

Djerriwarrh Investments Limited  
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11 March 2008

The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

**Electronic Lodgement**

**Djerriwarrh Investments Limited  
Shareholder Information Meetings**

Dear Sir or Madam

Please find attached the presentation to be given at the Shareholder Information meetings in March and April 2008.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'A. Porter', with a stylized flourish below the name.

Andrew Porter  
Company Secretary



# Djerriwarrh Investments Limited

## Shareholder Meetings March/April 2008

### Presentation



## What Djerriwarrh is about

- INVESTING in a QUALITY PORTFOLIO
- ENHANCING INCOME through TRADING and OPTIONS
- SEEKING attractive medium/long term CAPITAL GROWTH



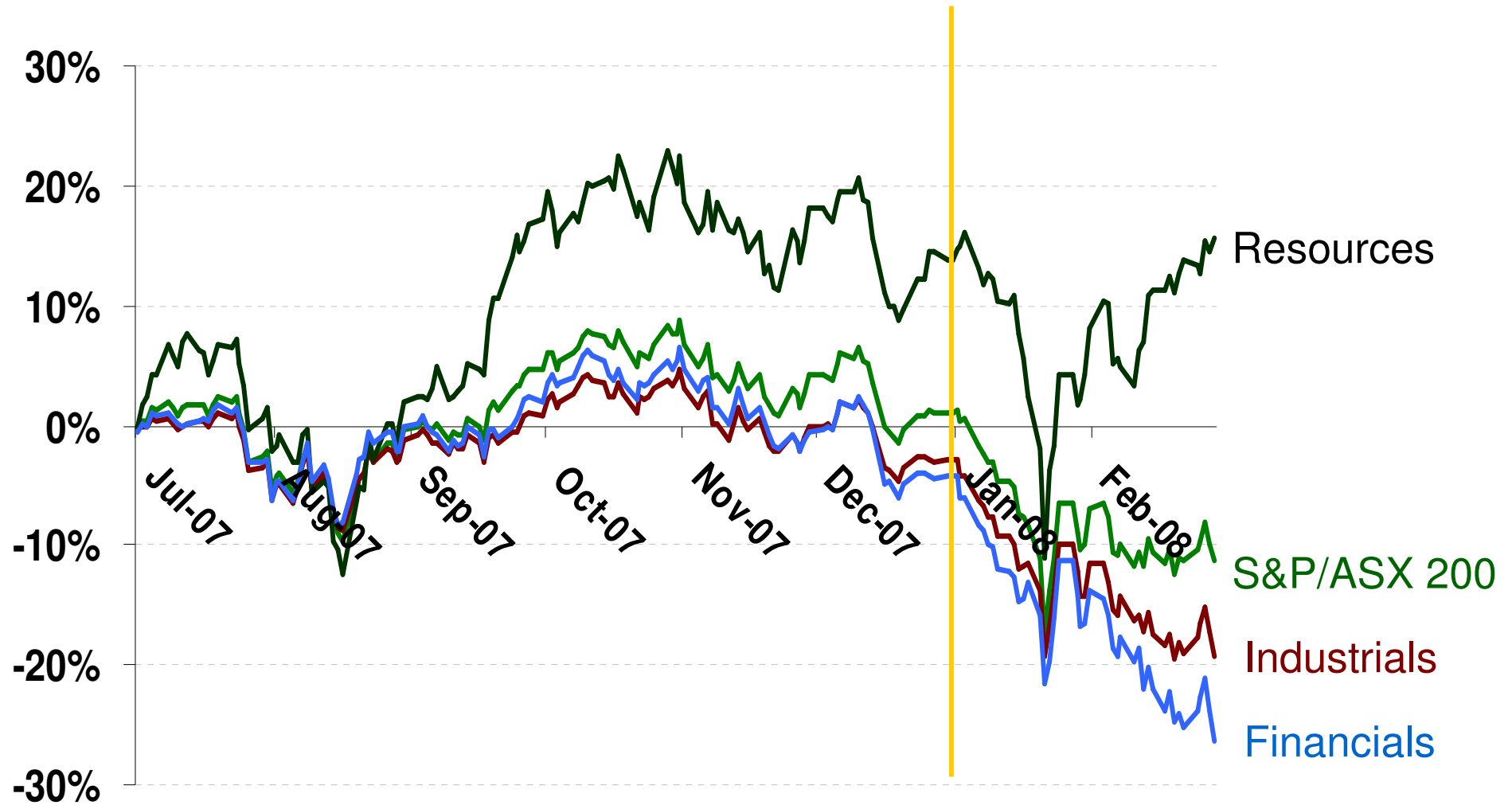
## Djerriwarrh's Capital Structure – 29 February 2008

- **Shareholders funds \$832 million:**
  - \$579 million - subscribed equity
  - \$253 million – reserves, retained earnings & other
  
- **Borrowings of \$136 million**
  - \$33 million convertible notes (6.5% p.a.)
  - \$60 million hedged to 2009 (approx 5.87% p.a.)
  - \$43 million unhedged
  
