

11 October 2010

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

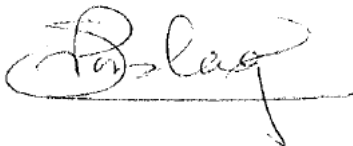
Electronic Lodgement

**Djerriwarrh Investments Limited
Shareholder Information Meetings**

Dear Sir or Madam

Please find attached the presentation being given to shareholders at the Shareholder Information Meetings being held during October 2010.

Yours faithfully,



Simon Pordage
Company Secretary



Djerriwarrh

AUSTRALIAN EQUITIES, ENHANCED YIELD

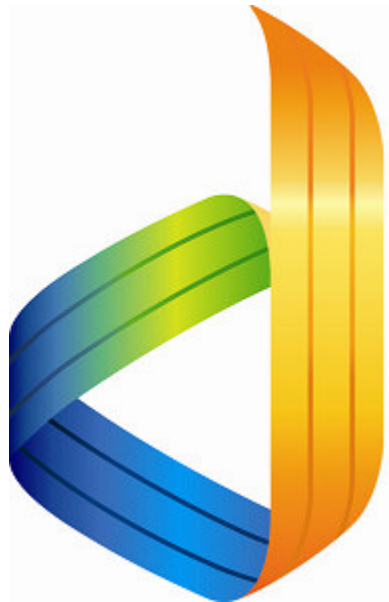
Shareholder Meetings

October 2010 - Presentation

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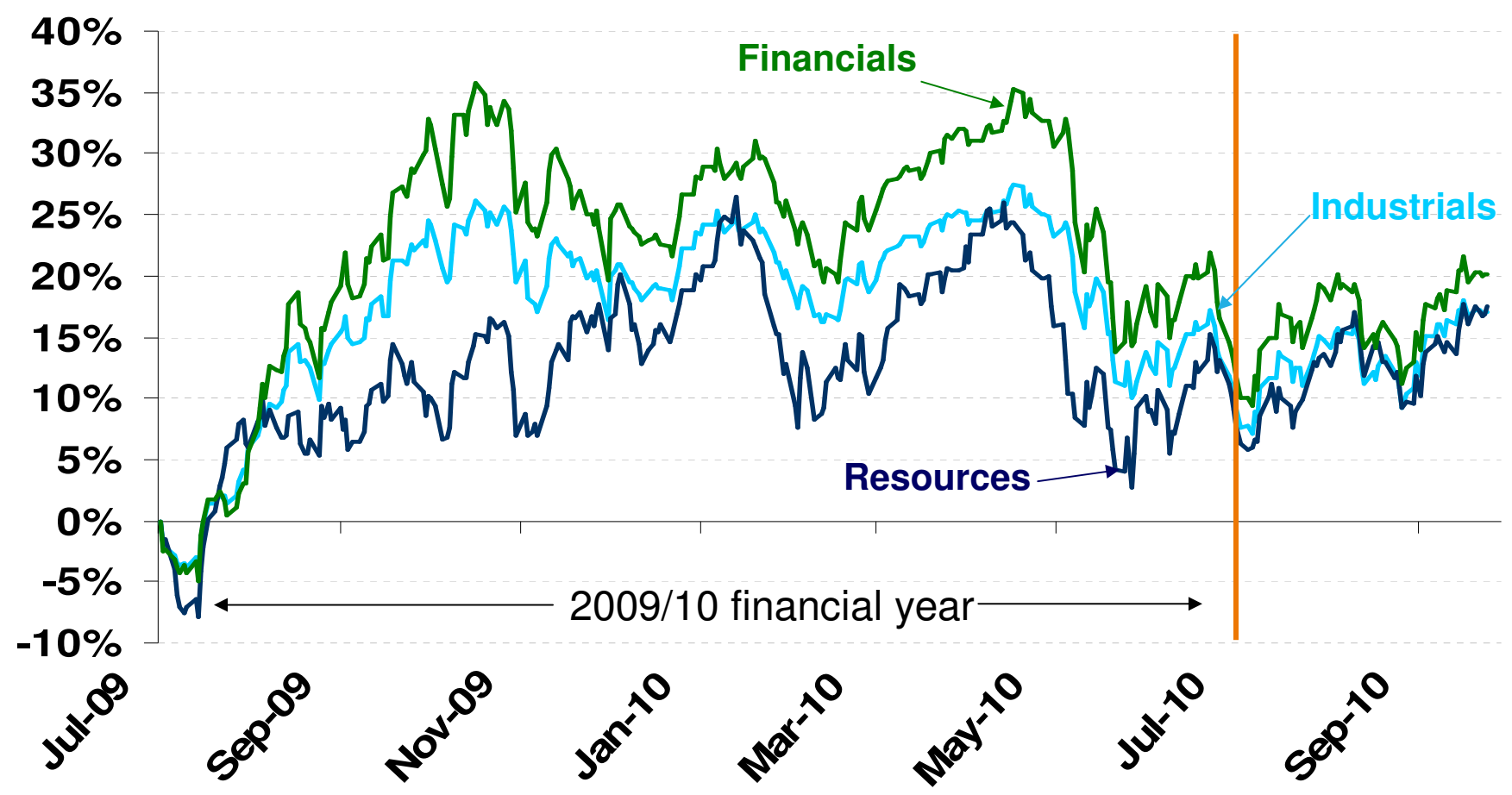
Djerriwarrh

