	34,279

1. 'Capital' includes realised or unrealised gains or losses on securities in the investment portfolio and unrealised gains or losses on the options written portfolio, and the relevant taxation charge/credit. Income in the form of distributions and dividends is recorded as 'revenue'. All other items, including expenses, are included in 'profit for the year', which is categorised under 'revenue'.

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 2017

	Note	2017 \$'000	2016 \$'000
Current assets			
Cash	D1	35,671	20,989
Receivables		1,720	771
Trading portfolio		4,634	683
Total current assets		42,025	22,443
Non-current assets			
Deferred tax assets	E2	-	17
Investment portfolio	A2	339,908	355,475
Total non-current assets		339,908	355,492
Total assets		381,933	377,935
Current liabilities			
Payables		265	2,935
Tax payable		5,754	5,976
Options sold		992	139
Total current liabilities		7,011	9,050
Non-current liabilities			
Deferred tax liabilities	E2	56	-
Deferred tax liabilities – investment portfolio	B2	32,815	34,674
Total non-current liabilities		32,871	34,674
Total liabilities		39,882	43,724
Net assets		342,051	334,211
Shareholders' equity			
Share capital	A1, D5	197,062	192,939
Revaluation reserve	A1, D2	74,584	69,606
Realised capital gains reserve	A1, D3	57,225	57,466
Retained profits	A1, D4	13,180	14,200
Total shareholders' equity		342,051	334,211

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

Statement of Changes in Equity

For the Year Ended 30 June 2017

Year Ended 30 June 2017

	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		192,939	69,606	57,466	14,200	334,211
Dividends paid	A4	-	-	(14,735)	(8,571)	(23,306)
Shares issued under Dividend Reinvestment Plan	D5	4,139	-	-	-	4,139
Other share capital adjustments		(16)	-	-	-	(16)
Total transactions with shareholders		4,123	-	(14,735)	(8,571)	(19,183)
Profit for the year		-	19	-	7,551	7,570
Other comprehensive income (net of tax)						
Net gains for the period		-	19,453	-	-	19,453
Other comprehensive income for the year		-	19,453	-	-	19,453
Transfer to realised capital gains of cumulative gains on investments sold		-	(14,494)	14,494	-	-
Total equity at the end of the year		197,062	74,584	57,225	13,180	342,051

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

Year Ended 30 June 2016

	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the year		162,517	59,193	59,437	12,463	293,610
Dividends paid	A4	-	-	(16,977)	(7,123)	(24,100)
Shares issued under Dividend Reinvestment Plan	D5	4,401	-	-	-	4,401
Shares issued under Share Purchase Plan	D5	26,104	-	-	-	26,104
Other share capital adjustments		(83)	-	-	-	(83)
Total transactions with shareholders		30,422	-	(16,977)	(7,123)	6,322
Profit for the year		-	(15)	-	8,860	8,845
Other comprehensive income (net of tax)						
Net gains for the period		-	25,434	-	-	25,434
Other comprehensive income for the year		-	25,434	-	-	25,434
Transfer to realised capital gains of cumulative gains on investments sold		-	(15,006)	15,006	-	-
Total equity at the end of the year		192,939	69,606	57,466	14,200	334,211

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

Cash Flow Statement

For the Year Ended 30 June 2017

	Note	2017 \$'000 Inflows/ (Outflows)	2016 \$'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		1,765	7,962
Purchases for trading portfolio		(5,111)	(7,201)
Interest received		565	512
Proceeds from entering into options in options written portfolio		2,245	952
Payment to close out options in options written portfolio		(995)	(65)
Dividends and distributions received		8,696	8,042
		7,165	10,202
Other receipts		14	23
Administration expenses		(2,329)	(2,293)
Income taxes paid		(221)	(1,042)
Net cash inflow/(outflow) from operating activities	E1	4,629	6,890
Cash flows from investing activities			
Sales from investment portfolio		95,081	91,400
Purchases for investment portfolio		(59,745)	(100,293)
Tax paid on capital gains		(6,099)	(8,755)
Net cash inflow/(outflow) from investing activities		29,237	(17,648)
Cash flows from financing activities			
Share issues		-	26,104
Share issue transaction costs		(16)	(83)
Dividends paid		(19,168)	(19,698)
Net cash inflow/(outflow) from financing activities		(19,184)	6,323
Net increase/(decrease) in cash held		14,682	(4,435)
Cash at the beginning of the year		20,989	25,424
Cash at the end of the year	D1	35,671	20,989

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 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:

	2017	2016
	\$'000	\$'000
Share capital	197,062	192,939
Revaluation reserve	74,584	69,606
Realised capital gains reserve	57,225	57,466
Retained profits	13,180	14,200
	342,051	334,211

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 (except for the specific option holdings) as at the end of the reporting period can be found at the end of the Annual 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:

	2017	2016
	\$'000	\$'000
Equity instruments (at market value)	339,005	354,601
Puttable instruments and convertible notes that are classified as debt	903	874
	339,908	355,475

All options written by the Company are call options. If all options were exercised, this would lead to the sale of \$26.9 million worth of securities at an agreed price – the 'exposure' (2016: \$10.9 million).

\$4.1 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2016: \$3.5 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the exchange traded option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS *continued*

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). 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 Board 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 2017 and 30 June 2016 were as follows:

Net Tangible Asset Backing Per Share	30 June 2017 \$	30 June 2016 \$
Before tax	2.39	2.38
After tax	2.18	2.15

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' (OCI), because they are equity instruments 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 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 realised capital gains 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 realised capital gains reserve.

Securities Sold and How They Are Measured

Where securities are sold, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains 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.

During the period \$96.4 million (2016: \$90.6 million) of equity securities were sold. The cumulative gain on the sale of securities was \$14.5 million for the period after tax (2016: \$15.0 million). This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

A3. Operating Income

Dividend Income

The total dividends and distributions received from Mirrabooka's investments in 2017 is set out below.

	2017 \$'000	2016 \$'000
Dividends and distributions		
Securities held in investment portfolio at 30 June	7,670	8,622
Investment securities sold during the year	1,258	1,306
Securities held in trading portfolio at 30 June	-	5
Trading securities sold during the year	8,928	9,933

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 (before tax) on the trading and options portfolios are set out below.

	2017 \$'000	2016 \$'000
Net gains		
Net realised gains/(losses) from trading portfolio	(141)	582
Realised gains on options written portfolio	571	687
Unrealised gains/(losses) from trading portfolio	414	(161)
Unrealised gains/(losses) from options written portfolio	(173)	259
Gains/(losses) on convertible notes classified as debt	28	(21)
	699	1,346

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2017 are shown below:

	2017 \$'000	2016 \$'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2016 of 6.5 cents fully franked plus special dividend of 5 cents, also fully franked at 30 per cent, paid 9 August 2016 (2016: 6.5 cents fully franked plus special dividend of 7 cents, also fully franked at 30 per cent, paid on 7 August 2015).	17,837	19,099
Interim dividend for the year ended 30 June 2017 of 3.5 cents per share fully franked at 30 per cent, paid 14 February 2017 (2016: 3.5 cents fully franked at 30 per cent, paid 9 February 2016)	5,469	5,001
	23,306	24,100
Dividends paid in cash	19,167	19,699
Dividends reinvested in shares	4,139	4,401
	23,306	24,100
(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:	24,688	25,662
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:	(6,239)	(7,644)
Net available	18,449	18,018
These franking account balances would allow Mirrabooka to frank additional dividend payments (2017 at 27.5 per cent, 2016 at 30 per cent) up to an amount of:	48,638	42,042

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.

NOTES TO THE FINANCIAL STATEMENTS continued

	2017 \$'000	2016 \$'000
(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 27.5 per cent, plus a 4 cent special dividend, also fully franked at 27.5 per cent. The aggregate amount of the final dividend for the year to 30 June 2017 to be paid on 10 August 2017, but not recognised as a liability at the end of the financial year is:	16,449	
(d) Listed Investment Company Capital Gain Account		
Balance of the listed investment company (LIC) capital gain account	58,448	59,161
This equates to an attributable amount of:	83,498	84,515

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. \$14.1 million of the capital gain (\$20.1 million of the attributable amount) will be paid out as part of the final and the special dividend on 10 August 2017.

A5. Earnings Per Share

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

	2017	2016
Basic earnings per share	Number	Number
Weighted average number of ordinary shares used as the denominator	156,284,797	150,135,002
	\$'000	\$'000
Profit for the year	7,570	8,845
	Cents	Cents
Basic earnings per share	4.84	5.89

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.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2017 \$'000	2016 \$'000
Administration fees paid to AICS	(1,481)	(1,433)
Other administration expenses	(844)	(866)

Administration Fees Paid to AICS

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

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 \$
2017			
Directors	315,069	29,931	345,000
2016			
Directors	315,069	29,931	345,000

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. Deferred tax balances are calculated at the new rate of 27.5 per cent (2016: 30 per cent).