- **Gearing 16% debt to equity**
  
- **\$57 million more can be drawn down**

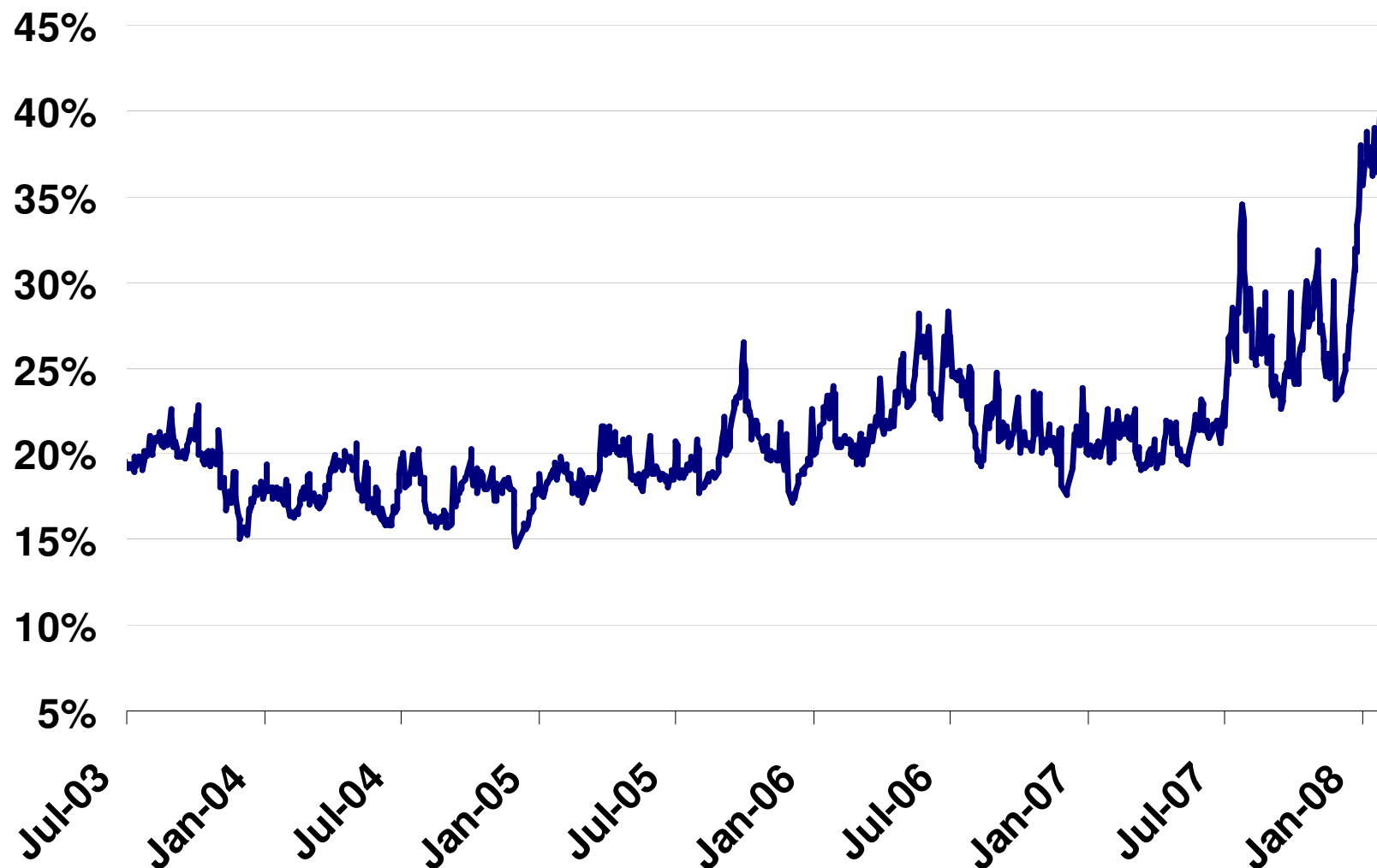
# S&P/ASX 50 Leaders Price Index



# Comparative Price Index Returns Since 1 July 2007



# Market Implied Volatility of Call Options



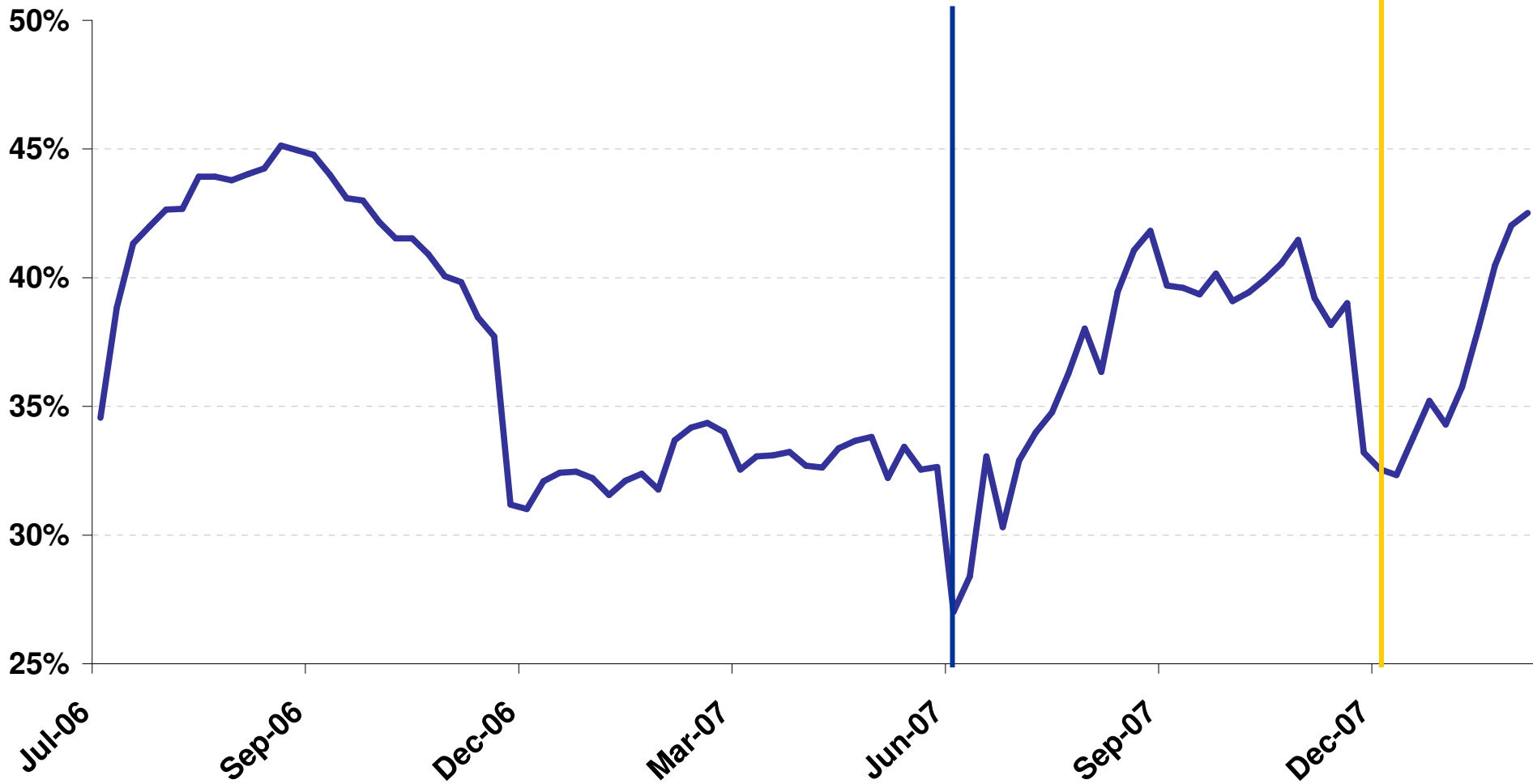
Source GSJBW



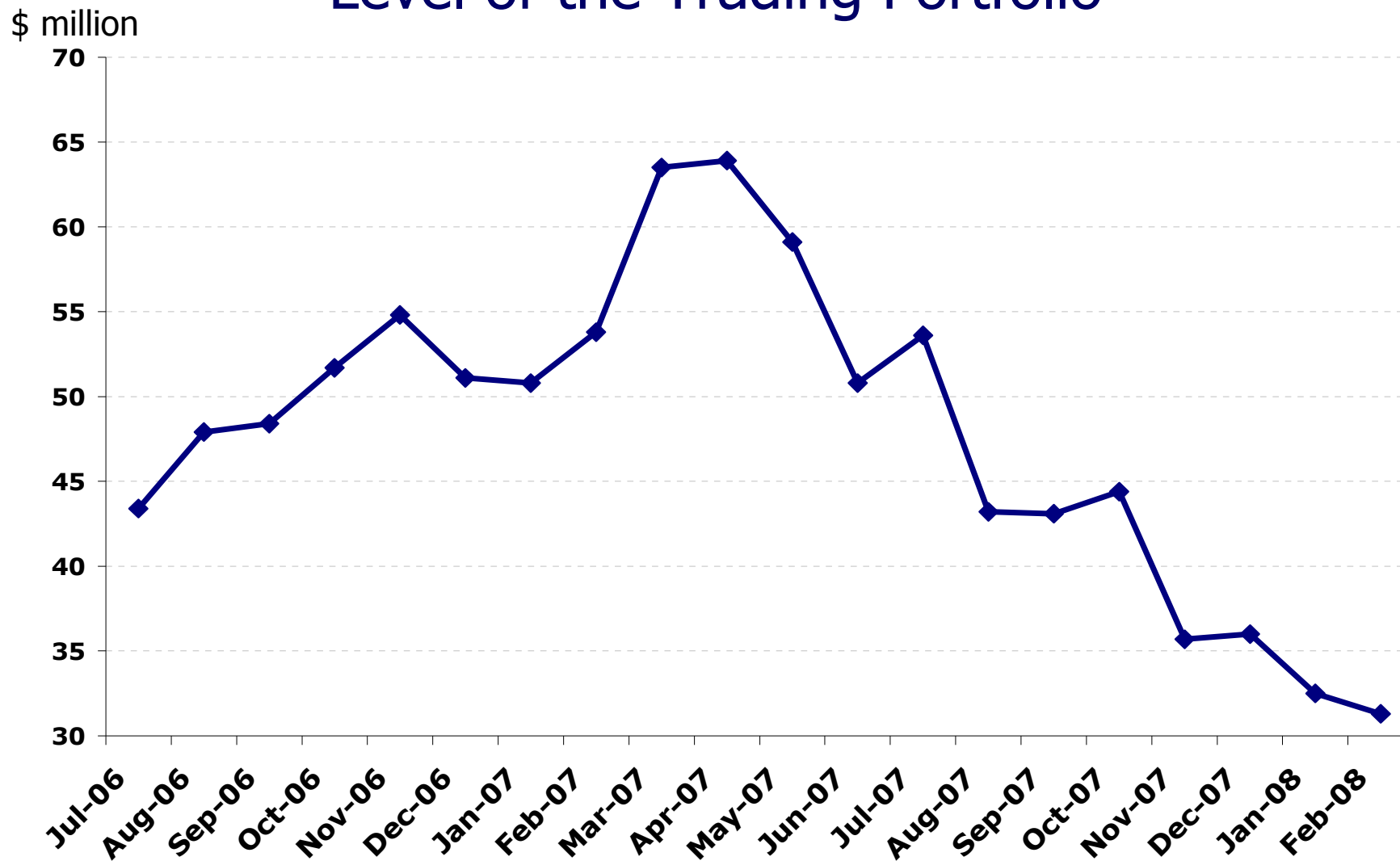
## What Djerriwarrh is doing in the present market

- Consolidating the portfolio around quality
- Higher volatility means excellent conditions for option writing activity:
  - Option coverage at the upper end of the range
  - Adjustment of option positions to get better returns
  - Allowing out of the money options to expire
- Investing in value as it appears, although close to fully invested
- Avoiding companies with high levels of debt, low interest cover and complicated structures

# Option Coverage



## Level of the Trading Portfolio





## Major Purchases in Investment Portfolio from 1 January 2008 to 29 February 2008

	\$ Million
<b>Commonwealth Bank</b>	<b>5.6</b>
