

ANNUAL REPORT 2002



ABN 38 006 862 693

CONTENTS

D J E R R I W A R R H I N V E S T M E N T S

2002 Summary	1
About Djerriwarrh Investments Limited	1
From the Chairman	2
How to Invest in Djerriwarrh Shares or Convertible Notes	5
Investment Features	5
Additional Investment in Djerriwarrh	6
Djerriwarrh's Performance	6
Comparison of Top Investments	8
Report of the Directors	10
Financial Statements	16
Notes to the Financial Statements	19
Directors' Declaration	38
Independent Audit Report	39
Corporate Governance	41
Information about Shareholders and Noteholders	44
Substantial Shareholders	44
Major Shareholders and Noteholders	45
Holdings of Securities as at 30 June 2002	47
Sub-underwriting Transactions	49
Major Transactions in the Investment and Trading Portfolios	50
Issues of Securities	52
Company Particulars	Inside Back Cover
Dividend and Interest Timetable	Inside Back Cover

2002 SUMMARY

- Total Return measured by movement in asset backing and dividends paid for the year was a decline of 2.4% compared with a decline of 4.7% in the S&P/ASX 200 Accumulation Index.
- Profit \$28.3 million (2001: \$30.3 million). The profit decline of 6.5% was largely due to the reduction of \$2.7 million in special dividends received.
- Final dividend, 11.5 cents per share paid on 19 August 2002, bringing total dividends for the year to 21.5 cents. (2001: 21.5 cents.)
- Net asset backing at 30 June 2002 (before providing for the final dividend of 11.5 cents per share) was \$3.31 per share (30 June 2001: \$3.49 after the early payment of the final dividend of 11.5 cents per share).
- Total shareholder funds were \$450.8 million at 30 June 2002.
- Low administration costs of 0.23% of the portfolio's average market value.
- During the year 2,058,969 shares were issued in the Dividend Reinvestment Plan, Share Acquisition Plan and the conversion of the Convertible Notes.
- During the year 168,286 shares were bought back at an average price of \$3.21.

ABOUT DJERRIARRH INVESTMENTS LIMITED

Djerriwarrh Investments Limited is a Listed Investment Company which also acts as a sub-underwriter and trader of securities, particularly exchange-traded options. At 30 June 2002 the Company had 13,912 shareholders and 5,318 noteholders. Its net assets were \$450.8 million. The Company is listed on the Australian Stock Exchange and had a market capitalisation of \$514 million on 30 June 2002.

The Company's objective is to provide attractive

returns to its shareholders through dividends and capital growth. A high percentage of profits is paid out as dividends which to date have been fully franked.

The Company reports early in each month on the value of the net asset backing per share as at the end of the previous month. These reports are provided to the Stock Exchange and are available on the Company's website (www.djerri.com.au) or by calling 1800 780 784 (toll free).

The Year Under Review

The year to 30 June 2002 has been a troubled one for financial markets around the world, particularly following the shock of the terrorist attacks in the U.S. in September 2002.

While the Australian stock market has performed creditably relative to international markets, in absolute terms the returns for the year have been poor. For example, the S&P/ASX 200 Accumulation Index (the Index measuring the capital growth plus dividends of 200 large actively traded stocks on the market), actually fell by 4.7% over the year. This performance masks very different outcomes in various sectors of the market. For example the Gold, Chemical, Food & Household, Paper & Packaging, Engineering and Property Trust sectors showed high returns for the year. On the other hand, the poorest performing sectors were Media, Health Care & Biotechnology, Insurance, Miscellaneous Industrials, Investment & Financial Services and Telecommunications sectors, which all had negative returns for the year.

A choppy market can suit our activities. Higher levels of volatility feed through into higher option prices, other things being equal, and should benefit our option writing activities.

Performance

We believe that the best measure of our performance is to use total return as measured by movement in asset backing per share plus dividends. For the year under review this was a decline of 2.4%. The return compares favourably with the return of the S&P/ASX 50 Leaders Accumulation Index of - 6.8%, the S&P/ASX 200 Accumulation Index of - 4.7% and the S&P/ASX 300 Accumulation Index of - 4.5%. Djerriwarrh's performance is after management fees

(\$1.2 million) and taxes on income and realised gains (\$6.2 million), which added back would have represented an additional 1.5% in performance.

This year we have been consolidating the investment portfolio to concentrate on stocks where there is an active options market. This is intended to give increased scope for the writing of Exchange traded options. This consolidation aligns the portfolio closer with the S&P/ASX 50 Leaders Index which contains most of the active options stocks.

The level of the portfolio covered by call options generally varies from 20% to 40%. During most of the year we have run with the level at the high end of this range.

The key positive contributors to our performance for the year were significant appreciations in Toll Holdings, National Australia Bank, Smorgon Steel, Commonwealth Bank and Coles Myer. At the other end of the scale, the portfolio was negatively affected by declines in Computershare, AMP, Telstra, Brambles and News Corporation.

Total Return based on Share Price

From a shareholder perspective, total return can also be measured by movement in share price plus dividends. For the year under review this measure was up 5.2% and compares very favourably with the decline in the market.

Profit and Asset Realisation

Profit for the year was \$28.31 million, down 6.5% compared with last year's profit of \$30.28 million. This reduction was flagged at the half year result and arose primarily from the drop in special dividends that the company had received in the preceding financial year.

During the year the company also made a gain of \$7.55 million as a result of the sale of some investments. After allowing for tax of \$1.92 million on these gains, the balance of \$5.63 million was credited to the asset realisation reserve. As at 30 June 2002 this reserve stood at \$28.51 million. As indicated at the time we restructured the portfolios in the financial year 30 June 2000, net gains in the asset realisation reserve would be available for distribution to shareholders as dividends.

Reduction in Debt

Reflecting the market uncertainties during the year and our cautious approach, we decided to repay our outstanding bank debt of \$20 million. The company's only remaining debt is \$84.93 million of convertible notes, maturing in September 2004.

Dividends

Directors have declared a final dividend of 11.5 cents per share, full franked and payable on 19 August 2002 to shareholders on the register on 7 August 2002. This brings the total dividend applicable for this financial year to 21.5 cents fully franked, the same as last year.

Share Issues

The Company's capital increased during the year through the Dividend Reinvestment Plan, the operation of the Share Acquisition Plan and the conversion of a small number of convertible notes.

In September 2001 the company made an offer to shareholders under the Share Acquisition Plan which allowed them to subscribe for up to \$3,000 of new shares at \$3.51 per share.

Approximately 12% of shareholders acquired further shares under the Plan, resulting in the issue of 1,118,131 shares and raising \$3.9 million.

In March 2002, a further 903,619 shares were issued at \$3.73 as a result of the Dividend Reinvestment Plan, raising \$3.4 million of capital.

Share buy-back

During the year the Company renewed its share buy-back programme to enable it to buy up to 10% of its issued capital by way of an on-market share buy-back. By 30 June 2002, we had bought back only 168,286 shares for the year, at an average price of \$3.21.

There are good reasons to undertake such a buy-back when the Company's share price is trading at a discount to its Net Asset Backing. However, while the price has traded at a premium to the Net Asset Backing we have not been very active. Nevertheless, we would look to continue to buy-back shares at around the Net Asset Backing figure and/or the issue price for shares issued pursuant to our DRP.

Directorship

At the July meeting of the Board, Mr David Brydon and Mr Bill Hodgson both retired from the Board, having reached the retirement age of 72.

Mr Brydon has been a director of the Company since it commenced operations in 1989 and Mr Hodgson joined the Board 18 months later in 1991. We are extremely appreciative of the contribution of both directors to the Company during its formative period. Their business acumen and breadth of experience across a number of industries will be greatly missed from the Board and the Investment Committee.

At the same Board meeting, we were pleased to appoint Mr Graham Kraehe and Mr John Paterson to fill the casual vacancies which arose as a result of these retirements.

Prior to his retirement as CEO of Southcorp Ltd in March 2001, Mr Kraehe spent 28 years in Chief Executive roles in diversified industrial companies covering the wine, packaging, appliance and automotive industries. He is currently Chairman of BHP Steel Limited and a non-executive director of Brambles Industries Limited, the National Australia Bank Limited and News Corporation Limited, and President of the German-Australian Chamber of Industry and Commerce.

Mr Paterson joined JBWere & Son in 1973 and was appointed Managing Director of Were Stockbroking Limited in 1995 and Managing Director of Corporate Finance in 1998. He is also a director of the JBWere group. He has been an alternate director of Australian Foundation Investment Company since April 1987.

We look forward to the contribution of our new directors to the running of Djerrriwarrh as we move through our second decade of life.

Outlook

We suspect that the current uncertainty surrounding equity markets will continue for some time. Investors are nervous about the immediate outlook for the major global economies. Also they are concerned about some of the financial practices of a few international companies which have resulted in inflated profits and unreasonable earnings expectations at a time when the bubble of the “tech” market has been collapsing. Australia is in a better position than most countries to weather these turbulent conditions.

We believe Djerrriwarrh is well placed to pursue its value-based investment style, buying and holding stocks for the medium to long term, but overlaid with option writing strategies, seeking to capture income and thereby deliver attractive income returns to shareholders and growth in capital.

A handwritten signature in blue ink, appearing to read 'Bruce Teele', written over a horizontal dashed line.