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:

	2017 \$'000	2016 \$'000
<i>(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable</i>		
Net profit before income tax expense	7,817	9,389
Tax at the Australian tax rate of 30 per cent (2016: 30 per cent)	2,345	2,817
Tax offset for franked dividends received	(2,132)	(2,143)
Tax effect of sundry items either taxable in current year but not included in income or non-taxable	79	(88)
	292	586
Over provision in prior years	(45)	(42)
Total tax expense	247	544

NOTES TO THE FINANCIAL STATEMENTS continued

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. The rate used at 30 June 2017 is 27.5 per cent (30 June 2016: 30 per cent).

	2017 \$'000	2016 \$'000
Deferred tax liabilities on unrealised gains in the investment portfolio	32,815	34,674
Opening balance at 1 July	34,674	29,853
(Credited)/charged to Income Statement for puttable instruments/non-equity investments	9	(6)
Tax on realised gains (at 30 per cent)	(6,006)	(6,099)
Charged to OCI for ordinary securities on gains or losses for the period	4,138	10,926
	32,815	34,674

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 have led to a reduction in Mirrabooka's comprehensive income of \$11.9 million and \$23.8 million respectively, at a tax rate of 30 per cent (2016: \$12.4 million and \$24.8 million), and a reduction in profit after tax of \$31,000 and \$63,000 respectively, also at a tax rate of 30 per cent (2016: \$31,000 and \$61,000). The revaluation reserve at 30 June 2017 was \$74.6 million (2016: \$69.6 million). It would require a fall in the value of the investment portfolio of 32 per cent after tax at 27.5 per cent to fully deplete this (2016: 28 per cent at a tax rate of 30 per cent).

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the trading and options portfolio, would lead to a reduction in Mirrabooka's profit after tax of \$127,000 and \$255,000 respectively, at a tax rate of 30 per cent (2016: \$19,000 and \$38,000).

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 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 total investment exposure by sector is as below:

	2017 %	2016 %
Energy	1.41	2.54
Materials	9.36	9.51
Industrials	16.31	13.36
Consumer discretionary	13.22	16.67
Consumer staples	7.58	8.92
Healthcare	12.09	15.00
Financials	13.11	9.97
Real estate	4.92	6.10
Information technology and telecommunications	12.59	12.36
Cash	9.41	5.57

There were no securities representing over 5 per cent of the investment portfolio at 30 June 2017 (2016: nil).

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 material currency risk as most of 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 portfolios.

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 cash management trusts which invest predominantly in securities with an A1+ rating.

In the unlikely event of a bank default or default on the underlying securities in the cash trust, 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 two 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 regular 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.

NOTES TO THE FINANCIAL STATEMENTS continued

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 2017					
Non-derivatives					
Payables	265	-	-	265	265
	265	-	-	265	265
30 June 2016					
Non-derivatives					
Payables	2,935	-	-	2,935	2,935
	2,935	-	-	2,935	2,935

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 Company'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 shareholders 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.

D1. Current Assets – Cash

	2017 \$'000	2016 \$'000
Cash at bank and in hand (including on-call)	35,671	20,989
	35,671	20,989

Cash holdings yielded an average floating interest rate of 1.94 per cent (2016: 2.22 per cent). All cash investments are held in a transactional account or an over-night 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

D2. Revaluation Reserve

	2017 \$'000	2016 \$'000
Opening balance at 1 July	69,606	59,193
Gains/(losses) on investment portfolio		
– Equity Instruments	23,591	36,360
– Puttable/debt instruments (transferred from retained profits)	28	(21)
Provision for tax on above	(4,147)	(10,920)
Cumulative taxable realised (gains)/losses (net of tax)	(14,494)	(15,006)
	74,584	69,606

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

	2017 \$'000	2016 \$'000
Opening balance at 1 July	57,466	59,437
Dividends paid	(14,735)	(16,977)
Cumulative taxable realised gains for period through OCI (net of tax)	14,494	15,006
	57,225	57,466

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

ADDITIONAL INFORMATION continued

D4. Retained Profits

	2017 \$'000	2016 \$'000
Opening balance at 1 July	14,200	12,463
Dividends paid	(8,571)	(7,123)
Profit for the year	7,570	8,845
Transfer to revaluation reserve (puttable instruments and non-equity investments) (net of tax)	(19)	15
	13,180	14,200

This reserve relates to past profits.

D5. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price \$	Paid-up Capital \$'000
1/7/2015	Balance		141,473		162,517
7/8/2015	Dividend Reinvestment Plan	(i)	1,404	2.50	3,512
19/11/2015	Share Purchase Plan	(ii)	11,867	2.20	26,104
9/2/2016	Dividend Reinvestment Plan	(i)	362	2.46	889
Various	Costs of issue		-		(83)
30/6/2016	Balance		155,106		192,939
9/8/16	Dividend Reinvestment Plan	(i)	1,163	2.71	3,152
14/2/17	Dividend Reinvestment Plan	(i)	384	2.57	987
Various	Costs of issue		-		(16)
30/6/2017	Balance		156,653		197,062

(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 and Chi-X in the five days after the shares begin trading on an ex-dividend basis.

(ii) During the year ended 30 June 2016, the Company offered a Share Purchase Plan (SPP). Shareholders were invited to subscribe for \$15,000 worth of new shares. Pricing was set at a 10 per cent discount to the VWAP of shares traded on the ASX and Chi-X in the five trading days up to and including the closing date of the offer. Shares issued under the SPP were not entitled to the interim dividend paid on 9 February 2016.

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

	2017 \$'000	2016 \$'000
Profit for the year	7,570	8,845
Change in fair value of puttable instruments	(19)	15
Net decrease (increase) in trading portfolio	(3,951)	(136)
Increase (decrease) in options written portfolio	853	(59)
Dividends received as securities under DRP investments	(100)	(1,074)
Decrease (increase) in current receivables	(949)	(181)
– Less increase (decrease) in receivables for investment portfolio	1,290	17
Increase (decrease) in deferred tax liabilities	(1,786)	4,733
– Less (increase) decrease in deferred tax liability on investment portfolio	1,859	(4,821)
Increase (decrease) in current payables	(2,670)	1,183
– Less decrease (increase) in payables for investment portfolio	2,661	(1,178)
Increase (decrease) in provision for tax payable	(222)	(3,110)
– Less CGT provision	(6,006)	(6,099)
– Add taxes paid on capital gains	6,099	8,755
Net cash flows from operating activities	4,629	6,890

E2. Tax Reconciliations

Tax Expense Composition

	2017 \$'000	2016 \$'000
Charge for tax payable relating to the current year	210	680
Over provision in prior years	(45)	(42)
Increase/(decrease) in deferred tax liabilities	73	(88)
Increase/(decrease) in deferred tax liabilities charged to Income Statement from investment portfolio	9	(6)
	247	544

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	4,138	10,926
	4,138	10,926

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2017 \$'000	2016 \$'000
(a) Tax on unrealised gains or losses in the trading portfolio	(114)	48
(b) Tax on unrealised gains/losses in the options written portfolio	48	(78)
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	39	81
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(29)	(34)
	(56)	17

Movements:

Opening asset balance at 1 July	17	(71)
Credited/(charged) to Income Statement	(73)	88
	(56)	17

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. As noted in B2, deferred tax assets and liabilities have been calculated at a rate of 27.5 per cent.

The portion of deferred tax liability likely to be reversed within the next 12 months is \$95,000 (2016: \$61,000). This relates primarily to items described in items (a),(b) and (d) above.

ADDITIONAL INFORMATION continued

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 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

For the year the auditor earned or will earn the following remuneration:

	2017 \$	2016 \$
PricewaterhouseCoopers		
Audit or review of financial reports	122,042	124,342
Non-audit services		
Taxation compliance services	17,633	15,708
Total remuneration	139,675	140,050

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 most 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

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 2017 ('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 the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, 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 18 to 35 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 2017 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 F4 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 2017.

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
3 August 2017



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

Report on the audit of the financial report

Our opinion

In our opinion the accompanying financial report of Mirrabooka Investments Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Company's financial report comprises:

- the balance sheet as at 30 June 2017
- the income statement for the year then ended
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

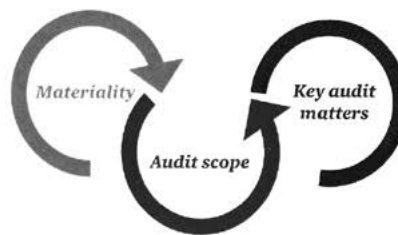
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.



Materiality

- For the purpose of our audit we used overall materiality of 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose net assets as the benchmark because, in our view, net assets is;
 - the metric against which the performance of the Company is most commonly measured; and
 - the key driver of the business and determinant of the Company's value.
- We selected 1% based on our professional judgement, noting that it is within the range of commonly acceptable net asset related thresholds.