<b>QBE Insurance Group</b>	<b>4.9</b>
<b>BHP Billiton</b>	<b>4.5</b>
<b>National Australia Bank</b>	<b>4.2</b>
<b>ANZ Banking Group</b>	<b>3.6</b>
<b>AXA Asia Pacific</b>	<b>2.5</b>
<b>Westpac Banking Corp</b>	<b>1.5</b>
<b>AMP</b>	<b>1.4</b>
<b>Santos</b>	<b>1.2</b>



## Major Sales from the Investment Portfolio from 1 January 2008 to 29 February 2008

	\$ Million
<b>Bunnings Warehouse</b>	<b>2.2</b>
<b>Asciano Group</b>	<b>1.0</b>

# Top 20 Ordinary Securities – 29 February 2008<sup>1</sup>

**\$ Million**

1	*	<b>BHP Billiton</b>	<b>109.5</b>
2	*	<b>National Australia Bank</b>	<b>69.4</b>
3	*	<b>Rio Tinto</b>	<b>61.6</b>
4	*	<b>Westpac Banking Corporation</b>	<b>60.1</b>
5	*	<b>Telstra Corporation (a)</b>	<b>56.8</b>
6	*	<b>Commonwealth Bank of Australia</b>	<b>53.0</b>
7	*	<b>Woodside Petroleum</b>	<b>42.4</b>
8	*	<b>Australia and New Zealand Banking Group</b>	<b>38.7</b>
9	*	<b>News Corporation (b)</b>	<b>32.2</b>
10	*	<b>Wesfarmers (c)</b>	<b>29.7</b>
11	*	<b>West Australian Newspapers Holdings</b>	<b>28.9</b>