Bruce Teele

Chairman

HOW TO INVEST IN DJERRIWARRH SHARES OR CONVERTIBLE NOTES

Investors can invest in Djerriwarrh Investments Limited simply by buying the Company's shares or convertible notes through a stockbroker.

Both the shares and the convertible notes are listed on the Australian Stock Exchange.

The convertible notes were issued late in 1997 and have a face value of \$4.00 each. The notes

bear interest at 7.5% a year on their face value, payable on 31 March and 30 September. The notes may be converted to Djerriwarrh ordinary shares, on the basis of one share per convertible note, on 31 March or 30 September each year. Notes which have not been converted will be redeemed on 30 September 2004 at their face value of \$4.00 each.

DJERRIWARRH INVESTMENT FEATURES

An investment in Djerriwarrh Investments Limited shares has the following characteristics:

- Lower risk through investment in a diversified portfolio of quality stocks.
- Low administration costs (in 2001/02, 0.23% of the portfolio's average market value), and no portfolio management fees.
- Professional and conservative management of the portfolio by directors with extensive stockbroking, investment and commercial experience.
- Steady dividend income and attractive total return.
- Australian Stock Exchange listing of the Company's shares and convertible notes, providing ready entry to, and exit from, the investment.
- No entry or exit charges made by the Company.
- New share issues, depending upon market conditions, through which investors can contribute additional funds to enable Djerriwarrh to expand its portfolio and enhance long-term returns to shareholders.

- Accessibility of information about the Company through a monthly report of Djerriwarrh's net asset backing (available on a toll-free telephone number), interim and annual reports, and meetings for shareholders. Information is also regularly updated on the Company's Internet site.
- Investment in an enterprise which has access to sub-underwriting opportunities through a formal agreement with a major broking firm.

Dividends

Djerriwarrh pays out most of its profits in dividends. Shareholders thereby gain the advantage of franking credits as soon as practicable.

Dividends may be paid by cheque through the mail or credited direct to a bank or building society account in Australia. To indicate a preference, the share registry may be contacted as shown in the directory on the inside front cover.

Franking

Djerriwarrh's dividends are fully franked.

ADDITIONAL INVESTMENT IN DJERRIWARRH

Dividend Reinvestment Plan

Djerriwarrh Investments Limited offers its shareholders a Dividend Reinvestment Plan which allows dividends to be reinvested. No transaction costs apply. No discount currently applies to this plan.

Information about the plan and application forms will be provided on request by the share registry.

Share Acquisition Plan

The Company has a Share Acquisition Plan under which shareholders or noteholders may be able to invest up to \$3,000 in any year in

Djerriwarrh shares at a discount from the market price without paying brokerage or stamp duty.

Shares are offered under this plan at times determined by directors. All shareholders and noteholders are notified of their entitlements by mail.

Share issues

The capital base of the Company has expanded over the years through new issues. (For a list of the issues see the table on page 44). Such issues provide yet another way for shareholders and noteholders to increase their investment in Djerriwarrh.

DJERRIWARRH'S PERFORMANCE

The Company's objective is to provide attractive returns to shareholders through dividends and capital growth. One of the best measures of how the Company has met this objective is to compare the total returns as measured by movement in net asset backing per share plus dividends paid with the returns of comparable market indices and with inflation. These are set out in the table below:

Portfolio Management Performance – Total Return% growth per annum

	Djerriwarrh net asset per share growth plus dividends	S&P/ASX 200 Accumulation Index	S&P/ASX 50 Leaders Index	CPI
1 year	(2.4%)	(4.7%)	(6.8%)	3.0%
2 years	3.0%	2.0%	1.3%	4.5%
3 years	4.0%	7.0%	6.9%	4.1%
5 years	7.8%	7.5%	8.5%	2.8%
10 years	10.0%	10.8%	11.2%	2.6%

Djerriwarrh's total return is after absorbing administration costs and taxes on income and realised gains. These are not borne by the market indexes. Further, the comparison makes no allowance for the benefit of franking credits attached to the fully franked dividend component of the returns.

Statistical history

Djerriwarrh's first full year of operations was 1990/91. Results for the last ten years are summarised in the table below:

		2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Total Return [note (a)]	% p.a.	(2.4)	8.8	5.9	25.2	3.5	23.7	12.1	5.4	9.2	11.4
Profit after tax	\$m	28.3	30.3	30.9	27.4	13.9	25.5	23.2	16.8	15.9	10.1
Dividends	\$m	30.3	29.6	27.4	25.3	24.1	23.3	21.3	15.9	14.6	7.7
Shareholders' funds	\$m	451	486	459	437	352	346	294	270	202	172
Investments at market Value [note (d)]	\$m	535	539	565	528	458	366	310	269	213	165
Earnings per share [note (b)]	cents	20.1	22.0	23.4	22.2	11.5	22.1	21.0	19.9	20.8	14.9
Dividends per share	cents	21.5	21.5	20.5	20.0	20.0	20.0	19.0	18.0	20.0	11.0
Franking	%	100	100	100	100	100	100	100	100	100	100
Net assets per share [note (c)]	\$	3.31	3.49	3.52	3.53	3.01	3.12	2.70	2.59	2.63	2.55

Notes

- (a) Total return measured by movement in net asset backing and dividends paid.
- (b) Earnings per share based on profit after tax divided by the weighted average number of shares on issue during the year to 30 June.
- (c) Net assets per share based on year-end data before providing for the final dividend, calculated using market values of investments. No adjustment has been made for the capital gains tax that would be crystallised on the disposal of the whole portfolio.
- (d) Includes adjustment to make these years comparable with subsequent years in which a modified treatment of differences between the market and carrying values of the trading portfolio was adopted.

COMPARISON OF TOP 20 ORDINARY SECURITIES

AS AT 30/06/2002			Total Value \$ million
1	* NAB	National Australia Bank	62.7
2	* CBA	Commonwealth Bank of Australia	47.1
3	* TLS	Telstra Corporation	37.1
4	* BHP	BHP Billiton	34.1
5	* AMP	AMP	18.3
6	* WPL	Woodside Petroleum	14.9
7	* TOL	Toll Holding	13.9
8	WAN	West Australian Newspapers Holdings	13.7
9	* BIL	Brambles Industries	13.3
10	* TCL	Transurban Group	13.0
11	* FGL	Foster's Group	11.0
12	* CML	Coles Myer	10.8
13	* WMC	WMC	10.6
14	* LLC	Lend Lease Corporation	10.6
15	* RIO	Rio Tinto	9.7
16	* NCP	News Corporation (c)	9.6
17	* CSR	CSR	9.3
18	AMH	AMCIL	8.9
19	* AGL	Australian Gas Light Company	8.9
20	* WBC	Westpac Banking Corporation	8.1
Total			365.4

As % of Total Portfolio Value (\$534.7m)
(excludes Cash and Bank Bills) 68.3%

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

Note (c): Includes 4.0 million of NCPDP – preferred ordinary shares.

AS AT 30/06/2001			Total Value \$ million
1	* NAB	National Australia Bank (a)	43.4
2	* TLS	Telstra Corporation	43.0
3	* CBA	Commonwealth Bank of Australia	33.4
4	* BHP	BHP	22.2
5	* AMP	AMP	19.4
6	* CML	Coles Myer	17.5
7	TCL	Transurban Group	17.2
8	* WPL	Woodside Petroleum	15.9
9	WAN	West Australian Newspapers Holdings	13.4
10	* BIL	Brambles Industries	13.1
11	CPU	Computershare	12.9
12	* LLC	Lend Lease Corporation	11.9
13	TOL	Toll Holdings	11.7
14	AMH	AMCIL	10.3
15	* NCP	News Corporation (b)	10.2
16	* AMC	Amcor	9.7
17	* RIO	Rio Tinto	9.1
18	* AGL	Australian Gas Light Company	9.0
19	DUI	Diversified United Investments	7.6
20	* AXA	AXA Asia Pacific Holdings	7.4
Total			338.3

As % of Total Portfolio Value (\$539.5m)
(excludes Cash and Bank Bills) 62.7%

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

Note (a): Includes \$7.7 million of NAB Excaps (Listed on NYSE)

Note (b): Includes \$3.7 million of NCPDP – preferred ordinary shares

COMPARISON OF TOP PREFERENCE SHARES, CONVERTIBLE NOTES & INCOME SECURITIES

AS AT 30/06/2002		Total Value \$ million
1	CMLPA Coles Myer – 6.5% Reset convertible preference	19.7
2	SSXPB Smorgon Steel Group – 8% Reset convertible preference	10.1
3	CPUPA Computershare 5.5% Reset convertible Preference shares	5.8
4	NABHA National Australia Bank Income Securities	4.1
5	STOPA Santos – 6.57% Reset convertible preference	3.8
6	APNG APN News & Media - 7.25% Unsecured convertible notes	3.0
Total		46.4
As % of Total Portfolio Value (\$534.7m) (excludes Cash & Bank Bills)		8.7%

AS AT 30/06/2001		Total Value \$ million
1	CMLPA Coles Myer - 6.5% Reset convertible preference	21.4
2	JCMGB JBWere Capital Markets – 7.75% FBG Exchangeable Notes	10.9
3	SSXPB Smorgon Steel Group – 8% Reset convertible preference	9.0
4	NABHA National Australia Bank Income Securities	8.3
5	RICGA Ridley Corporation 7.5% Convertible notes	3.5
6	FCLGA Futuris Corporation 7.0% Convertible Notes	2.0
Total		55.0
As % of Total Portfolio Value (\$539.5m) (excludes Cash and Bank Bills)		10.2%

This report in relation to the financial year to 30 June 2002 is presented by the directors of Djerriwarrh Investments Limited ('the Company') in accordance with a resolution of directors.