AUSTRALIAN EQUITIES, ENHANCED YIELD

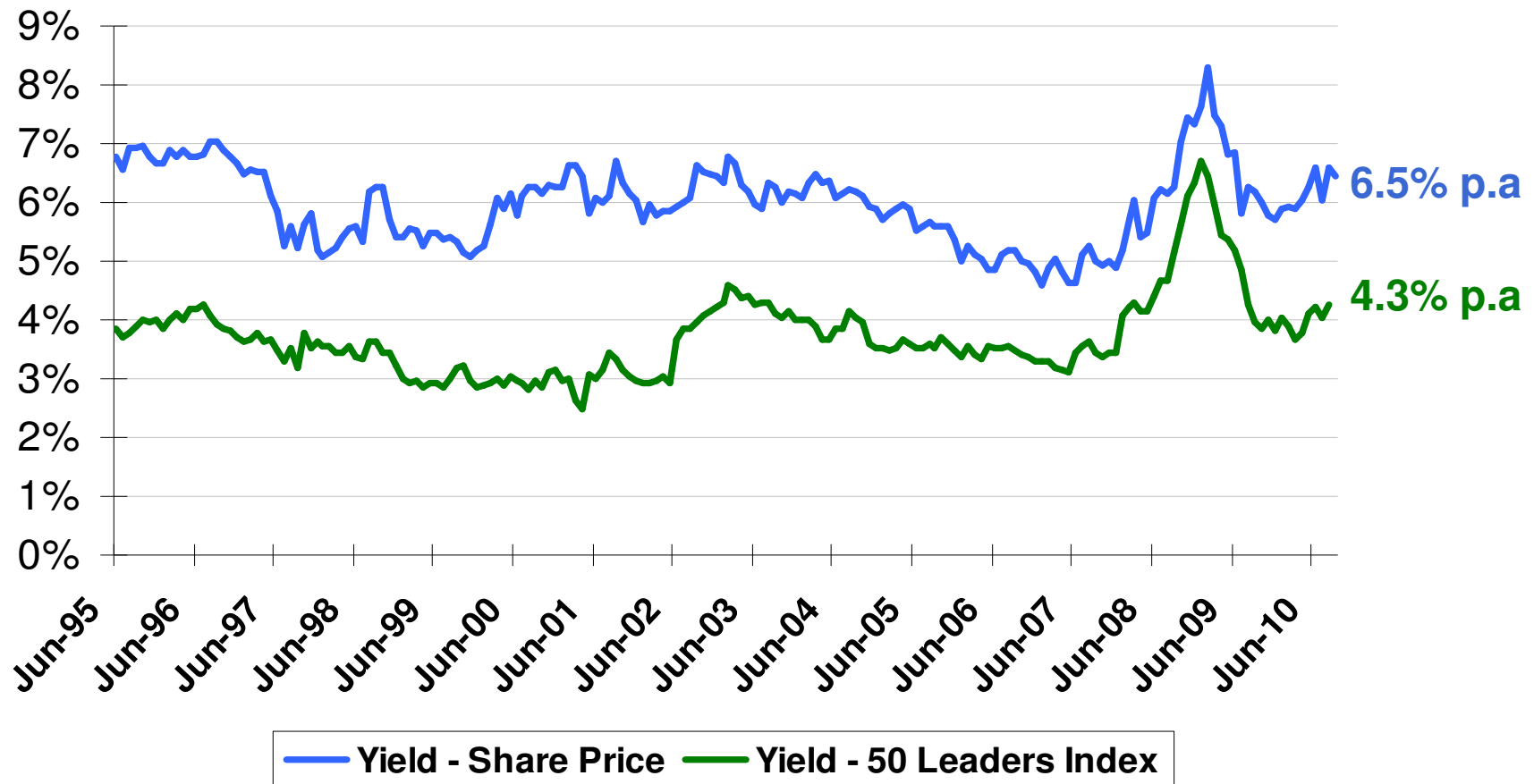
Australian Equities – A Long Term View



Industry Sector Returns Since 1 July 2009



Djerriwarrh Yield vs. Market Yield



A Call Option

Buyer:

Pays for the right to buy shares, if they choose, at a fixed price for a period into the future



Seller/Writer

Paid for being prepared to sell stock, if asked, at a fixed price for a period into the future

Summary of Results

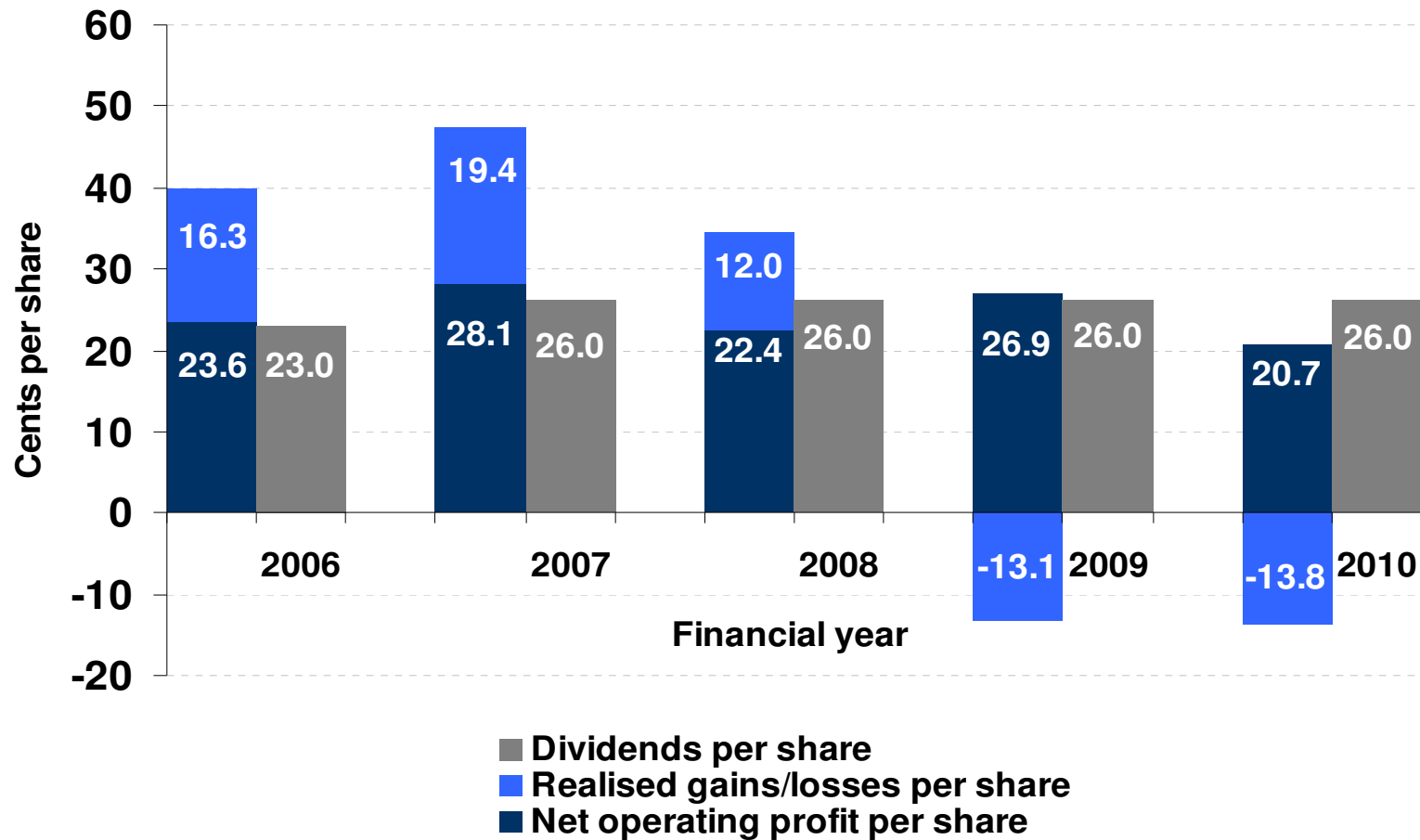
| | FY10 \$m | FY09 \$m |
|--|-------------|-------------|
| Income | 53.8 | 72.9 |
| Operating Expenses | (2.9) | (2.9) |
| Income Tax | (3.5) | (7.9) |
| <i>Net Operating Profit</i> | <i>43.7</i> | <i>55.2</i> |
| Net capital losses on investments [^] | (18.7) | (24.5) |
| <i>Profit for the Year</i> | <i>25.0</i> | <i>30.7</i> |