Audit scope

- We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, the accounting processes and controls, and the industry in which the Company operates.
- Our audit focused on where subjective judgements were made; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- The Company operates entirely out of its Melbourne office and we perform our audit procedures predominantly at that office.
- The administration and investment operations for the Company are conducted by Australian Investment Company Services Limited. In addition to our audit procedures, we obtained a report from other auditors that the controls over administration and investment operations operating at Australia Investment Company Services Limited were suitably designed and operated effectively for the year. We assessed the report by considering the other auditor's independence, competency and results of procedures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	How our audit addressed the key audit matter
<p><i>Existence and valuation of the investment portfolios</i> \$343.6m</p> <p>Investments mostly consist of listed Australian equities and exchange traded options which are valued by multiplying the quantity held by market price.</p> <p>Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.</p>	<ol style="list-style-type: none">1) Performed an investment reconciliation of the investments balance from the opening investment balance, addition/subtraction of purchases, sales and other relevant transactions and agreeing back to the 30 June 2017 balance.2) Agreed all the investment quantity holdings at 30 June 2017 to independent third party sources.3) Agreed all the listed equities investment prices to independent market pricing sources.4) Agreed all the exchange traded options prices to independent market pricing confirmations.5) Obtained a report on whether the controls over investment purchase and sales transactions were suitably designed and operated effectively for the year and assessed the report.

Other information

The directors are responsible for the other information. The other information comprises the Director's Report, Additional Information section and Other Information section included in the Company's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar2.pdf This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Mirrabooka Investments limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.



PricewaterhouseCoopers



Charles Christie
Partner

3 August 2017

OTHER INFORMATION

Information About Shareholders

At 20 July 2017 there were 6,994 holdings of shares. These holdings were distributed in the following categories:

Size of Holding	Holdings
1 to 1,000	590
1,001 to 5,000	1,474
5,001 to 10,000	1,442
10,001 to 100,000	3,340
100,000 and over	148
Total	6,994

Percentage held by the 20 largest holders	16.90%
Average shareholding	22,398

There were 160 shareholdings of less than a marketable parcel of \$500 (176 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 20 July 2017 are noted below:

Holder	Shares Held	%
Australian Foundation Investment Company Limited	8,727,827	5.57
Djerriwarrh Investments Limited	4,169,080	2.66
Terrence A Campbell	2,689,421	1.72
HSBC Custody Nominees (Australia) Limited	2,041,931	1.30
Netwealth Investments Limited <Wrap Services A/C>	1,099,770	0.70
Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	852,381	0.54
Netwealth Investments Limited <Super Services A/C>	779,534	0.50
National Nominees Limited	692,666	0.44
Mr Ian Stanley Fraser + Mr John Bruce Hannaford + Mr Andrew Stanley Fraser <Joe White Bequest Cap A/C>	656,240	0.42
Navigator Australia Ltd <MLC Investment Sett A/C>	615,644	0.39
Fivewood Nominees Pty Ltd <PJ Woodward Family A/C>	514,636	0.33
Somoke Pty Limited <Pulman Super Fund A/C>	513,972	0.33
Australian Executor Trustees Limited <No 1 Account>	509,630	0.33
Ross Barker	490,686	0.31
Baker Custodian Corporation	456,819	0.29
Yelgarn Pty Ltd <Montgomery Super Fund A/C>	446,819	0.29
Lonceta Pty Ltd <Hancock Super Fund A/C>	440,368	0.28
Dequetteville Nominees Pty Ltd	408,478	0.26
Abtourk (Vic No 11) Pty Ltd	406,519	0.26
O R Dolgoshein Pty Ltd <Geoffrey J Long S/F A/C>	381,722	0.24

Substantial Shareholders

The Company has been notified of substantial shareholdings as follows:

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

The above notice was lodged prior to the rights issues of September 2003 and February 2008. Current shareholding is reflected on page 41.

Holdings of Securities

As at 30 June 2017

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784 and on the website mirra.com.au, 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	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
QUB*	Qube Holdings	Provider of import and export logistics services with national operations	5,000	5,229	13,671
LIC	Lifestyle Communities	Developer, owner and manager of independent living communities for elderly citizens	3,616	3,358	13,599
MFT	Mainfreight (NZX)	Provider of managed warehousing and international and domestic freight forwarding services	490	500	11,215
ALQ*	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	1,500	1,500	11,024
IRE	IRESS	Provider of share market and wealth management information systems	840	840	10,660
CGF*	Challenger	Financial services company providing life insurance, annuities and funds management	765	665	8,800
FNP	Freedom Foods Group	Engaged in the manufacture and sale of food products, specialising in cereal, snacking and beverage products and the export of UHT dairy products	1,947	1,795	8,616
RMD*	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	900	850	8,420
SEK*	Seek	Operator of employment classifieds websites in Australia and offshore with interests in education and training	500	500	8,404
AWC	Alumina	40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	5,000	4,205	8,073
PPT*	Perpetual	Diversified financial company offering investment management, financial advice and corporate trust services	144	144	7,958
ILU*	Iluka Resources	Miner of zircon and titanium-based mineral sands products with an additional iron ore production royalty	575	900	7,771
AUB	AUB Group	Investor in a network of small to medium Australian insurance brokers	558	595	7,724

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
NUF*	Nufarm	Agricultural chemical company that manufactures and sells crop protection and seeds treatment products globally	909	800	7,693
HSO	Healthscope	One of Australia's leading private hospital operators	3,347	3,000	6,630
CVW	ClearView Wealth	Life insurance company with associated offerings in wealth management and financial advice	4,425	4,561	6,614
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	433	420	6,598
IPL*	Incitec Pivot	Manufacturer and supplier of fertiliser and industrial explosives products	2,037	1,887	6,421
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	157	152	6,401
JHC	Japara Healthcare	Provider of residential aged care services	2,452	2,927	6,147
ISD	Isentia Group	Provides large consumer brand, corporate and government clients with media monitoring, relations and insights software and services that helps drive business and communication decisions	550	2,854	6,136
CPU*	Computershare	Provides stock registration and transfer services to companies listed on various stock markets globally, as well as providing technology services for stock exchanges, investor services for shareholders and employee share plan management and the provision of bankruptcy, class action and mortgage servicing activities for various corporate clients globally	0	430	6,053
FPH	Fisher & Paykel Healthcare Corporation	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	515	545	5,913
WLL	Wellcom Group	Production company providing pre-media, digital asset management and specialty printing services to advertisers, retailers and corporations	1,287	1,337	5,881
EVT	Event Hospitality and Entertainment	Entertainment, hospitality and leisure company with interests in cinemas, hotels and resorts	425	425	5,682

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
NVT*	Navitas	An international education provider through its university pathways programs, creative media education, English language training and settlement services	918	1,168	5,654
TWE*	Treasury Wine Estates	Wine company with a number of brands produced in Australia, New Zealand, the United States and Italy and sold globally	1,431	450	5,640
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	321	321	5,358
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	300	300	5,313
TPM*	TPG Telecom	Provider of a range of telecommunication services to residential users, small and medium enterprises, government and large corporates in Australia	625	926	5,270
APE	AP Eagers	Operator of a national footprint of motor vehicle dealerships representing a broad range of car and truck brands in Australia	420	601	5,026
AAC	Australian Agricultural Company	Owns and operates a balance of properties, feedlots and farms comprising approximately 7 million hectares of land in Queensland and the Northern Territory, and is expanding its value-added branded beef operations	2,215	2,600	4,823
NTC	NetComm Wireless	Delivers advanced broadband and wireless devices enabling businesses, people and machines to connect to the internet	1,800	2,800	4,816
MYX	Mayne Pharma Group	A specialty pharmaceutical company that develops and manufactures branded and generic products, which it distributes globally, either directly or through distribution partners	4,114	4,438	4,815
ANN*	Ansell	Designer, manufacturer and distributor of a wide range of industrial, surgical and examination gloves and other protective products	340	200	4,721
OCL	Objective Corporation	Provider of information technology software and services	1,873	2,100	4,641
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	262	335	4,620

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
TGR	Tassal Group	Producer of Atlantic salmon from Tasmania	1,550	1,211	4,614
IVC	InvoCare	Provider of services related to funerals, burials and cremations	360	300	4,410
CAR*	Carsales.com	The largest online automotive classifieds business in Australia. They also have interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	0	370	4,243
CYB	CYBC Plc	A leading mid-sized United Kingdom retail and SME bank with long-established operations across its core regions	0	800	3,768
OFX	OFX Group	An online foreign currency payment service provider to consumers and small businesses	2,250	2,200	3,542
HUB	HUB24	Provider of platform, investment, advisory and stock broking services to institutional, corporate and retail clients	171	551	3,439
GTY	Gateway Lifestyle Group	Develops and operates residential communities for elderly residents	1,581	1,581	3,083
PGC	Paragon Care	A supplier of medical equipment and consumables to the healthcare market	4,000	4,000	3,060
MAQ	Macquarie Telecom Group	Provides voice and telecommunications services as well as data hosting and co-location services to businesses and government customers	0	212	3,019
CGC	Costa Group Holdings	Australia's largest grower, packer and marketer of premium quality fresh fruit and vegetables with a focus on the berry, premium tomato, mushroom and citrus markets	600	600	2,910
GBT	GBST Holdings	A provider of software and services to the global financial services industry	919	919	2,731
TOX	Tox Free Solutions	Integrated waste management and environmental service business	1,000	1,131	2,714
NXT	NEXTDC	Owens and operates large-scale data centres across Australia	0	600	2,706