1. Directors

Bruce B. Teele Age: 64 Chairman, chairman of the Investment Committee and member of the Audit Committee.

Mr Teele, who has been Chairman since commencement of operations in 1989, is a company director. He is Chairman of Australian Foundation Investment Company Limited and was formerly the Executive Chairman of the JBWere group.

Ross E. Barker Age: 50 Managing Director and member of the Investment Committee.

Appointed Managing Director on 8 February 2001. Director since 1989.

Managing Director of Australian Foundation Investment Company Limited, AMCIL Limited and Mirrabooka Investments Limited. He was formerly a director and shareholder of the JBWere group.

David J. Brydon Age: 72 Member of the Investment Committee.

Company director. Appointed 1989 and retired on 25 July 2002.

Terrence A. Campbell Age: 60 Member of the Investment Committee.

Stockbroker. Appointed 1989.

Executive Chairman of the JBWere group, Chairman of Mirrabooka Investments Limited and AMCIL Limited and a director of Australian Foundation Investment Company Limited.

Russell J. Fynmore AO Age: 68 Member of the Audit Committee and Investment Committee.

Company director. Appointed 1992.

Chairman of GUD Holdings Limited, director of Hartec Limited and Mirrabooka Investments Limited.

Andrew F. Guy Age: 54 Member of the Investment Committee.

Company director. Appointed 1989.

Chairman of Datafast Telecommunications Limited, director of PaperlinX Limited and CGNU Australian Holdings Limited. Formerly a partner of Arthur Robinson & Hedderwicks, now a consultant to Allens Arthur Robinson, solicitors.

William H. Hodgson Age: 72 Chairman of Audit Committee and member of the Investment Committee.

Company director. Appointed 1991 and retired on 25 July 2002.

Graham J. Kraehe Age: 60 Member of the Investment Committee

Company director. Appointed 25 July 2002.

Chairman of BHP Steel Limited and a director of Brambles Industries Limited, National Australian Bank Limited and News Corporation Limited, and President of the German-Australian Chamber of Industry and Commerce.

John Paterson Age: 51 Member of the Investment Committee.

Stockbroker. Appointed 25 July 2002.

Director of the JBWere group and alternate director of Australian Foundation Investment Company Limited.

2. Company operations and results

Overview

The Company offers its shareholders and noteholders a medium for generating income from a diversified portfolio of equity and similar securities, predominantly in entities listed on the Australian Stock Exchange. There have been no changes in the nature of the Company's activities during the year. Its major objective is to provide attractive returns to its shareholders through dividends and capital growth. A high proportion of profits is paid out as dividends, which to date, have all been fully franked.

Performance indicators and outcomes

Total Return measured by movement in asset backing and dividends for the year was a decline of 2.4% compared with a decline of 4.7% in the S&P/ASX 200 Accumulation Index. Last year's return was 8.8%.

Profit was \$28.3 million in the year to 30 June 2002. In the preceding year profit was \$30.3 million, including \$2.9 million received in relation to the dividend component of share buy-backs. Decline in profit was 6.5%.

Financial condition

The Company's financing consists primarily of shareholders' funds. Interest-bearing debt, in the form of convertible notes of \$84.9 million, represents 18.8% of net assets. The Company also has an agreement with the National Australia Bank and Commonwealth Bank of Australia to accept and discount bills of exchange up to a total of \$60 million (see note 12).

Likely Developments

The Company intends to continue its investment activities in future years as it has done since its inception in 1989. The results of these investment activities depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors. These include economic growth rates, inflation, interest rates, exchange rates and taxation levels. There are also industry and company specific issues such as management competence, capital strength, industry economics and competitive behaviour.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities. However, the Company's focus is on results over the medium to long term to provide shareholders with attractive returns.

Significant changes in the state of the affairs

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

Environmental Regulations

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

3. Dividends

The dividends paid and proposed in respect of the year ended 30 June 2002 were...

		\$'000
Interim	10 cents per share paid on 7 March 2002	14,058
Final	11.5 cents per share, paid on 19 August 2002	16,273
(Over)/Under Provision from dividend previously paid		—
		<hr/> 30,331

The interim dividend was fully franked at the 30% company tax rate. The final dividend will be franked at the 30% company tax rate.

Dividends paid by the Company relating to the preceding year were...

		\$'000
Interim	10 cents per share paid on 8 March 2001	13,728
Final	11.5 cents per share, paid on 29 June 2001	15,923
(Over)/Under Provision from dividend previously paid		(10)
		29,641

The interim and final dividends were fully franked at the 34% company tax rate.

4. Meetings of directors

The numbers of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2002, 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
B.B. Teele	12	10	43	38	3	3
R.E. Barker	12	12	43	40	–	3 #
D.J. Brydon	12	11	43	37	–	–
T.A. Campbell	12	10	43	31	–	–
R.J. Fynmore	12	11	43	35	3	2
A.F. Guy	12	11	43	28	–	–
W.H. Hodgson	12	11	43	38	3	3

= Attended meeting(s) by invitation

5. Insurance of directors and officers

During the financial year, the Company paid insurance premiums to insure the directors and officers named in this report. The terms of the insurance contract preclude disclosure of further details.

6. Directors' and executives' emoluments

Directors of the Company determine the fees of directors within the aggregate limit established by shareholders in general meeting.

Details of the nature and amounts of each director's emoluments in respect of the year to 30 June 2002 were as follows:

	Fee	Superannuation	Total paid	Retirement allowance	Total paid and provided for
	\$	\$	\$	\$	\$
B.B. Teele	69,000	5,520	74,520	15,250	89,770
R.E. Barker*	34,500	2,760	37,260	7,625	44,885
D.J. Brydon	40,886	–	40,886	7,625	48,511
T.A. Campbell	34,500	2,760	37,260	7,625	44,885
R.J. Fynmore	34,500	2,760	37,260	7,625	44,885
A.F. Guy	34,500	2,760	37,260	7,625	44,885
W.H. Hodgson	41,050	–	41,050	7,625	48,675

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

The retirement allowance is a provision to enable the payment of retirement allowances under the Directors' Deed as approved by shareholders.

The retirement allowance is payable upon the retirement of a director. It is equal to the total fees that the director received in the three years immediately preceding retirement where a director has held office for five or more years and a proportionate part if less than five years service.

7. Shares under option and shares issued on the exercise of options

At 30 June 2002 there were 21,233,555 unsecured convertible notes issued by the Company which may be converted on 31 March or 30 September each year until 30 September 2004 into 21,233,555 shares in the Company. During the year to 30 June 2002, 37,219 such notes were converted into 37,219 shares.

8. Directors' holdings of securities issued by the Company

As at the date of this report, directors who hold shares or convertible notes 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:

	Shares	Convertible Notes
B.B. Teele	899,598	182,945
R.E. Barker	172,910	59,131
D.J. Brydon	335,742	24,235
T.A. Campbell	(a) 73,350	(a) 34,224
R.J. Fynmore	400,000	0
A.F. Guy	147,276	0
W.H. Hodgson	97,000	0
J. Paterson	(a) 49,077	(a) 30,984

(a) Includes 49,077 shares and 30,984 convertible notes held by a trustee company of which T.A. Campbell and J. Paterson are directors.

9. Events since balance date

The directors are not aware of any 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.

10. Rounding of amounts

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

This report is made in accordance with a resolution of the directors.



Bruce Teele

Chairman

Melbourne

25 July 2002

STATEMENT OF FINANCIAL PERFORMANCE

for the Year Ended 30 June 2002

	Notes	2002 \$'000	2001 \$'000
Income from investments		20,589	28,415
Interest from deposits		1,591	1,114
Income from dealing in securities and derivatives held for trading purposes		17,840	14,561
Income from other operating activities		324	110
Total income from ordinary activities		40,344	44,200
Borrowing expense		(6,572)	(7,774)
Administration expenses		(1,221)	(1,146)
Profit from ordinary activities before income tax expense	2	32,551	35,280
Income tax expense	3	(4,245)	(4,996)
Profit from ordinary activities after income tax expense		28,306	30,284
Net increase (decrease) in asset revaluation reserve	16	(45,226)	(2,528)
Net increase (decrease) in asset realisation reserve	16	5,625	15,751
Total valuation adjustments recognised directly in equity		(39,601)	13,223
Total changes in equity other than those resulting from transactions with owners as owners		(11,295)	43,507
		Cents	Cents
Earnings per share	27	20.1	22.0

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2002

	Notes	2002 \$'000	2001 \$'000
Current assets			
Cash	4	12,777	31,912
Receivables	5	9,564	24,317
Income tax refund due		–	3,311
Trading securities	6	26,833	43,415
Total current assets		49,174	102,955
Non-current assets			
Investment securities at market value	7	510,878	500,616
Future income tax benefit	8	1,986	2,501
Total non-current assets		512,864	503,117
Total assets		562,038	606,072
Current liabilities			
Payables	9	1,725	5,628
Provisions	10	17,007	673
Tax liability		1,795	–
Interest bearing liabilities	11	–	20,000
Options written	13	5,770	8,829
Total current liabilities		26,297	35,130
Non-current liabilities			
Interest bearing liabilities	14	84,934	85,083
Deferred tax liabilities		28	319
Total non-current liabilities		84,962	85,402
Total liabilities		111,259	120,532
Net assets		450,779	485,540
Shareholders' equity			
Contributed equity	15	340,814	333,949
Reserves	16	104,666	144,267
Retained profits	17	5,299	7,324
Total shareholders' equity	18	450,779	485,540