(a) Includes \$19.2m TLSCA instalment receipts

(b) Includes \$10.8m News Corporation Class A Non-Voting Common

(c) Includes \$5.0m WESN partially protected securities

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

<sup>1</sup> Option Adjusted

## Top 20 Ordinary Securities – 29 February 2008 con't. <sup>1</sup>

		<b>\$ Million</b>
12	* Alumina	27.7
13	* Brambles	27.1
14	* AMP	26.0
15	* Santos	21.8
16	* St George Bank	20.8
17	* Woolworths	19.9
18	* Oil Search	19.0
19	* Transurban Group	16.3
20	* AXA Asia Pacific Holdings	15.6
		<hr/> <b>776.6</b> <hr/> <hr/>
	<b>As % of Total Portfolio Value (excludes Cash &amp; Bank Bills)</b>	<b>74.1%</b>

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

<sup>1</sup> Option Adjusted



## What are the Main Influences on Profit Performance?

- Dividends on the Investment Portfolio
- Performance of the Trading Portfolio
- % of Portfolio covered by Options
- Volatility
- Level of Borrowing
- Interest Rates

## Financial Highlights – Half Year to 31 December 2007

	2007	2006	Change
<b>Operating Profit After Tax</b>	\$23.9m	\$22.0m	+8.7%
<b>AIFRS Reported Profit After Tax*</b>	\$56.2m	\$26.1m	+115.5%
<b>Operating Profit Per Share</b>	11.8c	12.1c	-2.5%
<b>Interim dividends per share</b>	10.0c	10.0c	unchanged

\* Includes realised gains on the sale of investments

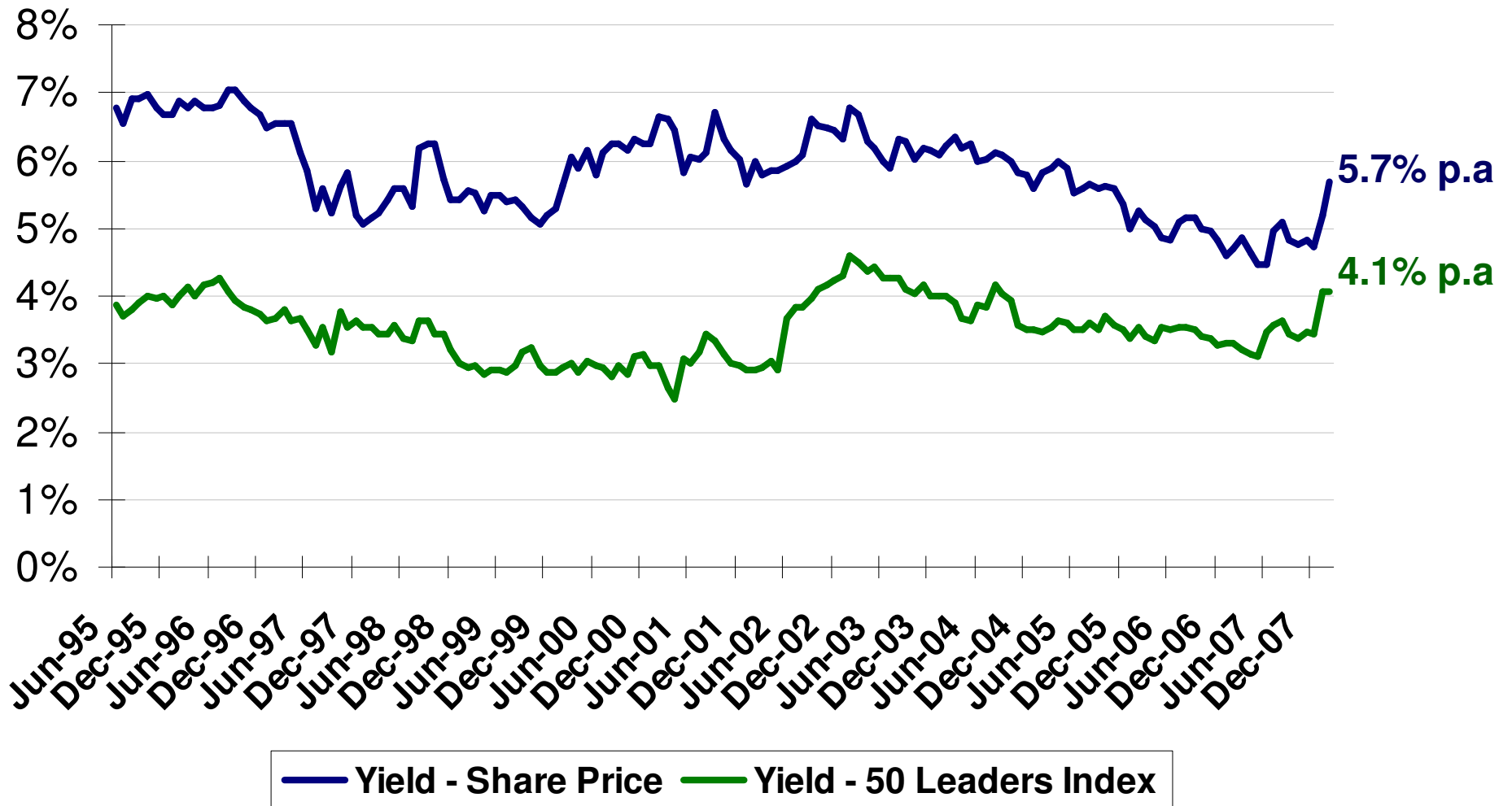
## Options Written and Trading Portfolio Profit

	<b>Trading Profit</b>	<b>Option Written Profit</b>	<b>Operating Profit Before Tax</b>	<b>Change in S&amp;P/ASX 50 Leaders (per year)</b>
	<b>\$m</b>	<b>\$m</b>	<b>\$m</b>	
June 03 FY	1.8 <sup>^</sup>	13.7	31.4*	-3.4%
June 04 FY	6.2 <sup>^</sup>	13.9	33.5*	20.8%
June 05 FY	12.7	3.3	38.6	24.7%
June 06 FY	9.6	7.9	42.1	23.3%
June 07 FY	16.1	9.8	62.2	26.4%
Dec. 07 HY	1.2	7.6	25.4	3.5%