Key factors:

- Reduced level of dividends received
- Reduced size of Trading Portfolio
- Option Income down from record level
- Convertible notes redeemed/converted
- Costs held flat

[^] Includes realised capital losses up to 7 Dec. 2009

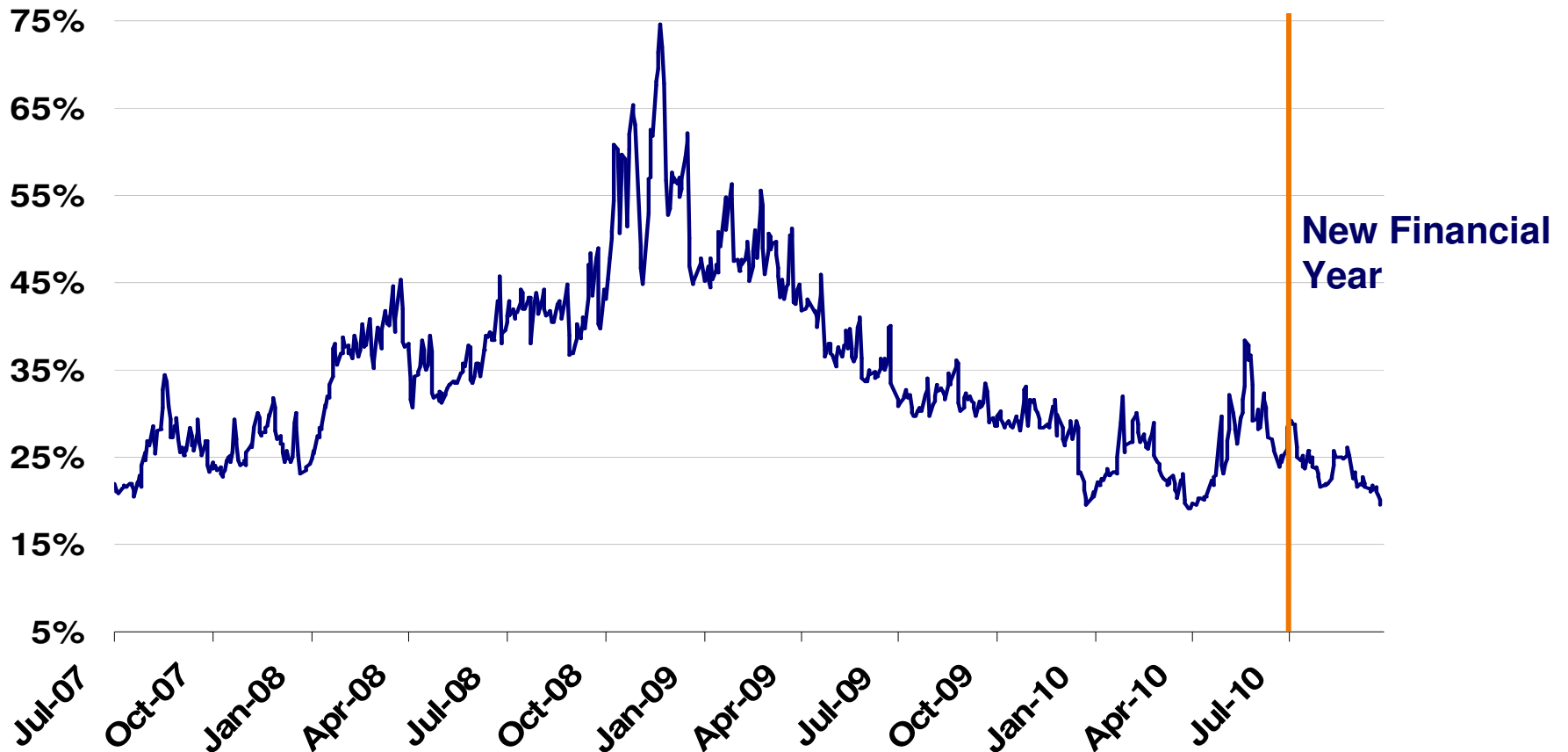
Earnings Per Share vs. Dividends Per Share



Profits and Dividends

- Dividends received are down from previous peaks. Some recovery in dividends is expected
- Option writing and trading portfolio activities also affect profit
- Djerriwarrh uses reserves to partially fund dividends
- Continued use of reserves is subject to availability
- Store of franking credits is the key factor