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

STATEMENT OF CASH FLOWS

for the Year Ended 30 June 2002

	Notes	2002 \$'000	2001 \$'000
		INFLOWS/ (OUTFLOWS)	INFLOWS/ (OUTFLOWS)
Cash flows from operating activities			
Sales of trading securities		64,238	44,720
Purchases of trading securities		(29,702)	(49,643)
Interest received		2,938	3,676
Dividends received		17,125	24,998
Other distributions received		1,533	2,183
Interest paid		(6,395)	(7,561)
Income taxes paid		(852)	(13,821)
Other payments		(1,209)	(1,187)
Other receipts		298	85
Net cash inflow/(outflow) from operating activities	19	47,974	3,450
Cash flows from investing activities			
Purchases of investment securities		(183,254)	(84,695)
Sales of investment securities		147,489	136,222
Net cash inflow/(outflow) from investing activities		(35,765)	51,527
Cash flows from financing activities			
Repayment of borrowings		(20,000)	(40,000)
Share issues		6,716	12,495
Dividends paid		(18,060)	(41,256)
Net cash inflow/(outflow) from financing activities		(31,344)	(68,761)
Net increase/(decrease) in cash held		(19,135)	(13,784)
Cash at the beginning of the financial year		31,912	45,696
Cash at the end of the financial year		12,777	31,912

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

Note 4 provides details of the composition of cash.

1. Principal accounting and valuation policies

This general purpose financial report has been prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Act 2001. Interpretations of specific relevance to the Company are stated in this note. These policies have not changed since the prior period except as indicated.

(a) Basis of accounting

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

(b) Holdings of securities

(i) *Balance sheet classification*

'Current Assets' describe holdings of securities for short term trading purposes. This classification also applies to holdings by Djerriwarrh of rights to take securities from, or put securities to, other parties under option contracts (i.e. options taken).

'Non-Current Assets' describe holdings of securities which the directors intend to retain as long term investments or to support the Company's option dealing operations.

'Current Liabilities' include option contracts under which the Company is obliged to deliver or receive securities at the option of the other party (i.e. options written).

(ii) *Sales of securities*

The treatment of disposals of long term investments is described in note 1 (b)(iii) below. Realised gains and losses on sales of trading securities based on the carrying value of the assets are taken into account in determining the operating profit of the Company.

(iii) *Valuation of holdings of securities*

Securities, including listed and unlisted shares, notes and options, are initially brought to account at cost.

Non-current securities, whether held as long term investments or to support option dealing operations, are revalued to current market values continuously. Increments are taken to the Asset Revaluation Reserve. Decrements are charged to this reserve while it has a positive balance; otherwise, they are charged to the Profit and Loss account. Where disposal of an investment occurs, any revaluation increment relating to it is transferred from the Asset Revaluation Reserve to the Asset Realisation Reserve and any decrement is charged to the Asset Realisation Reserve while it has a positive balance, otherwise it is charged to the Profit & Loss Account.

Each holding of trading securities is reviewed regularly. If directors were to consider that a loss is almost certain on any holding then it would be written down to realisable value as estimated by directors. After any individual write-downs have been made, the portfolio is valued at the lower of carrying value and market value in aggregate.

The portfolio of options written is revalued to current market value. Increments are taken to the Asset Revaluation Reserve. Decrements are charged to this reserve while it has a positive balance, otherwise they are charged to the Profit & Loss Account.

Market value for the purpose of valuing holdings of securities and options is determined by reference to market prices prevailing at balance date, where the security is traded on an organised market. When a security is not so traded, its fair value is determined by the directors.

(iv) Income from holdings of securities

Distributions relating to listed securities are recognised as income when those securities begin being quoted in the market on an ex-distribution basis. Distributions relating to unlisted securities are recognised as income when received. Profits and losses on options written or options taken are brought to account when the options are closed out, exercised or expired.

(c) Taxation – disposal of long term investments

No provision is made for any taxes that could arise on disposal of securities held as long term investments as there is no intention to dispose of them. Where the Company disposes of investments, tax is calculated on gains made according to the particular tax parcels allocated to the sale, offset against any capital losses carried forward. Any applicable tax is charged to the Asset Realisation Reserve while it has a positive balance, otherwise it is charged to the Profit & Loss Account.

(d) Comparative figures

Where necessary, comparative figures are adjusted to conform with changes in presentation in the current year.

(e) Cash flows

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

(f) Convertible notes

The convertible notes presently outstanding will, if not converted to shares on or before 30 September 2004, be redeemed for cash at their face value of \$4.00 per note on 30 September 2004. Notes outstanding at 30 June 2002 have been classified as non-current borrowings. Interest on the notes is charged against profit as an expense.

(g) Derivative financial instruments

The Company enters into exchange traded option contracts as described in note 13. These options are accounted for as holdings of securities in accordance with note 1(b)(iii) above.

(h) Bills of exchange

Bills of exchange have been purchased in the market or drawn under a bank facility, at a discount to face value. The discount is brought to account by amortising it over the life of the bill and is accounted for as interest received or interest paid as applicable.

(i) Net fair value of financial assets and liabilities

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

(j) Rounding of Amounts

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

	2002 \$'000	2001 \$'000
2. Operating profit		
Profit from ordinary activities before income tax expense includes the following specific gains and expenses:		
(a) Net gains		
– dividends	18,109	24,214
– income from trusts	1,398	1,850
– interest from investments	1,082	2,351
– interest from deposits	1,591	1,114
– income from dealing in securities and derivatives held for trading purposes	17,840	14,561
– sundry income	324	110
	40,344	44,200
(b) Expenses		
– interest	6,481	7,676
– other financing costs	91	98
– administration costs	1,141	1,062
– remuneration to the auditors for...		
• auditing the financial statements	41	37
• other audit related work	–	–
• other assurance services	2	–
• taxation services	37	47
• consulting and advisory services	–	–
	7,793	8,920
Profit from ordinary activities before income tax	32,551	35,280

3. Income tax

The income tax expense for the financial year differs from the amount calculated on the profit. The differences are reconciled as set out below.

Prima facie income tax at 30% (2001: 34%)

Tax effect of permanent differences which (reduce)/increase tax payable...

- rebatable dividends
- sundry items

Prima facie tax adjusted for permanent differences

Net adjustment to deferred income tax liabilities and assets to reflect the decrease in company tax rate to 30%

Under/(over) provision in prior year

Income tax attributable to profit from ordinary activities

Income tax attributable to profit from ordinary activities was comprised of...

- current
- deferred
- future income tax benefit
- (over)/under provision in prior year

	2002 \$'000	2001 \$'000
Prima facie income tax at 30% (2001: 34%)	9,765	11,995
Tax effect of permanent differences which (reduce)/increase tax payable...		
- rebatable dividends	(4,745)	(7,181)
- sundry items	(444)	(179)
Prima facie tax adjusted for permanent differences	4,576	4,635
Net adjustment to deferred income tax liabilities and assets to reflect the decrease in company tax rate to 30%	-	291
Under/(over) provision in prior year	(331)	70
Income tax attributable to profit from ordinary activities	4,245	4,996
Income tax attributable to profit from ordinary activities was comprised of...		
- current	4,314	3,801
- deferred	(283)	(44)
- future income tax benefit	545	1,169
- (over)/under provision in prior year	(331)	70
	4,245	4,996

	2002	2001
	\$'000	\$'000
4. Current assets – cash		
Cash at bank and on hand	4	155
Deposits at call	816	984
Discounted bills of exchange	11,957	30,773
Total cash	<u>12,777</u>	<u>31,912</u>

Deposits at call yielded an average floating interest rate of 4.42% (2001: 5.74%).

Discounted bank bills of exchange yielded an average fixed return of 4.47% (2001: 5.71%), and had fixed terms of up to six months.

The credit risk exposure of the Company in relation to cash, deposits and discounted bills of exchange is the carrying amount. Purchased bills of exchange are carried on the statement of financial position at an amount less than the amount realisable at maturity. The credit risk exposure of the Company also includes the difference between the carrying amount and the realisable amount. At balance date this exposure was \$12,029 (2001: \$226,997).

5. Current assets – receivables

Dividends receivable	2,256	1,272
Trust income receivable	445	579
Interest receivable	–	182
Outstanding settlements – Trading securities	39	1,198
Outstanding settlements – Investment securities	6,806	20,859
Other receivables	18	227
	<u>9,564</u>	<u>24,317</u>

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

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

6. Current assets – trading securities

Listed securities at carrying value...

- shares and trust units
- converting and convertible notes and other interest bearing securities

Total

Listed securities at market value...

- shares and trust units
- converting and convertible notes and other interest bearing securities

Total

	2002 \$'000	2001 \$'000
	22,583	34,303
	4,250	9,112
	<hr/>	<hr/>
	26,833	43,415
	<hr/>	<hr/>
	25,565	39,376
	4,065	8,334
	<hr/>	<hr/>
	29,630	47,710
	<hr/>	<hr/>

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

7. Non-current assets – investment securities

Listed securities...