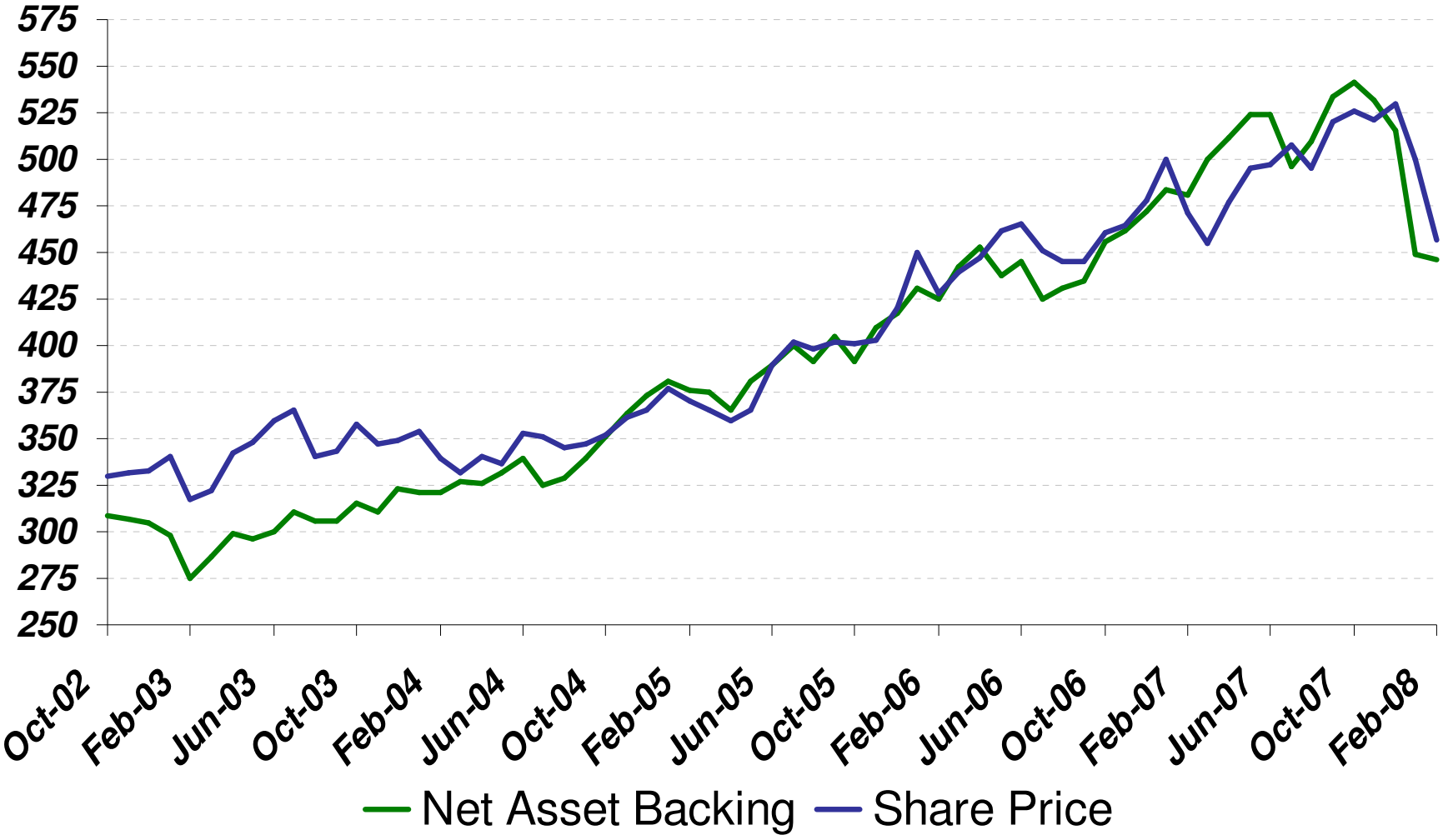
<sup>^</sup> excludes unrealised gains/losses