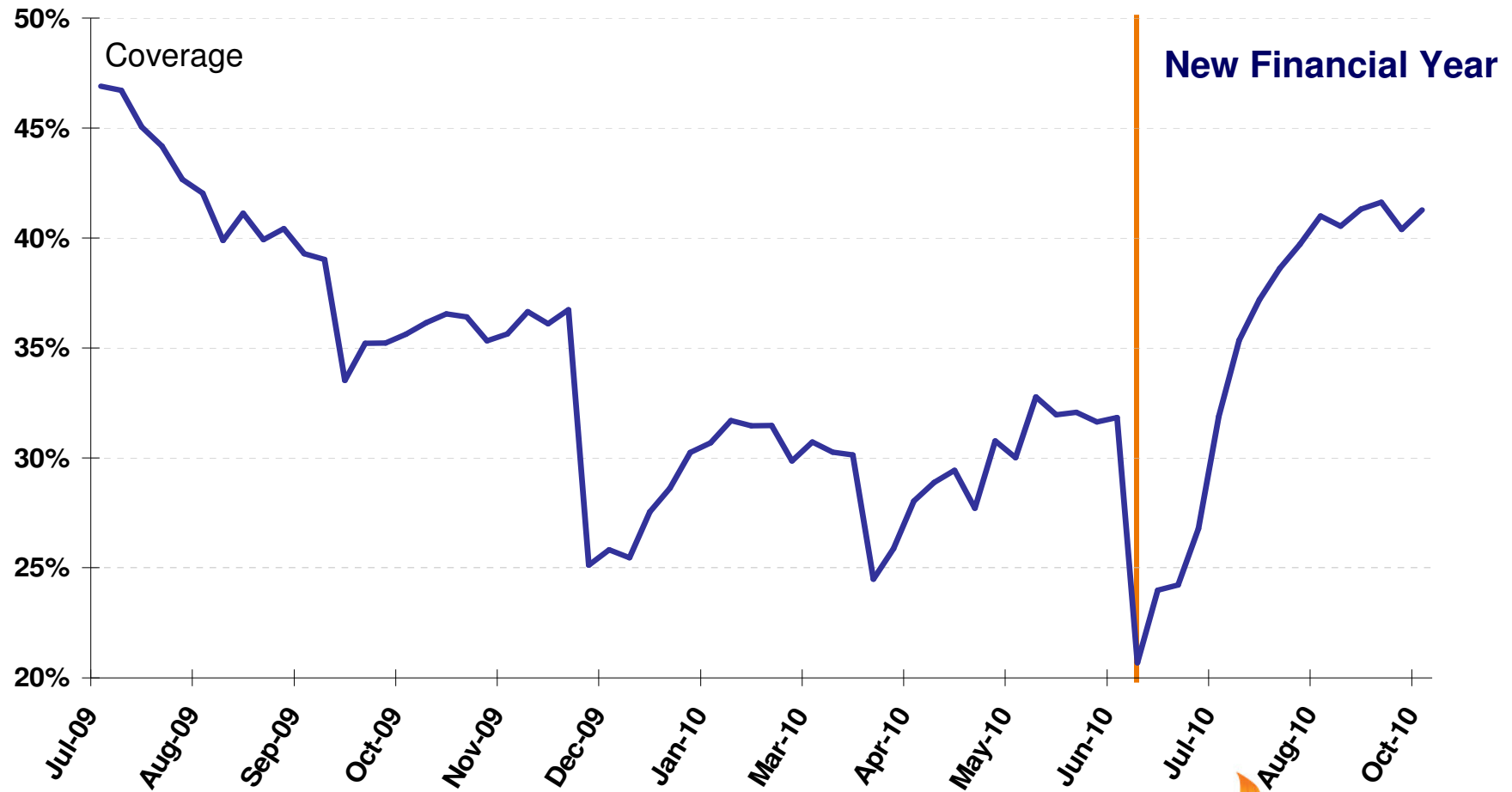
Volatility has fallen dramatically from its peak at the height of the financial crisis