- shares and trust units at market value
- converting and convertible notes at market value

Unlisted securities at directors' valuation

Total

	505,113	482,098
	4,621	16,381
	<hr/>	<hr/>
	1,144	2,137
	<hr/>	<hr/>
	510,878	500,616
	<hr/>	<hr/>

If all securities held as non-current investments had been sold immediately after balance date a net capital gains tax liability of \$23.3 million based upon a tax rate of 30% effective from 1 July 2001 (2001: \$36.9 million) would have arisen. However, directors do not intend to dispose of the whole portfolio and therefore do not expect that the tax associated with such a disposal would be incurred.

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

8. Non-current assets – future income tax benefit

The Company's future income tax benefit of \$1,986,089 (2001: \$2,500,948) will only be obtained if:

- (a) the Company derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised,
- (b) the Company continues to comply with the conditions for deductibility imposed by the law, and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss.

9. Current liabilities – payables

	2002 \$'000	2001 \$'000
Dividends payable	–	4,000
Interest payable	–	–
Creditors	1,589	1,628
Outstanding settlements – Trading securities	–	–
Outstanding settlements – Investment securities	136	–
Other payables	–	–
	1,725	5,628

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

10. Current liabilities – provisions

Dividends	16,273	–
Other	734	673
	17,007	673

2002 \$'000	2001 \$'000
----------------	----------------

11. Current liabilities – interest bearing liabilities

Unsecured Interest bearing liabilities outstanding at balance date

- bank bills (facilities \$60 million)

–	20,000
---	--------

–	20,000
---	--------

12. Associated financial arrangements

(a) Standby arrangements and credit facilities

The Company is party to an agreement under which National Australia Bank has agreed to accept or accept and discount bills of exchange up to a total amount of \$40 million (2001: \$40 million). The Company is also party to an agreement under which the Commonwealth Bank of Australia will accept or accept and discount bills of exchange up to a total amount of \$20 million (2001: \$20 million). No amounts were drawn down on either of these facilities at 30 June 2002 (2001: NAB – \$20 million drawn down).

13. Current liabilities – options written

Listed securities at market value...

- Options written by the Company

- Calls

3,613	7,818
-------	-------

- Puts

2,157	1,011
-------	-------

5,770	8,829
-------	-------

The Company enters into option contracts for the purpose of enhancing returns, offsetting risk or providing opportunities to acquire or sell stock at advantageous prices. Most of these contracts are exchange-traded share options and are entered into within the constraints and controls imposed by the Australian Derivatives Market and the Australian Stock Exchange Limited or the New Zealand Futures and Options Exchange. Dealing and administrative (including settlement) functions are separated. The total exposure position is determined daily. The Investment Committee meets regularly (normally weekly) to consider, review and approve the investment, trading and sub-underwriting transactions of the Company and related matters.

Collateral security to cover written option positions and actual and prospective margin calls is lodged with the Options Clearing House and/or the Sydney Futures Exchange Clearing House on a daily basis.

Option-related contracts are accounted for in accordance with the accounting policy described in Note 1(b)(i) to (iv).

Trading opportunities have arisen in the past and may recur where attractive 'over the counter' options and other derivatives are available to the Company. The Company has participated in such transactions and may choose to participate in such transactions in the future provided that the risk is acceptable and they relate to the Company's holding of underlying listed securities.

Collateral security to cover 'over the counter' written option positions is lodged with the counter party.

14. Non-current liabilities – interest bearing liabilities

Non-current unsecured...

- convertible notes*

	2002 \$'000	2001 \$'000
	84,934	85,083
	<u>84,934</u>	<u>85,083</u>

*There were 21,233,555 convertible notes outstanding on 30 June 2002 (2001: 21,270,774). The notes have a face value of \$4.00 each and carry an interest entitlement of 7.50% per annum. They may be converted at the option of the holder into ordinary shares at a rate of one share per note on 31 March or 30 September each year until 30 September 2004. Notes not converted will be redeemed at their face value on 30 September 2004. Terms of the notes are regulated under a trust deed between the Company and Perpetual Trustees Consolidated Limited.

The net fair value to the Company of the convertible notes was their carrying value.

15. Shareholders' Equity – contributed equity

	2002 Shares '000	2002 \$'000	2001 Shares '000	2001 \$'000
(a) Paid up capital				
Ordinary shares – fully paid	141,507	340,814	139,616	333,949

(b) Movements in issued and paid up capital of the Company during the past two years were as follows:

Date	Details		Number of shares '000	Issue price	Paid Up Capital \$'000
30.6.2000	Opening Balance		135,780		321,204
16.8.2000	Dividend Reinvestment Plan issues	(a)	1,489	\$3.27	4,870
8.3.2001	Dividend Reinvestment Plan issues	(a)	1,216	\$3.15	3,830
Various	Conversions of unsecured convertible notes	(b)	63	\$4.00	250
29.6.2001	Dividend Reinvestment Plan issues	(a)	1,156	\$3.53	4,082
Various	Buy-backs	(c)	(88)		(287)
30.6.2001	Balance		139,616		333,949
7.3.2002	Dividend Reinvestment Plan issues	(a)	904	\$3.73	3,371
Various	Conversion of unsecured convertible notes	(b)	37	\$4.00	149
4.10.2001	Share Acquisition Plan issues	(d)	1,118	\$3.51	3,925
Various	Buy-backs	(c)	(168)		(541)
Various	Cost of share issues		–		(39)
30.6.2002	Balance		141,507		340,814

- (a) The Company operates a Dividend Reinvestment Plan under which shareholders may elect to have all or part of their dividend entitlement satisfied by the issue of new ordinary shares rather than being paid in cash. Pricing of such shares is determined by the average selling price of shares traded on the Australian Stock Exchange in the five days after the shares begin trading on an ex-dividend basis.
- (b) As described in Note 14, in 1997 the Company issued unsecured convertible notes at a face value of \$4.00 each. The notes may be converted on 31 March or 30 September each year at the election of the holder into ordinary shares, at a rate of one share for each note, or be redeemed at their face value on 30 September 2004.
- (c) The Company introduced an on-market Share Buy-back Programme in February 2001. To 30 June 2002 the Company had bought back 168,286 shares (2001: 88,237 shares), at an average price of \$3.21 (2001: \$3.25).
- (d) The Company operated a Share Acquisition Plan which permits directors to allot shares to a maximum value per year of \$3,000 per holder of shares or convertible notes. On 4 October 2001, shares were issued under this Plan at a price of \$3.51 each, being 2.5% less than the average closing price on the Australian Stock Exchange in the five trading days up to and including 14 August 2001. The Plan was not activated during the 2001 financial year.

16. Shareholders' equity – reserves

(a) Balances

	2002 \$'000	2001 \$'000
Asset revaluation reserve	76,153	121,379
Asset realisation reserve	28,513	22,888
	104,666	144,267

(b) Movements

(i) Asset revaluation reserve		
– Opening balance	121,379	123,907
– Revaluation of long-term investments	(37,747)	11,957
– Revaluation of options written	68	(1,946)
– Transfer to asset realisation reserve	(7,547)	(12,539)
– Closing balance	76,153	121,379

	2002	2001
	\$'000	\$'000
(ii) Asset realisation reserve		
– Opening balance	22,888	7,137
– Transfer from asset revaluation reserve	7,547	12,539
– Tax on disposals of long-term investments	(1,922)	3,212
	<u>28,513</u>	<u>22,888</u>

(c) Nature and purpose of reserves

(i) Asset revaluation reserve

This reserve is used to record increments and decrements on the revaluation of non-current assets as described in accounting policy note 1(b)(iii).

(ii) Asset realisation reserve

This reserve records gains or losses arising from disposal of long-term investments as described in accounting policy note 1(b)(iii), less tax on such disposals as described in note 1(c). As the balance relates to net realised gains it may be distributed as cash dividends at the discretion of directors.

17. Shareholders' equity – retained profits

Opening balance	7,324	6,681
Net profit of the Company	28,306	30,284
Dividends provided for or paid	(30,331)	(29,641)
Closing balance	<u>5,299</u>	<u>7,324</u>

18. Total shareholders' equity

Total equity at the beginning of the financial year	485,540	458,929
Total changes in equity recognised in the statement of financial performance	(11,295)	43,507
Transactions with owners as owners		
– Contributions of equity, net of transaction costs	7,257	12,782
– Conversions of convertible notes to shares	149	250
– Buy Backs	(541)	(287)
– Dividends provided for or paid	(30,331)	(29,641)
Total equity at the end of the financial year	<u>450,779</u>	<u>485,540</u>

	2002 \$'000	2001 \$'000
19. Reconciliation of net cash flows from operating activities to profit from ordinary activities after income tax		
Profit from ordinary activities after income tax	28,306	30,284
– capital gains tax included in asset realisation reserve	(1,922)	3,212
– decrease/(increase) in current receivables	700	1,068
– decrease/(increase) in trading securities	16,582	(16,520)
– decrease/(increase) in future income tax benefit	515	1,204
– increase/(decrease) in options written	(1,044)	(2,595)
– increase/(decrease) in current payables	(39)	33
– increase/(decrease) in provision for current tax liability	5,106	(13,274)
– Increase/(decrease) in provision for deferred tax liability	(291)	19
– increase/(decrease) in other provisions	61	19
Net cash inflows/(outflows) from operating activities	47,974	3,450
20. Dividends		
Interim dividend of 10 cents fully franked at 30% (2001: 10 cents fully franked at 34%) per share, paid 7 March 2002 (2001: 8 March 2001)	14,058	13,728
Final dividend of 11.5 cents fully franked at 30% (2001: 11.5 cents fully franked at 34%) per share, to be paid 19 August 2002 (2001: 29 June 2001)	16,273	15,923
(Over)/under Provision from Dividend previously provided	–	(10)
	30,331	29,641

21. Franking credits

Balance of the franking account after allowing for tax payable in respect of the current year's profits and the payment of the final dividend

2002 \$'000	2001 \$'000
4,688	3,710
Credit	Credit

Availability of franking credits depends primarily on the franking status of dividends received from investee companies. Credits also arise on tax paid by the Company itself. Dividends may be declared franked in anticipation of receipt of franking credits or payment of tax in the same tax year in which the impact of the dividends on the franking account occurs.