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
BLX	Beacon Lighting Group	Australia's largest lighting and accessory retailer with integrated operations from design and sourcing, through to merchandising and retailing	2,000	2,000	2,600
SKB	Skydive The Beach Group	Australia and New Zealand's largest operator of tandem skydives across landmark tourist drop zones in each country	2,494	3,741	2,469
PRG	Programmed Maintenance Services	Provides staffing services including recruitment and labour hire as well as property maintenance and facilities management	0	1,249	2,330
VTG	Vita Group	Operator of a large number of Telstra branded retail and business stores across Australia	1,000	2,000	2,220
BGA	Bega Cheese	Engaged in the processing, manufacturing and distribution of dairy and associated products	0	330	2,148
CDP	Carindale Property	50 per cent interest in the Westfield Carindale Shopping Centre, south-east of Brisbane	255	255	1,964
AMA	AMA Group	Operator of Australia's largest group of automotive panel repair sites	7,015	2,000	1,940
GTN	GTN	Supplier of traffic information reports to radio stations across each operating geography (Australia, Canada, United Kingdom and Brazil), providing advertisers in these markets with a unique and broad audience reach	1,053	791	1,898
SOM	SomnoMed	Provides 'continuous open airway therapy' oral devices for the treatment of sleep-related breathing disorders and obstructive sleep apnoea	749	600	1,836
MVP	Medical Developments International	Manufacturer and distributor of pharmaceutical drugs and medical equipment, mainly for pain management	370	370	1,832
ICQ	iCar Asia	Operator of a network of automotive-related classifieds websites across South East Asia	2,600	6,383	1,692

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
IEL	IDP Education	Provider of international English language testing, student placement and English language teaching services	326	326	1,661
LSX	Lion Selection Group	Mining investment company that invests in, and provides funding to, mining companies in the project development phase	4,360	4,360	1,657
TPE	TPI Enterprises	One of eight licensed processors worldwide producing Narcotic Raw Material (NRM) for the international pharmaceutical industry	0	689	1,413
MUA	Mitula Group	An online classifieds search engine operating in 40 countries	1,350	1,350	1,309
RHP	Rhipe	Provides software licensing and cloud computing services on behalf of a number of large, multinational software vendors	0	2,500	1,288
ALU	Altium	Designs, develops and markets computer software used by engineers in the design of electronic products globally	0	140	1,200
RBL	Redbubble	Operates a global online marketplace for print on demand products (including T-shirts and other clothing, wall art and home décor), based on user submitted artwork	815	1,115	1,081
ELX	Ellex Medical Lasers	Designs and manufactures ophthalmic laser and ultrasound systems used by ophthalmologists to diagnose and treat eye diseases	0	994	1,059
MAI	MainstreamBPO	Provides fund and superannuation administration services for investment managers and superannuation trustees	0	1,921	922
NFNG	Nufarm Step-Up Securities	Agricultural chemical company that manufactures and sells crop protection and seeds products globally	10	10	903
XRO	Xero	Develops cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	30	30	726
ACX	Aconex	Worldwide online collaboration platform for construction, infrastructure, energy and resources projects	48	98	365
Total					343,550

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

Major Changes in the Investment Portfolio

Acquisitions	Cost \$'000
Isentia Group	5,425
Computershare	4,735
Carsales.com	3,897
CYBG	3,687

Sales	Proceeds \$'000
Treasury Wine Estates	11,161
ASG Group* (takeover by Nomura Research)	7,335
Cover-More Group* (takeover by Zurich Insurance)	6,079
AMA Group	5,597
The Citadel Group*	4,790
Vocus Group*	4,478
Caltex Australia*	4,192
Ardent Leisure Group*	3,925
CSG*	3,407

* Complete disposals from the portfolio.

New Companies Added to the Investment Portfolio

Computershare
Carsales.com
CYBG
Macquarie Telecom Group
Programmed Maintenance
TPI Enterprises
Bega Cheese
NEXTDC
Altium
Ellex Medical Lasers

Sub-underwriting

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

<u>Company</u>	<u>Underwritten by</u>	<u>Description</u>	<u>Amount Underwritten</u>
Skydive the Beach Group Ltd	Veritas Securities Ltd	2 for 21 Entitlement Offer	\$1,552,647

Transactions in Securities

During the year ended 30 June 2017, the Company recorded 858 transactions in securities. \$398,984 in brokerage (including GST) was paid or accrued for the year.

Share Issues

Date of Issue	Type	Price Per Share \$
14 February 2017	Dividend Reinvestment Plan	2.57
9 August 2016	Dividend Reinvestment Plan	2.71
9 February 2016	Dividend Reinvestment Plan	2.46
19 November 2015	Share Purchase Plan	2.20
7 August 2015	Dividend Reinvestment Plan	2.50
10 February 2015	Dividend Reinvestment Plan	2.23
8 August 2014	Dividend Reinvestment Plan	2.46
11 February 2014	Dividend Reinvestment Plan	2.33
9 August 2013	Dividend Reinvestment Plan	2.26
12 February 2013	Dividend Reinvestment Plan	2.14
3 August 2012	Dividend Reinvestment Plan	1.85
10 February 2012	Dividend Reinvestment Plan	1.74
5 August 2011	Dividend Reinvestment Plan	1.83
16 August 2010	Share Purchase Plan	1.60
12 February 2010	Dividend Reinvestment Plan	1.99
7 August 2009	Dividend Reinvestment Plan	1.55
13 February 2009	Dividend Reinvestment Plan	1.32
29 February 2008	1 for 7 rights issue	1.95
2 August 2007	Dividend Reinvestment Plan	2.49
2 March 2007	Dividend Reinvestment Plan	2.09
23 August 2006	Dividend Reinvestment Plan	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

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@mirra.com.au
Website 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 Line 1300 653 924
+61 3 9415 4342 (from overseas)
Facsimile (03) 9473 2500
Website 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

Shareholder Meeting

Annual General Meeting

Time 1.30pm
Date Tuesday 10 October 2017
Venue RACV City Club
Location 501 Bourke Street
Melbourne



MIRRABOOKA
Investments Limited



MIRRABOOKA
Investments Limited

Annual Review 2017

Finding opportunities in small
and medium-sized companies



Contents

- 2 5 Year Summary
- 4 About the Company
- 6 Review of Operations and Activities
- 14 Top 20 Investments
- 15 Income Statement
- 16 Balance Sheet
- 17 Statement of Changes in Equity
- 18 Holdings of Securities
- 27 Major Transactions in the Investment Portfolio
- 28 Company Particulars
- 29 Shareholder Meeting

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 S&P/ASX 50 Leaders Index.



Year in Summary

Profit for the Year

\$7.6m

Down 14.4% from 2016

Total Shareholder Return

+3.0%

Share price plus dividend

Fully Franked Dividend

6.5¢ Final		14¢ Total
4¢ Special		

15 cents total in 2016

Management Expense Ratio

0.62%

0.65% in 2016

Total Portfolio Return

+9.9% Including franking*

Combined S&P/ASX Mid 50 and Small Ordinaries Accumulation Index including franking* +13.8%

Total Portfolio

\$379.2m

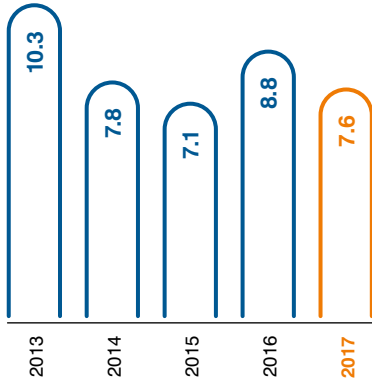
Including cash at 30 June

\$377.0 million in 2016

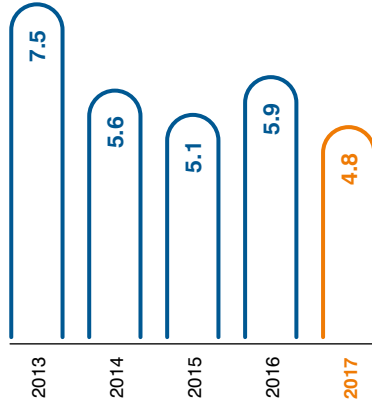
* Assumes a shareholder can take full advantage of the franking credits.