\* under old accounting standards, profit before tax

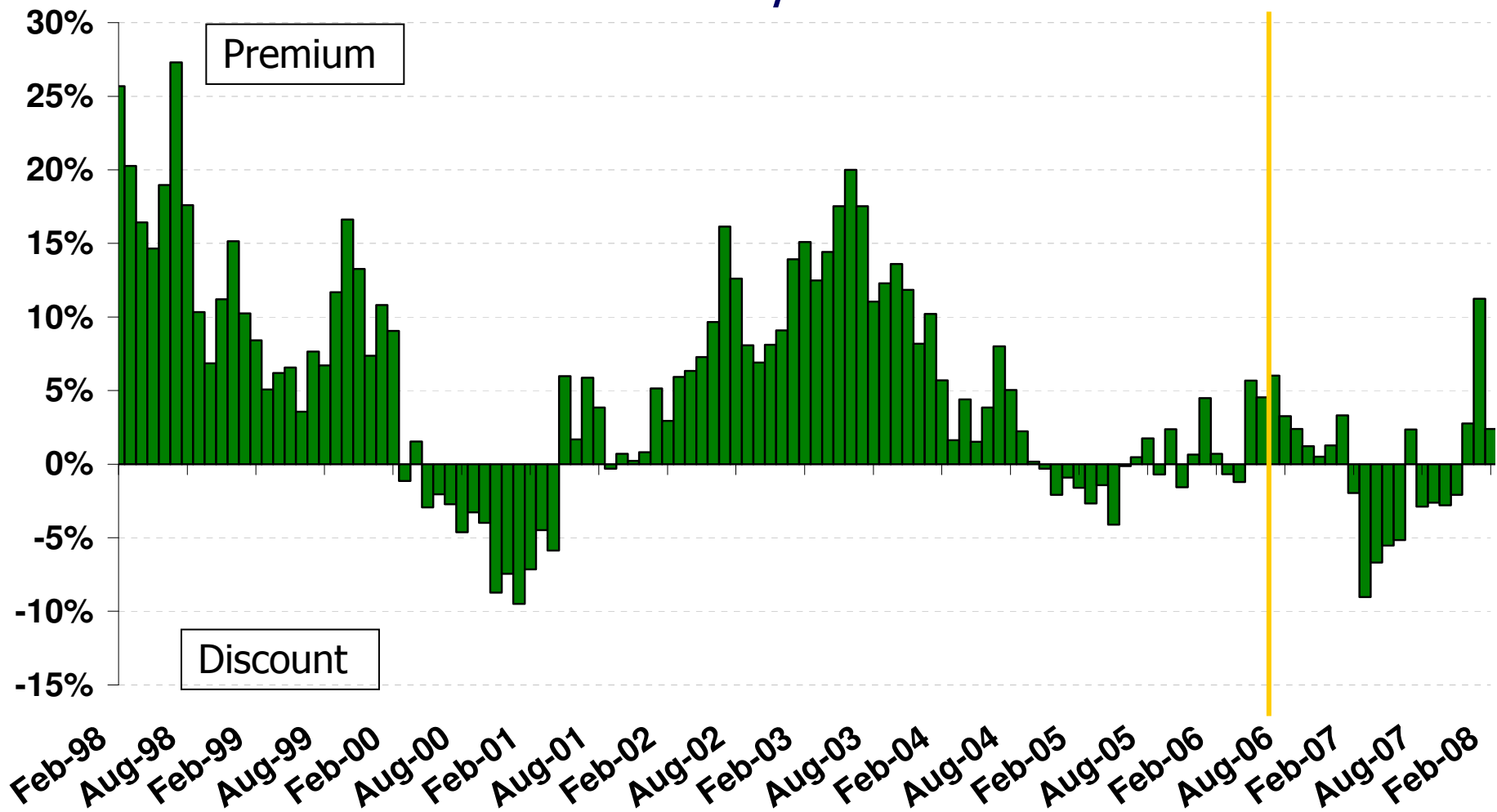
## Djerriwarrh Yield v Market Yield



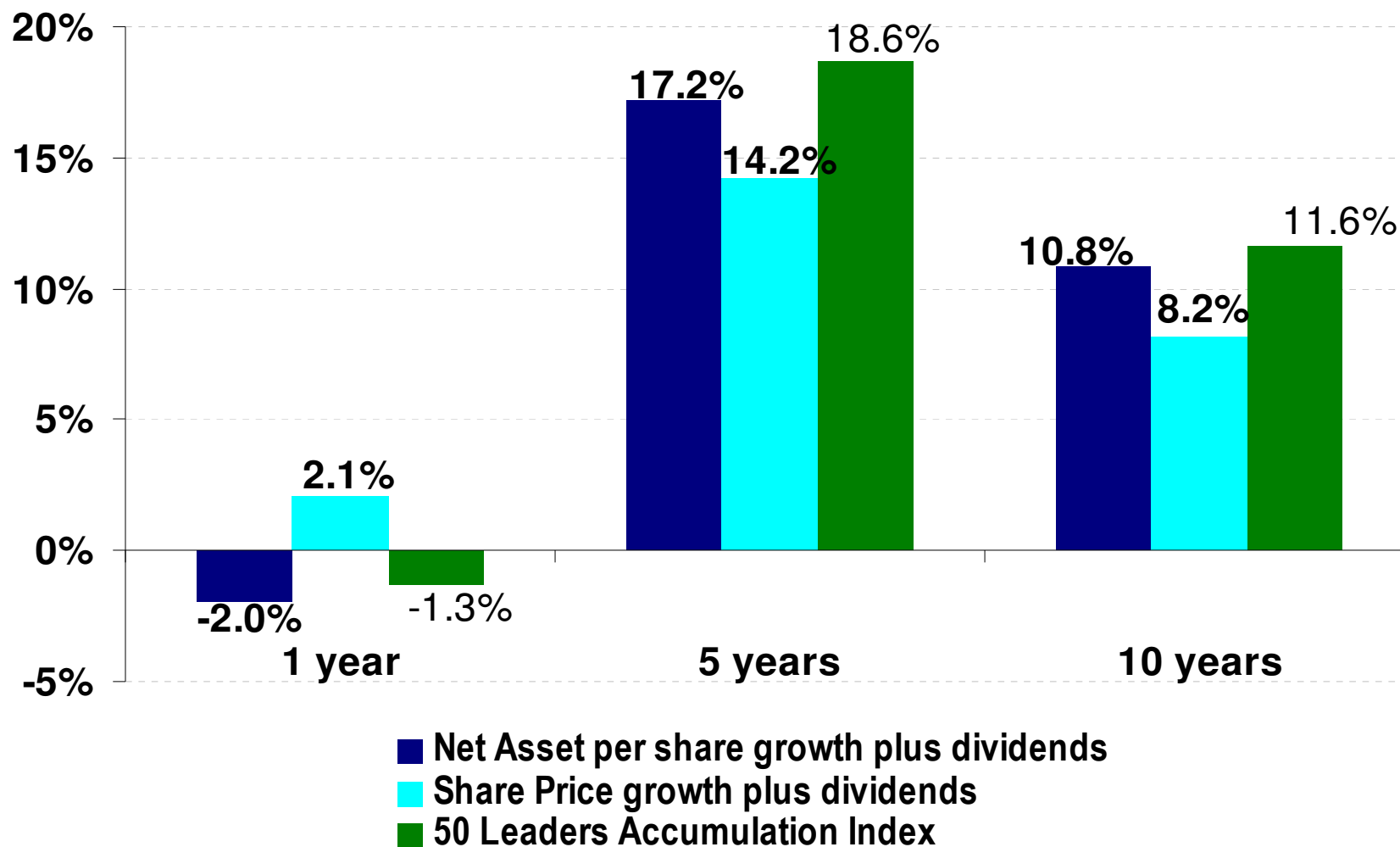
# Share Price Relative to Net Asset Backing Per Share