22. Related parties

Persons who were directors of Djerriwarrh Investments Limited throughout the financial year ended 30 June 2002 were:

B.B. Teele

R.E. Barker

D.J. Brydon

T.A. Campbell

R.J. Fynmore

A.F. Guy

W.H. Hodgson

All transactions with related parties are made on normal commercial terms and conditions and approved by independent directors.

	2002	2001
	\$'000	\$'000
(a) Income received by the Company from...		
– JBWere Capital Markets Limited and JBWere Futures Limited for interest	158	222
– JBWere Limited re sub-underwriting and placements	272	110
(b) Expenses paid by the Company to...		
– JBWere Limited for brokerage	1,074	1,118
– JBWere Capital Markets Limited for interest expense	15	–
(c) Purchases of securities from JBWere Limited as principal	–	1,341
(d) Option premium paid to JBWere Limited as principal	–	4,016
(e) Option premium received from JBWere Limited as principal	–	6,326
(f) Purchases of bank bills from JBWere Capital Markets Limited as principal (includes replacement of bills maturing)	303,555	249,922
(g) Sales of bank bills to JBWere Capital Markets Limited as principal	74,436	73,615
(h) Deposits held at call, or as security in relation to option trading, with...		
– JBWere Capital Markets Limited	816	984

Director T.A. Campbell was interested in the above transactions, described above, as a director, employee and shareholder of JBWere Limited, JBWere Capital Markets Ltd, JBWere Group Holdings Pty Ltd and JBWere Futures Ltd.

B.B. Teele was interested in the above transactions as a consultant to, and shareholder of, the JBWere group.

R.E. Barker was interested in the transactions described above as a director, employee and shareholder of JBWere Limited, JBWere Capital Markets Ltd, JBWere Group Holdings Pty Ltd and JBWere Futures Ltd in the 2001 financial year and as a shareholder during the 2002 financial year.

From 30 June 2002, B.B. Teele and R.E. Barker were no longer directors, employees, shareholders of, or consultants to the JBWere group.

	2002 \$'000	2001 \$'000
(i) A.F. Guy provided consulting services to Allens Arthur Robinson, solicitors, the firm which provided legal services to the Company to the value of	5	–
(j) Transactions of directors and director related entities concerning shares or share options.		

Aggregate numbers of shares and share options of Djerriwarrh Investments Limited acquired or disposed of by directors of the Company or their director-related entities:

	Units	Units
Acquisition		
– Shares	53,876	134,834
– Convertible Notes	45,000	10,000
Disposals		
– Shares	2,032,093*	2,702,264
– Convertible Notes	29,844	135,178

* Disposal of 50,000 shares beneficially held by a trustee company of which T.A. Campbell is a director.

* Disposal of 1,982,093 shares beneficially held by Invia Custodian for JBWere Capital Markets Limited of which T.A.Campbell is a director and shareholder.

Shares acquired by the directors and director related entities include shares acquired under the Dividend Reinvestment Plan and Share Acquisition Plan on the same basis as similar transactions with other shareholders.

(k) Holdings of securities

At balance date, securities issued by the Company and held directly or indirectly by directors of the Company, or by entities to which they were related were...

– shares	15,290,784	17,319,958
– unsecured convertible notes	300,535	328,881

Directors and their related entities received normal dividends on the shares and interest at normal rates on unsecured convertible notes.

The above year 2002 figures include 49,077 shares (2001: 99,077 shares) and 30,984 unsecured convertible notes (2001: 53,984) beneficially owned by a trustee company of which T.A. Campbell is a director and beneficiary, B.B. Teele was a beneficiary and R.E. Barker was a beneficiary in 2001.

The above year 2002 figures include 13,164,908 shares (2001: 15,147,001 shares) beneficially owned by JBWere Capital Markets Limited which is a related entity of director T.A. Campbell. B.B Teele and R.E. Barker had an indirect interest in these shares also when they were shareholders of the JBWere group.

The change in the number of shares held by JBWere Capital Markets Limited is due to conversion by holders of JBWere Capital Markets Exchangeable notes (Djerriwarrh series).

All other related party information is included in the notes to the financial statements

23. Directors' and executives' remuneration

(a) Directors' remuneration

Income paid or payable, or otherwise made available, to directors by the Company in connection with the management of affairs of the Company.

	2002	2001
	\$	\$
Fees	288,936	232,000
Provision for retirement benefits	61,000	27,000
Superannuation Guarantee amounts	16,560	13,920
	366,496	272,920

The numbers of directors whose total income from the entity was within the specified bands are as follows:

	Number of Directors	
\$30,000 – \$39,999	–	6
\$40,000 – \$49,999	6	–
\$60,000 – \$69,999	–	1
\$80,000 – \$89,999	1	–

(b) Executive Remuneration

The company has no employees, other than its Managing Director.

24. Superannuation commitments

The Company contributes to various external superannuation funds to meet its obligations in respect of Superannuation Guarantee Charges. Retirement benefits payable to directors on retirement are provided for but are not separately funded. There are no other superannuation arrangements.

25. Directors' service and retirement benefits agreements

Service agreements, in a form approved by the Company in a general meeting, have been entered into with each director which include provisions for retirement benefits. Entitlements of directors under these agreements are provided for in determining profit but are not separately funded.

26. Financial reporting by segments

The Company operates predominantly in the securities industry in Australia.

27. Earnings per share

	2002	2001
	Cents	Cents
Basic earnings per share	20.1	22.0
	Number	Number
Weighted average number of ordinary shares used as the denominator	140,606,583	137,453,154
	\$'000	\$'000
Earnings used in calculating basic earnings per share	28,306	30,284

28. Contingencies

As at balance date the Company had sold put options which at the option of the holders may require the Company to buy prior to the respective expiry dates certain shares at prices which in aggregate total \$34.1 million (2001: \$22.0 million). Any difference between the market price of any shares to be acquired and the exercise price of the options has been included as part of the valuation of the put options. In addition, there were call options outstanding at balance date which potentially required the Company to deliver securities to the value of \$138.6 million (2001: \$116.8 million) held by the Company. There were no other material contingent liabilities or contingent assets.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 16 to 37:

- (a) comply with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's financial position as at 30 June 2002 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

A handwritten signature in blue ink, appearing to read 'Bruce Teele', is written over a dashed horizontal line.

Bruce Teele

Chairman

Melbourne

25 July 2002



PricewaterhouseCoopers
ABN 52 780 433 757

333 Collins Street
MELBOURNE VIC 3000
GPO Box 1331L
MELBOURNE VIC 3001
DX 77 Melbourne, Australia
www.pwcglobal.com/au
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

Independent audit report to the members of Djerriwarrh Investments Limited

Audit opinion

In our opinion, the financial report, set out on pages 16 to 38:

- presents a true and fair view, as required by the Corporations Act 2001 in Australia, of the financial position of Djerriwarrh Investments Limited (the Company) as at 30 June 2002 and of its performance for the year ended on that date
- is presented in accordance with the Corporations Act 2001, Accounting Standards and other mandatory professional reporting requirements in Australia, and the Corporations Regulations 2001

This opinion must be read in conjunction with the following explanation of the scope and summary of our role as auditor.

Scope and summary of our role

The financial report – responsibility and content

The preparation of the financial report for the year ended 30 June 2002 is the responsibility of the directors of Djerriwarrh Investments Limited.

The auditor's role and work

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company. Our role was to conduct the audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our audit did not involve an analysis of the prudence of business decisions made by the directors or management.

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

The procedures included:

- selecting and examining evidence, on a test basis, to support amounts and disclosures in the financial report. This included testing, as required by auditing standards, certain internal controls, transactions and individual items. We did not examine every item of available evidence.
- evaluating the accounting policies applied and significant accounting estimates made by the directors in their preparation of the financial report
- obtaining written confirmation regarding material representations made to us in connection with the audit
- reviewing the overall presentation of information in the financial report.

Our audit opinion was formed on the basis of these procedures.

Independence

As auditor, we are required to be independent of the Company and free of interests which could be incompatible with integrity and objectivity. In respect of this engagement, we followed the independence requirements set out by The Institute of Chartered Accountants in Australia, the Corporations Act 2001 and the Auditing and Assurance Standards Board.

In addition to our statutory audit work, we were engaged to undertake other services for the Company. These services are disclosed in note 2 to the financial statements. In our opinion the provision of these services has not impaired our independence.