5 Year Summary

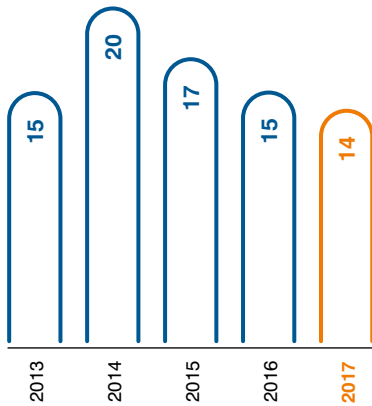
Profit After Tax (\$ Million)



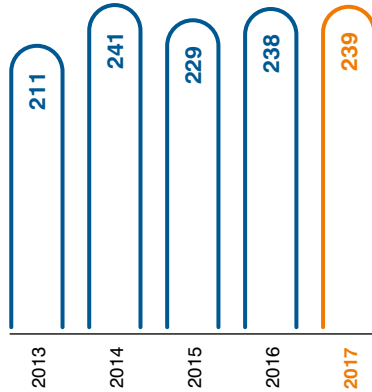
Net Profit Per Share (Cents)



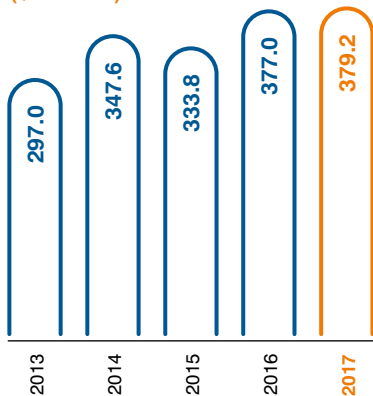
Total Dividends Per Share (Cents)^(b)



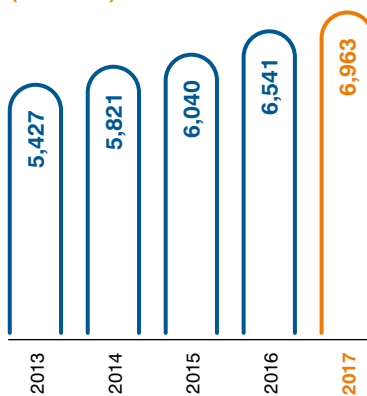
Net Asset Backing Per Share (Cents)^(c)



Investments at Market Value (\$ Million)^(a)



Number of Shareholders (30 June)



Notes

(a) Includes cash.

(b) All dividends were fully franked.

(c) Net asset backing per share based on year-end data before the provision for the final dividend.

The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

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 S&P/ASX 50 Leaders Index.

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

Mirrabooka invests in companies that have the following characteristics outlined on page 5.

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. In managing the higher risk that is inherent in the small and mid-cap sector of the market, Mirrabooka approaches management of the portfolio as described on the following page.



What We Look For in Companies



Approach to Managing the Portfolio

- ✓ Ensure top 20 holdings do not dominate the portfolio
- ✓ Take small starting positions and add in weakness
- ✓ Sell when there is an adverse change from original investment case
- ✓ Reduce when valuations become overstretched
- ✓ Better management of capital gains and losses through diversification

Review of Operations and Activities

Profit and Dividend

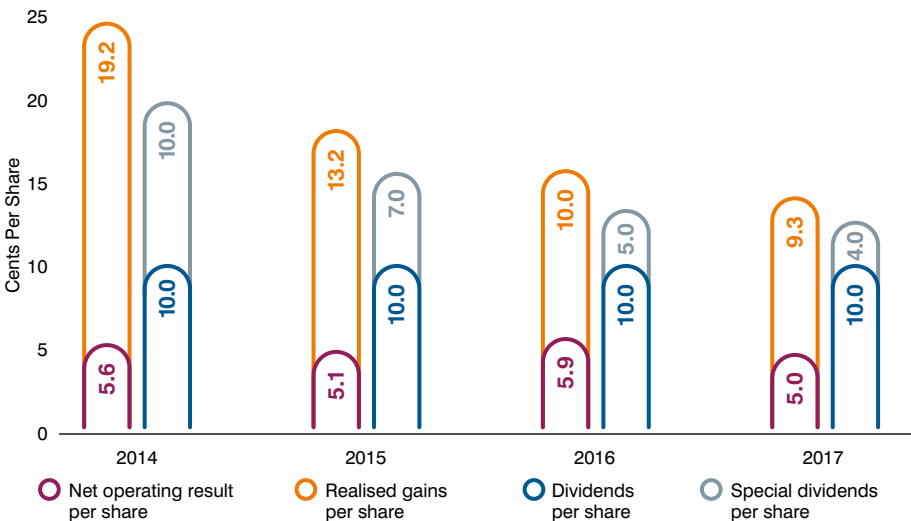
Mirrabooka's reported profit was \$7.6 million for the 12 months to 30 June 2017 compared with \$8.8 million last year. The decline was a result of a fall of \$1.0 million in dividend income, given some of the adjustments made to the portfolio during the year. There was also a reduced smaller contribution from the trading and options portfolios of \$0.7 million, down from \$1.3 million in the corresponding period last year.

The Company maintained the final dividend at 6.5 cents per share fully franked. A special dividend of 4.0 cents per share fully franked has also been declared.

The special dividend was set taking into account the lower rate of franking credit at 27.5 per cent because of the recent changes to corporate tax legislation. Total dividends for the year are 14.0 cents per share fully franked.

5 cents of the 6.5 cents final dividend and the entire 4 cents special dividend are sourced from realised capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an 'LIC capital gain', attached to this dividend is 12.9 cents. 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



Note: For 2017 the dividend carried an LIC capital gain attributable part of 12.9 cents. For 2016 it was 13.6 cents, for 2015 it was 17.1 cents and for 2014 it was 20.7 cents.

Portfolio Returns

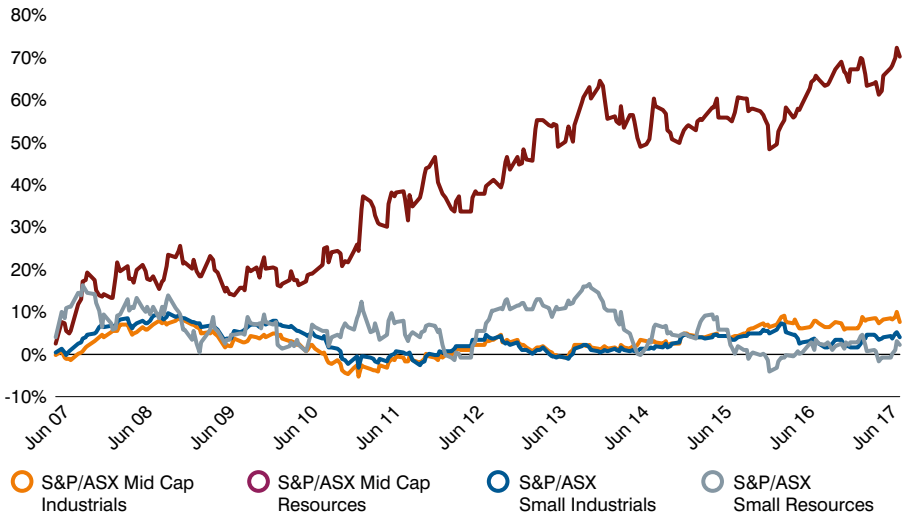
During the twelve-month period, returns in the mid and small-cap companies sectors were heavily influenced by resources companies, with the Mid Cap Resources sector up 76.3 per cent over the period. In contrast, many previously highly priced industrial companies in the mid and small-cap sectors experienced sharp declines in valuations as investors reassessed their growth opportunities and profit expectations.

In the environment where many resource stocks performed so strongly, Mirrabooka's short-term portfolio performance was

below its mid and small-cap benchmark. The Company has few investments in the resource sector. However, over the longer term, which smooths the cyclical nature of the resource sector, Mirrabooka's performance was well ahead of its benchmark. For example, the five-year portfolio return, including the benefit of franking, was 15.8 per cent per annum compared with the benchmark, including the benefit of franking, of 12.2 per cent per annum.

Significant positive contributors to portfolio performance over the year included Treasury Wine Estates, Lifestyle Communities, ALS, Challenger and Mainfreight.

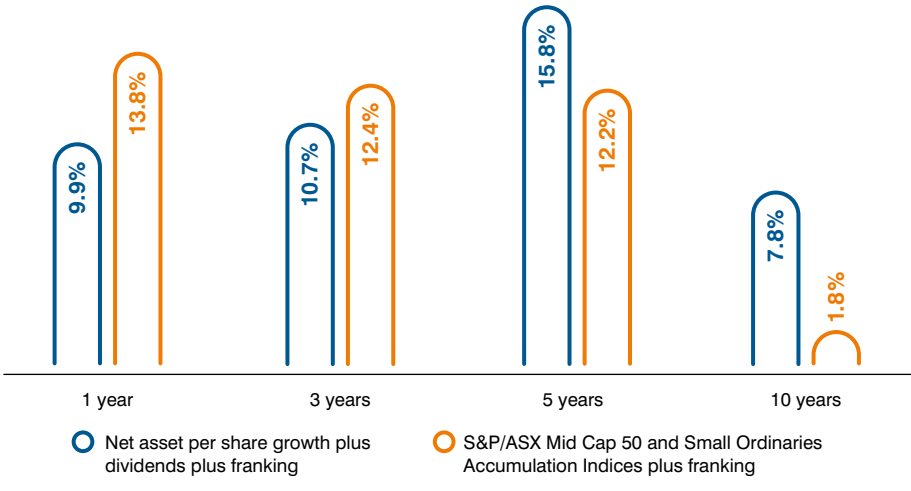
Figure 2: Performance of Different Segments of the Small and Mid Cap Market



Source: FactSet

Review of Operations and Activities continued

Figure 3: Portfolio Return Percentage Per Year to 30 June 2017, Including Franking



The tax paid on realised gains can impact relative performance figures against the Index which does not have this impost. The inclusion of the benefit of franking credits attached to the dividend distributed to shareholders is one way of redressing this.