# Share Price Relative to Net Asset Backing Discount/Premium



## Annualised Returns\* – Year Ended 29 February 2008



\* After tax and expenses. Ignores benefits of franking and LIC tax credits

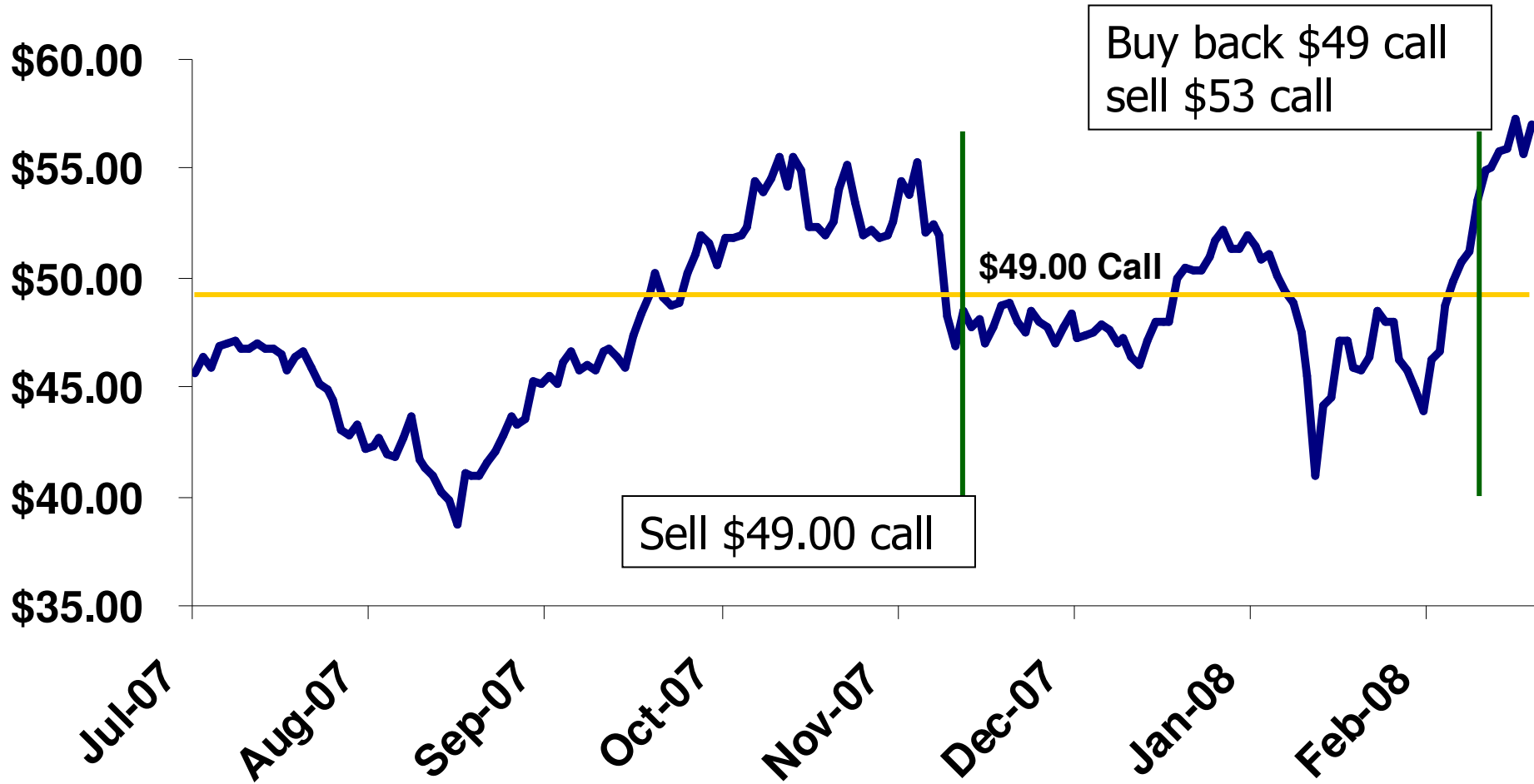


## Scenario – 16 November 2007

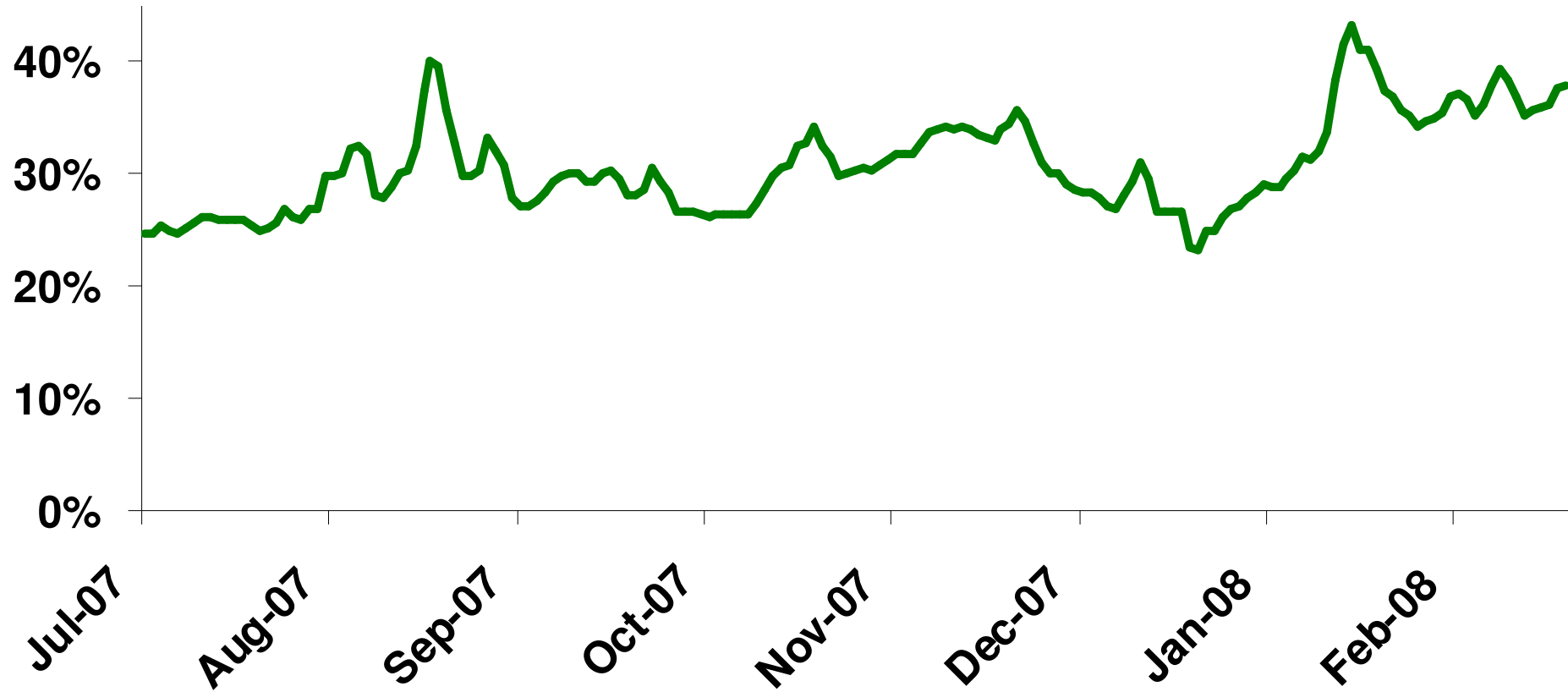
Woodside Petroleum Limited shares trading at \$46.87