Aubrey Whitear

Melbourne

25 July 2002



PricewaterhouseCoopers

Chartered Accountants

Board Role

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

The Board has been supervising the Company to enable it to meet its objective of providing attractive returns to shareholders through dividends and capital growth.

The directors are committed to the highest standards of compliance, ethical behaviour and corporate governance applicable to the Company's particular activities.

Board membership

The board is comprised of a non-executive Chairman, Managing Director and five non-executive directors.

Selection of directors to fill vacancies, and their nomination for election at the next meeting of shareholders, is a matter for the Board as a whole. Matters considered by the Board include the ability of the director to contribute towards achievement of the Company's goals, breadth of business experience and knowledge of the Australian investment scene.

The directors meet formally as a Board at least eleven times per year. Additional commitment of time is required for committee meetings described below.

Investment Committee

The Investment Committee approves all investment orders and transactions, trading portfolio share and option transactions, reviews the performance of investments, sets investment policies, reviews sub-underwriting offers and deals with other portfolio related activities such as voting instructions and lodgement of proxies. The Committee comprises seven directors and meets regularly (normally weekly).

Audit Committee

An Audit Committee comprised of three directors (W.H. Hodgson, chairman of the committee up to 25 July 2002, A.F. Guy, chairman of the committee from 26 July 2002, B.B. Teele, and R.J. Fynmore) meets periodically to review issues relating to the controls applied to the Company's activities, accounting policies, the content of financial statements and related issues. Meetings of the committee are attended by a partner from the Company's auditors, PricewaterhouseCoopers and the Managing Director, R.E. Barker, by invitation.

Continuous Disclosure

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

In addition to the Half Yearly and Annual reporting requirements, there is a constant stream of information being provided to the Stock Exchange. Of particular note, is the disclosure after each month-end of the Company's Net Asset Backing per Share. This is also disclosed at other times if a material change in value has occurred. All important Stock Exchange announcements are also posted to the Company's Internet web-site.

Risk management

The Company seeks to reduce investment risk by a policy of diversification of investments across industries and companies operating in various sectors of the market.

In addition to the Company's Investment Portfolio we also operate a Trading Portfolio for short term opportunities. We seek to enhance the return from the portfolios by also selling call and put options. The Board, through its Investment Committee, maintains tight control of option transactions. Option transactions are limited to stocks held in the portfolios for the purpose of enhancing returns from the portfolios and buying and/or selling stocks at attractive prices. The controls currently applied to option transactions are described in note 13 to the financial statements.

Remuneration of directors

The constitution of Djerriwarrh 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.

Dealing with Conflicts of Interest

From time to time matters arise at the Board and Investment Committee which may involve one or more directors with an actual or perceived conflict of interest, (for example, when JBWere has an involvement with a share issue). In such instances, the Company fully complies with applicable regulatory requirements relating to dealing with conflicts of interest, such that interested directors do not take part in the discussion or vote on the matter concerned.

Dealings by directors and officers in Company securities

Specific rules have been adopted by the Board in relation to buying or selling by directors and officers, of securities in the Company itself. These rules preclude any buying or selling in the period of five days before any scheduled announcement, the day of the announcement and the day after, and require pre-notification of intent to the Chairman and post-notification of execution. In addition, directors and officers must not buy or sell the Company's securities if they possess information which is not generally available and which may materially affect the value of the Company's securities.

Details of all securities transactions by directors are required to be publicly reported to the Australian Stock Exchange within five business days of their occurrence as required by the Listing Rules.

INFORMATION ABOUT SHAREHOLDERS AND NOTEHOLDERS

At 30 June 2002 there were 13,912 holders of shares and 5,318 holders of unsecured convertible notes. These holdings were distributed in the following categories:

Size of holding	Number	
	Shareholdings (at 30 June 2002)	Noteholdings (at 30 June 2002)
1 to 1,000	1,842	2,299
1,001 to 5,000	6,083	2,154
5,001 to 10,000	3,145	511
10,001 to 100,000	2,730	343
100,001 and over	112	11
	13,912	5,318
20 largest holdings (% of total)	18.82%	20.15%
Average Shareholding	10,172	3,993

There were 285 share holdings of less than an economic parcel of \$500 (138 shares).

There were 126 note holdings of less than an economic parcel of \$500 (122 notes).

SUBSTANTIAL SHAREHOLDERS

The Company has been notified of substantial shareholdings as follows:

Holder	No. of shares	Date notified
JBWere Group Holdings Pty Ltd	13,853,136	8 March 2002

MAJOR SHAREHOLDERS AND NOTEHOLDERS

The 20 largest holdings of ordinary shares and unsecured convertible notes as at 30 June 2002 are listed below.

Shares	Holding	% total
Invia Custodian Pty Limited	14,366,005	10.15
Australian Foundation Investment Company Limited	4,762,789	3.37
Tregony Pty Ltd	911,242	0.64
Best Superannuation Pty Ltd	698,091	0.49
Eric Howard Wheatley & Sylvia Daisy Wheatley	500,914	0.35
Margaret Frances Erskine	470,000	0.33
AMP Life Limited	422,647	0.30
Rosebery Investments Pty Ltd	402,306	0.28
Bruce Ballantine Teele	394,261	0.28
J P Morgan Nominees Australia Limited	387,575	0.27
P.N.B.W. Pty Ltd	377,697	0.27
Westpac Custodian Nominees Ltd	357,074	0.25
George Howard Michell	345,896	0.24
David John Brydon	335,742	0.24
Merfund Nominees Pty Ltd	324,742	0.23
Perpetual Trustee Company Ltd	323,629	0.23
Russell James Fynmore	317,320	0.22
Commonwealth Custodial Services Limited	317,133	0.22
Equity Trustees Limited	309,986	0.22
Penmore Pty Ltd	300,000	0.21

MAJOR SHAREHOLDERS AND NOTEHOLDERS *CONTINUED*

Convertible notes	Holding	% total
Australian Foundation Investment Company Limited	843,505	3.97
The University of Western Australia	500,000	2.35
Tower Trust Limited	392,975	1.85
Invia Custodian Pty Limited	388,658	1.83
Perpetual Trustee Company Ltd	373,157	1.76
Australian Foundation Investment Company Limited	200,000	0.94
AMP Life Limited	181,905	0.86
Diana Gibson & Harold Tuppen & John Norris	125,000	0.59
Perpetual Trustees Vic Ltd	103,558	0.49
Robyn Anne O'Brien	102,000	0.48
Baker Custodian Corporation	100,000	0.47
Josephine Mary Boone	100,000	0.47
Daryl Albert & Katherine Dixon	97,065	0.46
Sisters of Mercy – Melbourne Congregation	87,206	0.41
Weresyd Proprietary Limited	84,833	0.40
JBWere Capital Markets Limited	79,112	0.37
SDS Holdings Pty Ltd	77,940	0.37
Bruce Ballantine Teele	76,929	0.36
National Australia Trustees Limited	75,000	0.35
Gerald Mansfield Niall & Geoffrey William Hone & Charles Bernard Gore Brett	75,000	0.35
VSDC Inc	75,000	0.35
Beckwith Holdings Pty Ltd	73,000	0.34
Sisters of Mercy-Melbourne Congregation	66,103	0.31

HOLDINGS OF SECURITIES

as at 30 June 2002

Details of the Company's portfolios are given below. The list should not be used to evaluate portfolio performance or to determine the net asset backing per share (which is advised to the Australian Stock Exchange each month and recorded on the toll-free telephone service at 1800 780 784).

Individual holdings in the portfolios may change significantly during the course of the year. In addition, holdings may be subject to call options or sale commitments by which they may be sold at a price significantly different from the market price prevailing at the time of the exercise or sale.

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

Ordinary shares and trust units		Units	Market value
		'000	\$'000
ADT	Advent	400	520
* AGL	Australian Gas Light Company	922	8,906
* AMC	Amcor	1,011	8,030
AMH	AMCIL	5,824	8,911
* AMP	AMP	1,207	18,260
* ANZ	Australia and New Zealand Banking Group	100	1,737
APN	APN News & Media	1,919	7,006
AUD	Ausdoc Group	357	757
* AXA	AXA Asia Pacific Holdings	2,349	6,263
BCA	Baycorp Advantage	500	1,775
* BHP	BHP Billiton	3,401	34,162
* BIL	Brambles Industries	1,411	13,253
BWP	Bunnings Warehouse Property Trust	3,173	4,062
* CBA	Commonwealth Bank of Australia	1,434	47,080
* CML	Coles Myer	1,665	10,821
CPU	Computershare	1,600	3,520
CRG	Crane Group	121	1,041
CSL	CSL	123	3,945
* CSR	CSR	1,473	9,329
DUI	Diversified United Investment	3,624	7,248
ENE	Energy Developments	101	374
* FGL	Foster's Group	2,325	10,972
* FOAN	Foodland Associated – New	50	891
* FXJ	Fairfax (John) Holdings	1,443	4,751