Portfolio Adjustments

During the period, Mirrabooka looked to consolidate the portfolio around higher-quality holdings.

The largest purchase was in Isentia Group, which occurred at various stages throughout the year. A number of new companies were also added including Computershare, Carsales, CYBG (Clydesdale Bank) and Macquarie Telecom Group.

Details of new companies added in the second half of the financial year are:

- CYBG is a British banking group with a strong emphasis on its personal customer base and a business banking capability across its United Kingdom network. They operate under two major brands, Clydesdale Bank and Yorkshire Bank, with a strong presence in the north of England and Scotland. CYBG was divested from National Australia Bank in early 2016 and its holding company CYBG plc, trades on the London and Australian stock exchanges.



Mid Cap Resources
sector up

76.3%

“

During the twelve-month period returns in the mid and small-cap companies sectors were heavily influenced by resources companies.

”



Review of Operations and Activities continued

- Macquarie Telecom Group is a telecommunications business. It offers a range of solutions including data, voice, mobile and colocation services among mid to large businesses and government customers. It operates through its Telecom and Hosting segments. The Telecom segment relates to the provision of voice and mobiles telecommunications services and the provision of services utilising the Macquarie Telecom data network. The Hosting segment refers to the provision of services utilising Macquarie Telecom's data hosting facilities.

Major sales were a result of takeovers, companies becoming top 50 companies by size and where, in our opinion, a company had become more risky because of an overly high share price or a significant negative change in outlook. The number of companies in the portfolio was reduced by 16 holdings, down to 73 by financial year-end as Mirrabooka also sold a number of smaller holdings where there was no longer conviction to invest more.

Another interesting feature, particularly through the second half of the financial year, was the absence of IPOs. Mirrabooka has not been a large participant in this market but nevertheless this meant there was little opportunity to consider new investments from this area of the market.

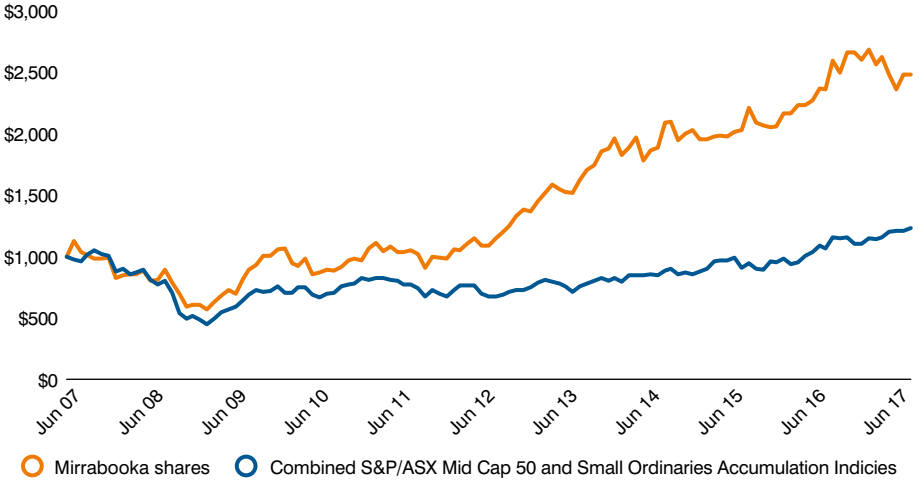
In total, purchases in the investment portfolio were \$57.2 million for the year, whereas sales amounted to \$96.4 million over the year. This meant there was a build-up of the cash position by year-end.

Share Price Performance

Figure 4 outlines the benefit of compound returns and the value of Mirrabooka's investment approach given the relative total share price return (including dividends) from an investment of \$1,000 in Mirrabooka over 10 years versus the return from the combined Mid Cap 50 and Small Ordinaries Accumulation Indices.

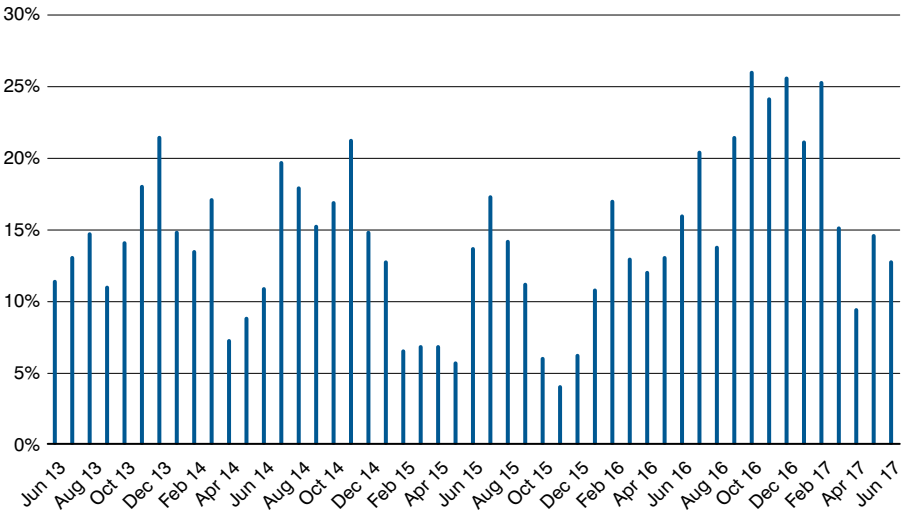
The attractive nature of Mirrabooka's dividend in the current low interest rate environment has seen strong demand for the Company's shares. At 30 June 2017 the share price was trading at a premium of 13 per cent to the net asset backing per share, which is down from 16 per cent at the beginning of the financial year and the mid-year high of 26 per cent. The recent history is shown in Figure 5.

Figure 4: Performance of an Investment of \$1,000 in Mirrabooka Shares Including the Benefit of Franking – 10 Years to 30 June 2017



Note assumes an investor can take full advantage of the franking credits. This chart calculates the benefit of franking credits at the time dividends are paid for both Mirrabooka and the Index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

Figure 5: Share Price Relative to Net Asset Backing



Review of Operations and Activities continued

Opportunities to Invest

Despite the fall in many company share prices in the small and mid-cap sectors, it is still difficult to find enticing value as these sectors are still trading at premiums to their long-term average. In addition, many smaller companies are tied to the performance of specific sectors in the domestic economy where the picture remains mixed.

At year-end, Mirrabooka held a relatively high level of cash of \$35.7 million, which represents 9.4 per cent of the total portfolio. As we move into the new financial year, we are cautious, but remain confident opportunities for investment will arise.

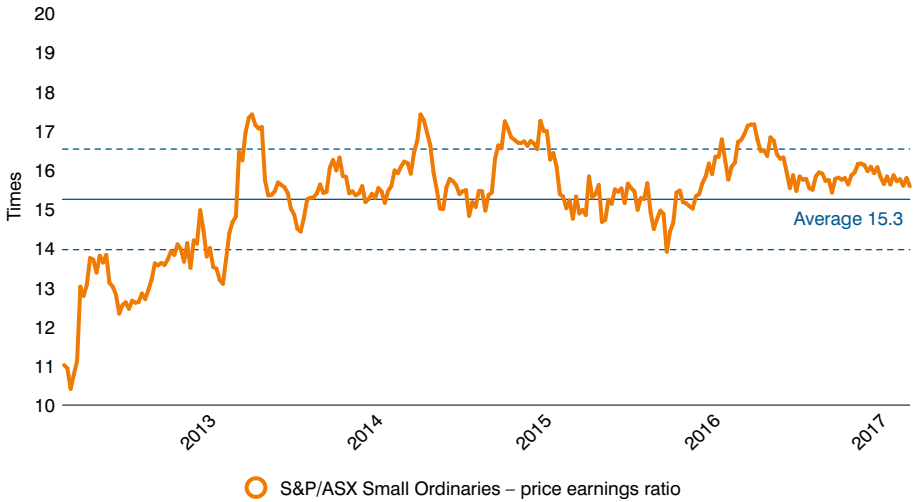


At 30 June 2017 share price
traded at a premium of

13%

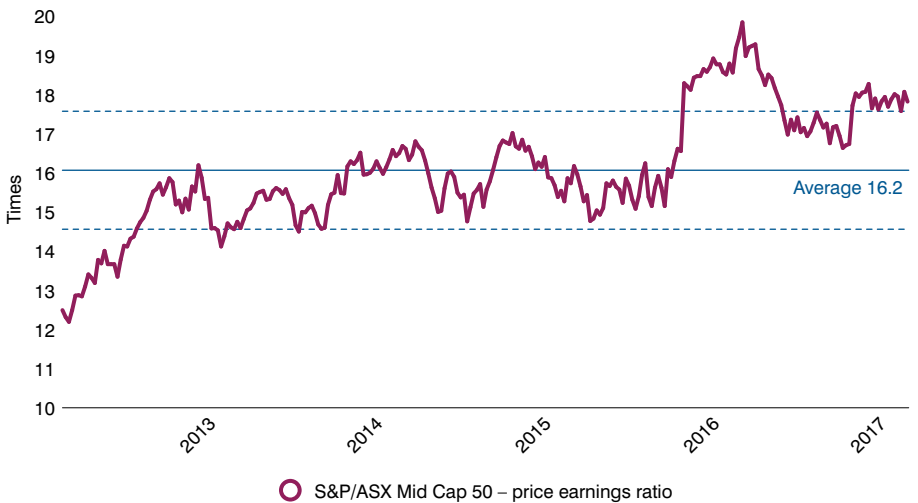


Figure 6: Price Earnings Ratios – Small Ordinaries



Source: FactSet

Figure 7: Price Earnings Ratios – Mid Cap 50 Sector



Source: FactSet

Top 20 Investments

As at 30 June 2017

Includes investments held in both the investment and trading portfolios.