- WPL is ex-dividend \$0.55 cents on 25 Feb. 2008
- We sell 75 March 08' \$49 call options (over 75,000 shares) receiving option premium of \$3.00 per contract (\$225,000)

# Woodside Petroleum Limited Share Price



# Woodside Petroleum Limited Share Price Volatility





## Improved Transaction – 20 February 2008

WPL shares are trading at \$53.59

- We buy back the 75 March 08' \$49.00 calls at \$3.53 per contract
- We sell 75 June 08 \$53.00 calls for \$3.62 per contract

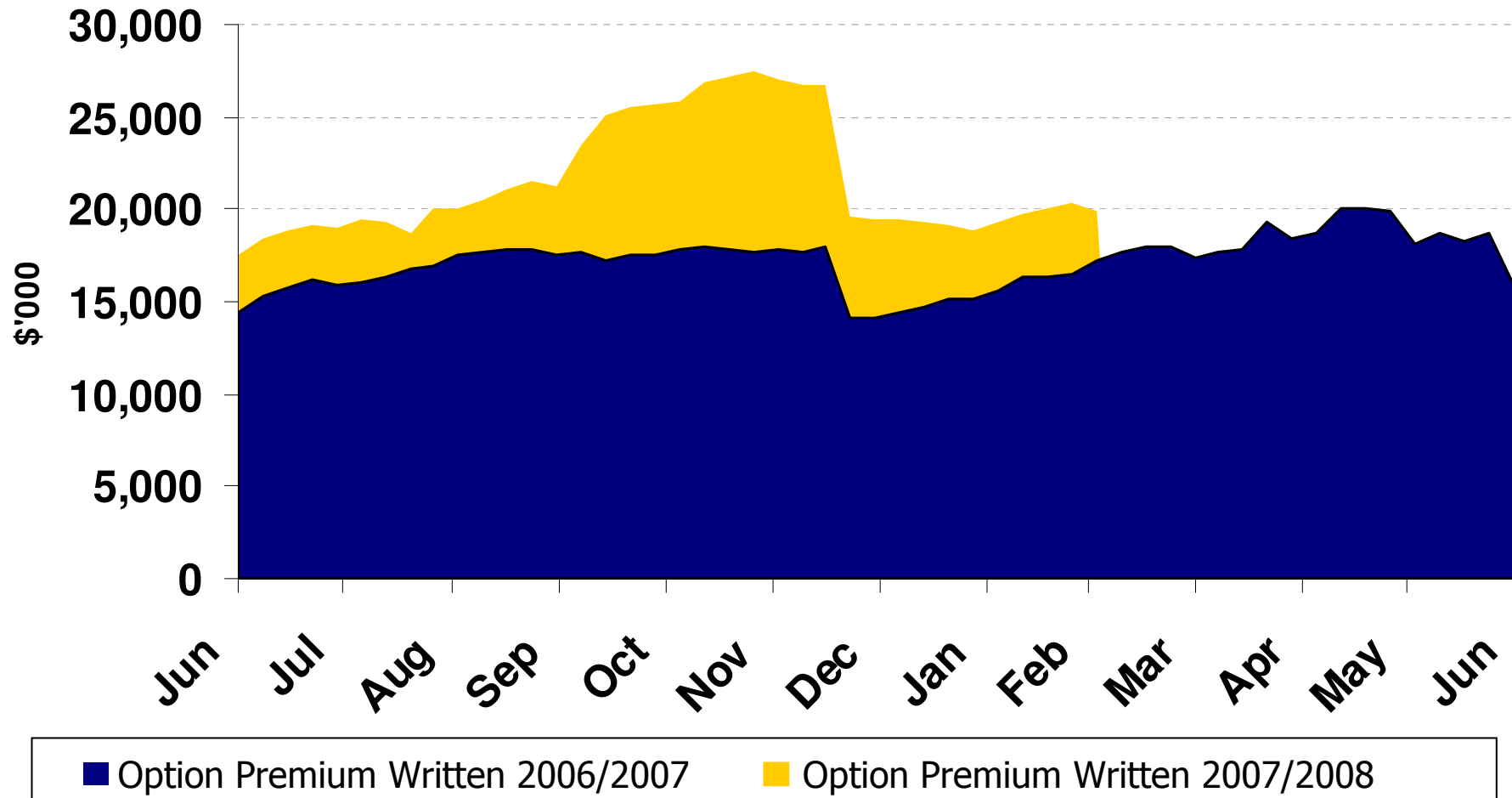
“This is called buying back and rolling out and up”



## Benefits

- Moved exercise price up from \$49 to \$53 and received a net premium gain of \$3.09 per contract ( $\$3.62 - \$3.53 + \$3.00$ )
- Effective sale price per share now \$56.09 ( $\$53.00 + \$3.09$ ) if exercised instead of \$52.00
- We kept 55 cent dividend

## Unrealised Option Premium Written 2007/08 vs 2006/07





## Outlook

- Markets remain uncertain as a result of global credit concerns and the slowdown in the US
- Australian economy benefiting from resources demand but on balance likely to slow
- Inflation and other risks remain
- Volatility provides opportunities for Djerriwarrh's option writing activity
- Option coverage likely to remain at upper end of the range



# Djerriwarrh Investments Limited

## Shareholder Meetings March/April 2008