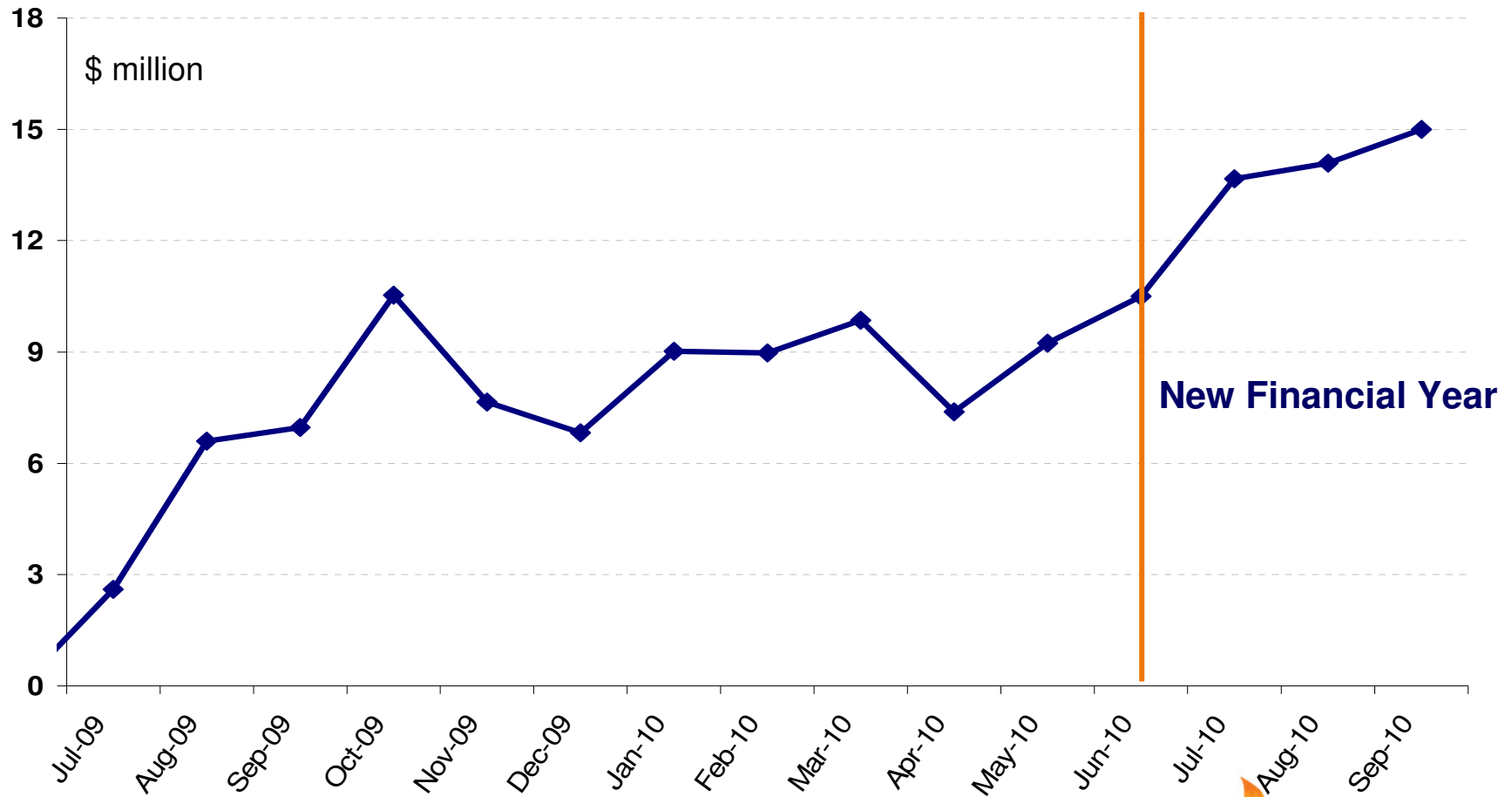
Interest rates are rising which means higher option premiums



Options coverage has increased since the end of the financial year



Trading Portfolio has been gradually increasing



Call Option for QBE – Written 1 July

Purchased shares @\$17.72

Sold November \$19.50 call options

- 37 cents received for the option
- 62 cents dividend in August

Returns:

Option expires - return of 13% annualised (based on \$17.72 share price)

Option exercised for dividend – return of 81% annualised

Option exercised at expiry – return of 39% annualised

QBE Share Price



Telstra Share Price



Djerriwarrh's Investment Structure – 30 September 2010

- Long Term Investment portfolio:
 - A\$773.6 million
 - Approximately 50 securities

- Trading portfolio:
 - A\$15.0 million or 1.9%
 - Short term positions

- Borrowings of \$50.0 million hedged to 2013 (approx 5.29% p.a.)

- Cash of \$27.0 million

What we have been doing since the start of the new Financial Year

- Increased call option coverage to replace contracts which expired at financial year end and to take advantage of the rising market
- Look for “buy and write” opportunities in selected high yielding stocks – ANZ Bank, Commonwealth Bank, QBE and Wesfarmers
- Participated in selected discounted placements – Boral and Eastern Star Gas
- Continued exit of small holdings

Top 20 Holdings – 30 Sept. 2010

| | | \$m | % of portfolio (excl. cash) |
|----|---|------|--------------------------------|
| 1 | * BHP Billiton | 97.5 | 12.5% |
| 2 | * Westpac Banking Corporation | 71.7 | 9.2% |
| 3 | * Commonwealth Bank of Australia | 53.5 | 6.8% |
| 4 | * Australia & New Zealand Banking Group | 47.4 | 6.1% |
| 5 | * National Australia Bank | 44.3 | 5.7% |
| 6 | * Woodside Petroleum | 40.3 | 5.1% |
| 7 | * Telstra Corporation | 34.7 | 4.4% |
| 8 | * Oil Search | 31.6 | 4.0% |
| 9 | * Rio Tinto | 22.4 | 2.9% |
| 10 | * QBE Insurance Group | 21.9 | 2.8% |