	Total Value \$'000	% of Portfolio
1 Qube Holdings*	13,671	4.0
2 Lifestyle Communities	13,599	4.0
3 Mainfreight	11,215	3.3
4 ALS*	11,024	3.2
5 IRESS	10,660	3.1
6 Challenger*	8,800	2.6
7 Freedom Foods Group	8,616	2.5
8 ResMed*	8,420	2.5
9 Seek*	8,404	2.4
10 Alumina	8,073	2.3
11 Perpetual*	7,958	2.3
12 Iluka Resources*	7,771	2.3
13 AUB Group	7,724	2.2
14 Nufarm*	7,693	2.2
15 Healthscope	6,630	1.9
16 ClearView Wealth	6,614	1.9
17 ARB Corporation	6,598	1.9
18 Incitec Pivot*	6,421	1.9
19 Reece	6,401	1.9
20 Japara Healthcare	6,147	1.8
Total	172,439	

As a percentage of total portfolio value (excludes cash)

50.2%

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

Income Statement

For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Dividends and distributions	8,928	9,933
Revenue from deposits and bank bills	501	386
Net gains on trading portfolio and non-equity investments	301	400
Income from options written portfolio	398	946
Other income	14	23
Income from operating activities	10,142	11,688
Administration expenses	(2,325)	(2,299)
Profit before income tax expense	7,817	9,389
Income tax expense	(247)	(544)
Profit for the year	7,570	8,845
	Cents	Cents
Profit per share	4.84	5.89

Balance Sheet

As at 30 June 2017

	2017 \$'000	2016 \$'000
Current assets		
Cash	35,671	20,989
Receivables	1,720	771
Trading portfolio	4,634	683
Total current assets	42,025	22,443
Non-current assets		
Deferred tax assets	-	17
Investment portfolio	339,908	355,475
Total non-current assets	339,908	355,492
Total assets	381,933	377,935
Current liabilities		
Payables	265	2,935
Tax payable	5,754	5,976
Options written portfolio	992	139
Total current liabilities	7,011	9,050
Non-current liabilities		
Deferred tax liabilities – other	56	-
Deferred tax liabilities – investment portfolio	32,815	34,674
Total non-current liabilities	32,871	34,674
Total liabilities	39,882	43,724
Net assets	342,051	334,211
Shareholders' equity		
Share capital	197,062	192,939
Revaluation reserve	74,584	69,606
Realised capital gains reserve	57,225	57,466
Retained profits	13,180	14,200
Total shareholders' equity	342,051	334,211

Statement of Changes in Equity

For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Total equity at the beginning of the year	334,211	293,610
Dividends paid	(23,306)	(24,100)
Dividend Reinvestment Plan	4,139	4,401
Share Purchase Plan	-	26,104
Costs of share issues	(16)	(83)
Total transactions with shareholders	(19,183)	6,322
Profit for the year	7,570	8,845
Revaluation of investment portfolio	23,591	36,360
Provision for tax on revaluation	(4,138)	(10,926)
Revaluation of investment portfolio (after tax)	19,453	25,434
Total comprehensive income for the year	27,023	34,279
Realised gains on securities sold	20,500	21,105
Tax expense on realised gains on securities sold	(6,006)	(6,099)
Net realised gains on securities sold	14,494	15,006
Transfer from revaluation reserve to realised gains reserve	(14,494)	(15,006)
Total equity at the end of the year	342,051	334,211

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

Holdings of Securities

As at 30 June 2017

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784 and on the website mirra.com.au), 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	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
QUB*	Qube Holdings	Provider of import and export logistics services with national operations	5,000	5,229	13,671
LIC	Lifestyle Communities	Developer, owner and manager of independent living communities for elderly citizens	3,616	3,358	13,599
MFT	Mainfreight (NZX)	Provider of managed warehousing and international and domestic freight forwarding services	490	500	11,215
ALQ*	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	1,500	1,500	11,024
IRE	IRESS	Provider of share market and wealth management information systems	840	840	10,660
CGF*	Challenger	Financial services company providing life insurance, annuities and funds management	765	665	8,800
FNP	Freedom Foods Group	Engaged in the manufacture and sale of food products, specialising in cereal, snacking and beverage products and the export of UHT dairy products	1,947	1,795	8,616

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
RMD*	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	900	850	8,420
SEK*	Seek	Operator of employment classifieds websites in Australia and offshore with interests in education and training	500	500	8,404
AWC	Alumina	40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	5,000	4,205	8,073
PPT*	Perpetual	Diversified financial company offering investment management, financial advice and corporate trust services	144	144	7,958
ILU*	Iluka Resources	Miner of zircon and titanium-based mineral sands products with an additional iron ore production royalty	575	900	7,771
AUB	AUB Group	Investor in a network of small to medium Australian insurance brokers	558	595	7,724
NUF*	Nufarm	Agricultural chemical company that manufactures and sells crop protection and seeds treatment products globally	909	800	7,693
HSO	Healthscope	One of Australia's leading private hospital operators	3,347	3,000	6,630
CWV	ClearView Wealth	Life insurance company with associated offerings in wealth management and financial advice	4,425	4,561	6,614
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	433	420	6,598

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
IPL*	Incitec Pivot	Manufacturer and supplier of fertiliser and industrial explosives products	2,037	1,887	6,421
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	157	152	6,401
JHC	Japara Healthcare	Provider of residential aged care services	2,452	2,927	6,147
ISD	Isentia Group	Provides large consumer brand, corporate and government clients with media monitoring, relations and insights software and services that helps drive business and communication decisions	550	2,854	6,136
CPU*	Computershare	Provides stock registration and transfer services to companies listed on various stock markets globally, as well as providing technology services for stock exchanges, investor services for shareholders and employee share plan management and the provision of bankruptcy, class action and mortgage servicing activities for various corporate clients globally	0	430	6,053
FPH	Fisher & Paykel Healthcare Corporation	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	515	545	5,913
WLL	Wellcom Group	Production company providing pre-media, digital asset management and specialty printing services to advertisers, retailers and corporations	1,287	1,337	5,881

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
EVT	Event Hospitality and Entertainment	Entertainment, hospitality and leisure company with interests in cinemas, hotels and resorts	425	425	5,682
NVT*	Navitas	An international education provider through its university pathways programs, creative media education, English language training and settlement services	918	1,168	5,654
TWE*	Treasury Wine Estates	Wine company with a number of brands produced in Australia, New Zealand, the United States and Italy and sold globally	1,431	450	5,640
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	321	321	5,358
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	300	300	5,313
TPM*	TPG Telecom	Provider of a range of telecommunication services to residential users, small and medium enterprises, government and large corporates in Australia	625	926	5,270
APE	AP Eagers	Operator of a national footprint of motor vehicle dealerships representing a broad range of car and truck brands in Australia	420	601	5,026

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
AAC	Australian Agricultural Company	Owens and operates a balance of properties, feedlots and farms comprising approximately 7 million hectares of land in Queensland and the Northern Territory, and is expanding its value added-branded beef operations	2,215	2,600	4,823
NTC	NetComm Wireless	Delivers advanced broadband and wireless devices enabling businesses, people and machines to connect to the internet	1,800	2,800	4,816
MYX	Mayne Pharma Group	A specialty pharmaceutical company that develops and manufactures branded and generic products, which it distributes globally, either directly or through distribution partners	4,114	4,438	4,815
ANN*	Ansell	Designer, manufacturer and distributor of a wide range of industrial, surgical and examination gloves and other protective products	340	200	4,721
OCL	Objective Corporation	Provider of information technology software and services	1,873	2,100	4,641
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	262	335	4,620
TGR	Tassal Group	Producer of Atlantic salmon from Tasmania	1,550	1,211	4,614
IVC	InvoCare	Provider of services related to funerals, burials and cremations	360	300	4,410