HOLDINGS OF SECURITIES

as at 30 June 2002 – CONTINUED

Ordinary shares and trust units		Units	Market value
		'000	\$'000
GAN	Gandel Retail Trust	3,890	4,745
GUD	G.U.D. Holdings	369	1,235
GWT	GWA International	897	2,107
HLY	Hills Motorway Group	1,100	5,115
JHX	James Hardie Industries	157	1,019
* LLC	Lend Lease Corporation	1,008	10,579
* MAY	Mayne Group	473	1,926
MBL	Macquarie Bank	60	1,755
MGR	Mirvac Group	367	1,533
MIG	Macquarie Infrastructure Group	102	265
MIR	Mirrabooka Investments	5,000	5,250
* NAB	National Australia Bank	1,815	62,655
NCA	Neighborhood Cable	2,805	196
* NCP	News Corporation	601	5,635
* ORG	Origin Energy	1,010	3,359
	Oxley Retail Trust (Unlisted)	1,470	985
PBB	Pacifica Group	200	768
PPX	PaperlinX	331	1,605
QBE	QBE Insurance Group	138	914
* RIO	Rio Tinto	291	9,658
SBC	Southern Cross Broadcasting (Australia)	192	1,722
SEV	Seven Network	77	430
SPT	Spotless Group	138	605
* SRP	Southcorp	1,193	6,112
SSX	Smorgon Steel Group	2,580	2,967
* STO	Santos	1,001	6,376
* TCL	Transurban Group	3,100	12,954
TEN	Ten Network Holdings	300	669
* TLS	Telstra Corporation	7,980	37,109
* TOL	Toll Holdings	440	13,948
	UCMS Inc. (Unlisted)	550	160
UEL	United Energy	2,700	5,805

Ordinary shares and trust units

		Units	Market value
		'000	\$'000
WAN	West Australian Newspapers Holdings	2,700	13,689
* WBC	Westpac Banking Corporation	520	8,082
* WES	Wesfarmers	199	5,409
WFT	Westfield Trust	551	1,872
* WMC	WMC	1,170	10,599
* WOW	Woolworths	117	1,489
* WPL	Woodside Petroleum	1,100	14,896
* WSF	Westfield Holdings	150	2,242

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

Unsecured notes, preference shares and other interest bearing securities

		Units	Market Value
		'000	\$'000
AMZGA	Arcor Investments (New Zealand) Perpetual Convertible Reset Securities	15	1,626
APNG	APN News & Media 7.25% Unsecured Convertible Notes	730	2,995
CMLPA	Coles Myer 6.5% Reset Convertible Preference Shares	183	19,715
CPUPA	Computershare 5.5% Reset Convertible Preference Shares	67	5,789
FXJPA	Fairfax (John) Holdings 6.65% Reset Convertible Preference Shares	6	666
NABHA	National Australia Bank Income Securities	43	4,065
* NCPDP	News Corporation Preferred Ordinary	490	3,970
SSXPB	Smorgon Steel Group 8% Reset Convertible Preference Shares	4,806	10,093
STOPA	Santos 6.57% Reset Convertible Preference Shares	35	3,764

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

SUB-UNDERWRITING TRANSACTIONS

Company	Underwritten by:	Description	Quantity Underwritten
Bunnings Warehouse Property Trust	JBWere	Rights Issue of 24.5 million shares at \$1.16 per unit	1,900,000

MAJOR TRANSACTION IN THE INVESTMENT AND TRADING PORTFOLIOS

A.	Acquisitions (above \$2 million)	Units '000	Cost (\$'000)
NAB	National Australia Bank	1,205	39,892
CBA	Commonwealth Bank of Australia	470	14,651
BHP	BHP Billiton	1,257	13,937
AMC	Amcor	1,392	10,990
FGL	Foster's Group (a)	2,000	9,880
WBC	Westpac Banking Corporation	625	9,680
CSR	CSR	1,475	9,642
AMP	AMP	380	6,987
WMC	WMC	745	6,820
RIO	Rio Tinto	185	6,593
CPUPA	Computershare 5.5% Reset Convertible Preference shares	67	6,440
STOPA	Santos 6.57% Reset Convertible Preference shares	35	3,500
WOW	Woolworths	270	3,116
NCP	News Corporation – Ordinary	225	3,091
CML	Coles Myer	420	3,087
APN	APN News & Media	919	2,896
APNG	APN News & Media 7.25% Unsecured Convertible Notes	730	2,895
BIL	Brambles Industries	276	2,627
NCPDP	News Corporation – Preferred ordinary	245	2,450
SRP	Southcorp	400	2,444
MAY	Mayne Group	400	2,055

B.	Disposals (above \$2 million)	Units '000	Proceeds (\$'000)
NAB	National Australia Bank	430	13,899
AMC	Amcor	1,974	13,535
CML	Coles Myer	1,535	10,632
JCMGB	JB Were Capital Markets 7.75% FBG Unsecured Notes (a)	2,000	9,880
NABEXCAP	NAB Exchangeable Capital Units	127	6,890
RIO	Rio Tinto	169	6,402
TOL	Toll Holdings	160	5,216
AIX	Australian Infrastructure Fund	3,367	5,013
CYG	Coventry Group	1,122	4,644
NABHA	National Australia Bank Income Securities	49	4,630
SSX	Smorgon Steel Group	3,100	4,215
RICGA	Ridley Corporation 7.5% Unsecured Convertible Notes	1,846	3,696
SUN	Suncorp Metway	311	3,679
FHF	FH Faulding & Company	221	3,378
TCL	Transurban Group	813	3,358
AGL	Australian Gas Light Company	300	2,841
CPU	Computershare	500	2,750
BWA	Bank of Western Australia	722	2,645
WOW	Woolworths	220	2,427
APN	APN News & Media	655	2,286
CMLPA	Coles Myer 6.5% Reset Convertible Preference shares	20	2,256
WBC	Westpac Banking Corporation	155	2,182
AMP	AMP	110	2,137
SGB	St George Bank	152	2,114
PPX	PaperlinX	450	2,006

(a) Conversion of JB Were Capital Markets 7.75% FBG Unsecured Notes into Fosters Group

ISSUES OF SECURITIES

By Djerriwarrh Investments Limited since it commenced operations in 1989

Date of issue	Type	Price
22 December 1989	Initial Allotment	\$2.00
9 April 1990	New Issue	\$2.00
18 June 1990	New Issue	\$2.00
1 January 1992	New Issue	\$2.29
25 September 1992	DRP	\$2.17
26 March 1993	DRP	\$2.13
24 September 1993	DRP	\$2.30
31 March 1994	DRP	\$2.56
21 June 1994	New Issue	\$2.57
23 September 1994	DRP	\$2.34
24 March 1995	DRP	\$2.34
22 June 1995	New Issue	\$2.60
27 September 1995	DRP	\$2.47
29 March 1996	DRP	\$2.73
13 September 1996	DRP	\$2.58
27 March 1997	DRP	\$2.76
11 September 1997	DRP	\$3.35
30 October 1997	1 – 5 rights issue of Convertible Notes	\$4.00
27 March 1998	DRP	\$3.60
11 September 1998	DRP	\$3.27
15 March 1999	DRP	\$3.47
28 April 1999	SAP	\$3.36
11 August 1999	DRP	\$3.54
7 March 2000	DRP	\$3.47
27 April 2000	SAP	\$3.28
16 August 2000	DRP	\$3.27
8 March 2001	DRP	\$3.15
29 June 2001	DRP	\$3.53
4 October 2001	SAP	\$3.51
7 March 2002	DRP	\$3.73

Excludes shares issued under the original option agreement with JBWere prior to listing.

COMPANY PARTICULARS

Djerriwarrh Investments Limited

A.B.N. 38 006 862 693

Directors:

Bruce B. Teele, Chairman
Ross E. Barker, Managing Director
David J. Brydon (retired on 25 July 2002)
Terrence A. Campbell
Russell J. Fynmore AO
Andrew F. Guy
William H. Hodgson (retired on 25 July 2002)
Graham J. Kraehe (appointed on 25 July 2002)
John Paterson (appointed on 25 July 2002)

Secretary:

Mark A. Licciardo

Auditor:

PricewaterhouseCoopers,
Chartered Accountants

Registered office:

Level 20
101 Collins Street
Melbourne, Victoria 3000

Contact Details:

Mail Address: GPO Box 2114S,
Melbourne, Victoria 3001
Telephone: (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@djerri.com.au
Internet site: www.djerri.com.au

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

Telephone: 1800 780 784 (toll free)

Share Registrar:

ASX Perpetual Registrars Limited
Mail Address: GPO Box 1736P,
Melbourne, Victoria 3001
Telephone: (03) 9615 9999
1800 331 721 (toll free)
Facsimile: (03) 9615 9900
Email: registrars@asxperpetual.com.au
Internet site: www.asxperpetual.com.au
For all enquiries relating to shareholdings, dividends (including participation in the Dividend Reinvestment Plan) and related matters, please contact the share registrar as above.

Trustee for noteholders:

Perpetual Trustees Consolidated Limited
Level 8, 9 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 9229 9000

Stock Exchange Code:

DJW (shares)
DJWG (convertible notes)

Annual General Meeting

The Annual General meeting will be held at the Hilton on the Park, 192 Wellington Parade, East Melbourne, at 3.00 pm on Thursday 31 October, 2002.

DIVIDEND AND INTEREST TIMETABLE

Final payment

Record date

Payment date

Interim payment

(expected dates)

Record date

Payment date

Shares

7 August 2002

19 August 2002

21 February 2003

7 March 2003

Convertible Notes

13 September 2002

30 September 2002

13 March 2003

30 March 2003

D | J | E | R | R | I | W | A | R | R | H |
I | N | V | E | S | T | M | E | N | T | S