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

Top 20 Holdings continued – 30 Sept. 2010

| | \$m | % of portfolio (excl. cash) |
|--|--------------|--------------------------------|
| 11 * Santos | 21.6 | 2.8% |
| 12 * Woolworths | 20.9 | 2.7% |
| 13 * Transurban Group | 20.4 | 2.6% |
| 14 * AMP | 18.1 | 2.3% |
| 15 * Brambles | 18.0 | 2.3% |
| 16 * West Australian Newspapers Holdings | 16.5 | 2.1% |
| 17 Hastings Diversified Utilities Fund | 16.5 | 2.1% |
| 18 * Wesfarmers (a) | 15.4 | 2.0% |
| 19 * Origin Energy | 15.1 | 1.9% |
| 20 AXA Asia Pacific Holdings | 13.2 | 1.7% |
| | 641.0 | |

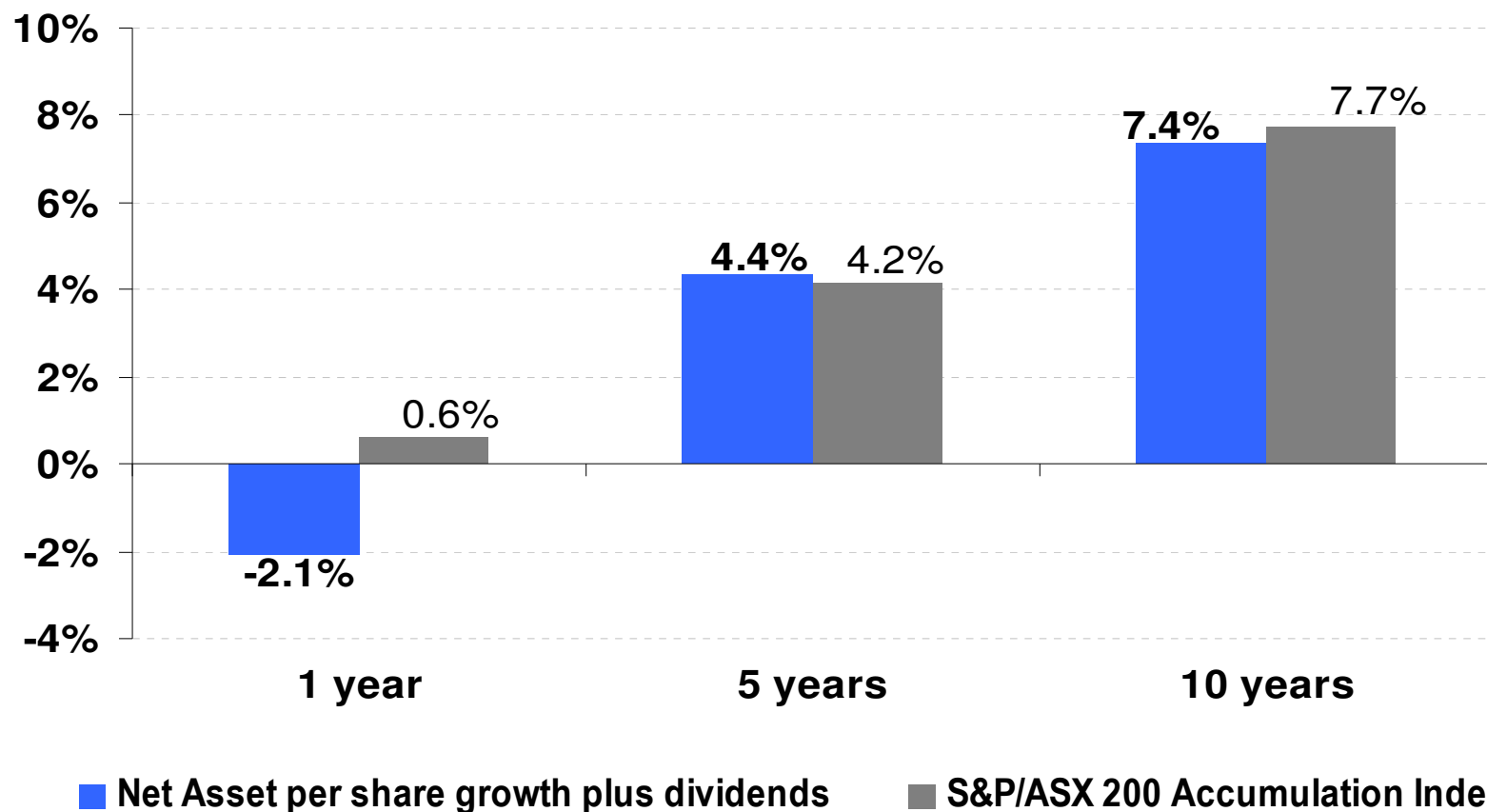
**Top 20 holdings represent 82% of total holdings
(excluding cash)**