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
CAR*	Carsales.com	The largest online automotive classifieds business in Australia. They also have interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	0	370	4,243
CYB	CYBC Plc	A leading mid-sized United Kingdom retail and SME bank with long-established operations across its core regions	0	800	3,768
OFX	OFX Group	An online foreign currency payment service provider to consumers and small businesses	2,250	2,200	3,542
HUB	HUB24	Provider of platform, investment, advisory and stock broking services to institutional, corporate and retail clients	171	551	3,439
GTY	Gateway Lifestyle Group	Develops and operates residential communities for elderly residents	1,581	1,581	3,083
PGC	Paragon Care	A supplier of medical equipment and consumables to the healthcare market	4,000	4,000	3,060
MAQ	Macquarie Telecom Group	Provides voice and telecommunications services as well as data hosting and co-location services to businesses and government customers	0	212	3,019
CGC	Costa Group Holdings	Australia's largest grower, packer and marketer of premium quality fresh fruit and vegetables with a focus on the berry, premium tomato, mushroom and citrus markets	600	600	2,910

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
GBT	GBST Holdings	A provider of software and services to the global financial services industry	919	919	2,731
TOX	Tox Free Solutions	Integrated waste management and environmental service business	1,000	1,131	2,714
NXT	NEXTDC	Owns and operates large-scale data centres across Australia	0	600	2,706
BLX	Beacon Lighting Group	Australia's largest lighting and accessory retailer with integrated operations from design and sourcing, through to merchandising and retailing	2,000	2,000	2,600
SKB	Skydive The Beach Group	Australia and New Zealand's largest operator of tandem skydives across landmark tourist drop zones in each country	2,494	3,741	2,469
PRG	Programmed Maintenance Services	Provides staffing services including recruitment and labour hire as well as property maintenance and facilities management	0	1,249	2,330
VTG	Vita Group	Operator of a large number of Telstra branded retail and business stores across Australia	1,000	2,000	2,220
BGA	Bega Cheese	Engaged in the processing, manufacturing and distribution of dairy and associated products	0	330	2,148
CDP	Carindale Property	50 per cent interest in the Westfield Carindale Shopping Centre, south-east of Brisbane	255	255	1,964
AMA	AMA Group	Operator of Australia's largest group of automotive panel repair sites	7,015	2,000	1,940

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
GTN	GTN	Supplier of traffic information reports to radio stations across each operating geography (Australia, Canada, United Kingdom and Brazil), providing advertisers in these markets with a unique and broad audience reach	1,053	791	1,898
SOM	SomnoMed	Provides 'continuous open airway therapy' oral devices for the treatment of sleep-related breathing disorders and obstructive sleep apnoea	749	600	1,836
MVP	Medical Developments International	Manufacturer and distributor of pharmaceutical drugs and medical equipment, mainly for pain management	370	370	1,832
ICQ	iCar Asia	Operator of a network of automotive-related classifieds websites across South East Asia	2,600	6,383	1,692
IEL	IDP Education	Provider of international English language testing, student placement and English language teaching services	326	326	1,661
LSX	Lion Selection Group	Mining investment company that invests in, and provides funding to, mining companies in the project development phase	4,360	4,360	1,657
TPE	TPI Enterprises	One of eight licensed processors worldwide producing Narcotic Raw Material (NRM) for the international pharmaceutical industry	0	689	1,413
MUA	Mitula Group	An online classifieds search engine operating in 40 countries	1,350	1,350	1,309

Holdings of Securities continued

As at 30 June 2017

Code	Name	Principal Activity	Number Held 2016 '000	Number Held 2017 '000	Market Value 2017 \$'000
RHP	Rhipe	Provides software licensing and cloud computing services on behalf of a number of large, multinational software vendors	0	2,500	1,288
ALU	Altium	Designs, develops and markets computer software used by engineers in the design of electronic products globally	0	140	1,200
RBL	Redbubble	Operates a global online marketplace for print on demand products (including T-shirts and other clothing, wall art and home décor), based on user submitted artwork	815	1,115	1,081
ELX	Ellex Medical Lasers	Designs and manufactures ophthalmic laser and ultrasound systems used by ophthalmologists to diagnose and treat eye diseases	0	994	1,059
MAI	MainstreamBPO	Provides fund and superannuation administration services for investment managers and superannuation trustees	0	1,921	922
NFNG	Nufarm Step-Up Securities	Agricultural chemical company that manufactures and sells crop protection and seeds products globally	10	10	903
XRO	Xero	Develops cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	30	30	726
ACX	Aconex	Worldwide online collaboration platform for construction, infrastructure, energy and resources projects	48	98	365
Total				343,550	

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

Major Transactions in the Investment Portfolio

Acquisitions	Cost \$'000
Isentia Group	5,425
Computershare	4,735
Carsales.com	3,897
CYBG	3,687

Sales	Proceeds \$'000
Treasury Wine Estates	11,161
ASG Group* (takeover by Nomura Research)	7,335
Cover-More Group* (takeover by Zurich Insurance)	6,079
AMA Group	5,597
The Citadel Group*	4,790
Vocus Group*	4,478
Caltex Australia*	4,192
Ardent Leisure Group*	3,925
CSG*	3,407

* Complete disposals from the portfolio.

New Companies Added to the Investment Portfolio

Computershare
 Carsales.com
 CYBG
 Macquarie Telecom Group
 Programmed Maintenance
 TPI Enterprises
 Bega Cheese
 NEXTDC
 Altium
 Ellex Medical Lasers

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

Matthew J Rowe

Andrew JB Porter

Auditor

PricewaterhouseCoopers

Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street

Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911

Facsimile (03) 9650 9100

Email invest@mirra.com.au

Website 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 Line 1300 653 924

+61 3 9415 4342 (from overseas)

Facsimile (03) 9473 2500

Website 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

Shareholder Meeting

Annual General Meeting

Time 1.30pm
Date Tuesday 10 October 2017
Venue RACV City Club
Location 501 Bourke Street
Melbourne

The Annual Report for 2017 is available on Mirrabooka's website mirra.com.au or by contacting the Company on (03) 9650 9911.



MIRRABOOKA
Investments Limited

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Printed on environmentally friendly paper



MIRRABOOKA
Investments Limited

Notice of Annual General Meeting 2017

The Annual General Meeting of Mirrabooka Investments Limited (ABN: 31 085 290 928, 'the Company') will be held at: RACV City Club, 501 Bourke Street, Melbourne Victoria at 1.30pm (AEDT) on Tuesday 10 October 2017.

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 (AEDT) on Sunday 8 October 2017.

BUSINESS OF THE MEETING

1. Financial Statements and Reports

To consider the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2017.

(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 2017 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



Matthew Rowe
Company Secretary
29 August 2017

Explanatory Notes

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

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

1. Financial Statements and Reports

During this item there will be a reasonable opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2017. 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 2017 Annual Report can view or download it from the Company's website at:

mirra.com.au/Shareholder-Reports.aspx

2. Adoption of Remuneration Report

During this item there will be a reasonable opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which is contained within the 2017 Annual Report.

As prescribed by the *Corporations Act 2001*, the vote on the proposed resolution is an advisory one.

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.

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 on 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.

The Board recommends that shareholders vote in favour of adopting the Remuneration Report.

3. Re-election of Director

Mr Ian Campbell was last re-elected by shareholders at the 2014 Annual General Meeting and so is required to stand for re-election at this Annual General Meeting. His biographical details are as follows:

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

Mr Campbell is a Company Director who was appointed a Director of the Company in November 2007. He is a Non-Executive Director of BWX Limited. He was formerly Managing Director of GUD Holdings Limited and Deputy President of Australian Industry Group (VIC). He was also formerly Managing Director of Pacific Dunlop Cables Group.

The Board (with the exception of Mr I Campbell) recommends that shareholders vote in favour of the re-election of Mr Campbell.

Further information regarding the Company's corporate governance arrangements and the Board's role can be found on the Company's website at

mirra.com.au/Corporate-Governance.aspx

Shareholder Information

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 members 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 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 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 1.30pm (AEDT) on Sunday 8 October 2017. Further details are on the proxy form.
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 decide 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. In certain circumstances 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 even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will occur where:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chairman of the meeting; and
- at the meeting, a poll is called on the resolution; and
- either of the following apply:
 - if a record of attendance is made for the AGM – the proxy is not recorded as attending
 - the proxy does not vote on the resolution.

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 Victoria 3067

Postal Address

GPO Box 242
Melbourne Victoria 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

investorcentre.com/contact



MIRRABOOKA
Investments Limited





MIRRABOOKA

Investments Limited

ABN 31 085 290 928



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 users 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:

SRN/HIN:

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 1.30pm (AEDT) on Sunday 8 October 2017

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 1.30pm (AEDT) on Sunday 8 October 2017, 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 →**

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 their broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

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, 501 Bourke Street, Melbourne, Victoria, at 1.30pm (AEDT) on Tuesday 10 October 2017** 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. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

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 ____ / ____ / ____

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