(a) Includes \$4.2m WESN partially protected securities

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

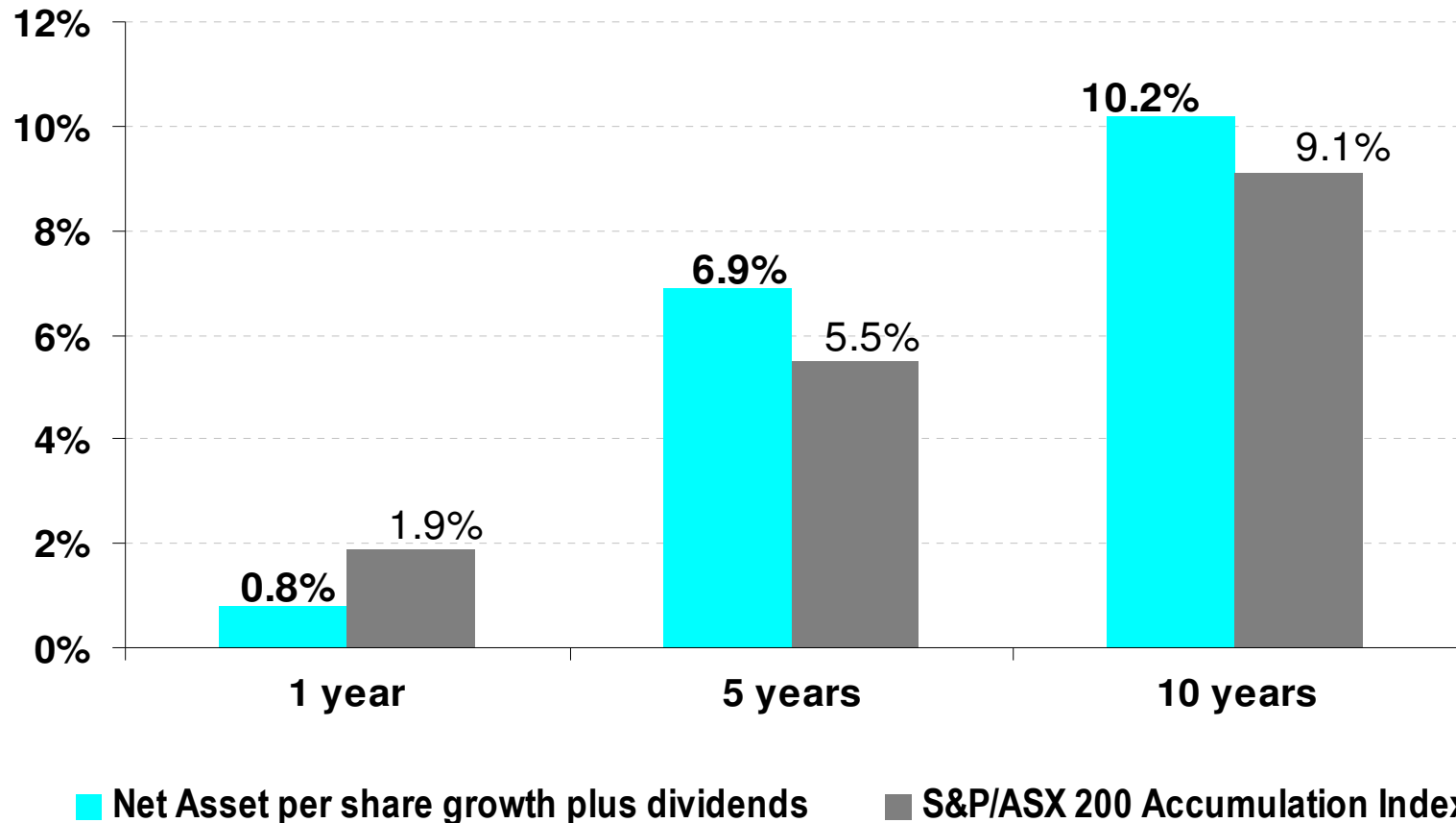


Annualised Portfolio Returns* to 30 Sept. 2010



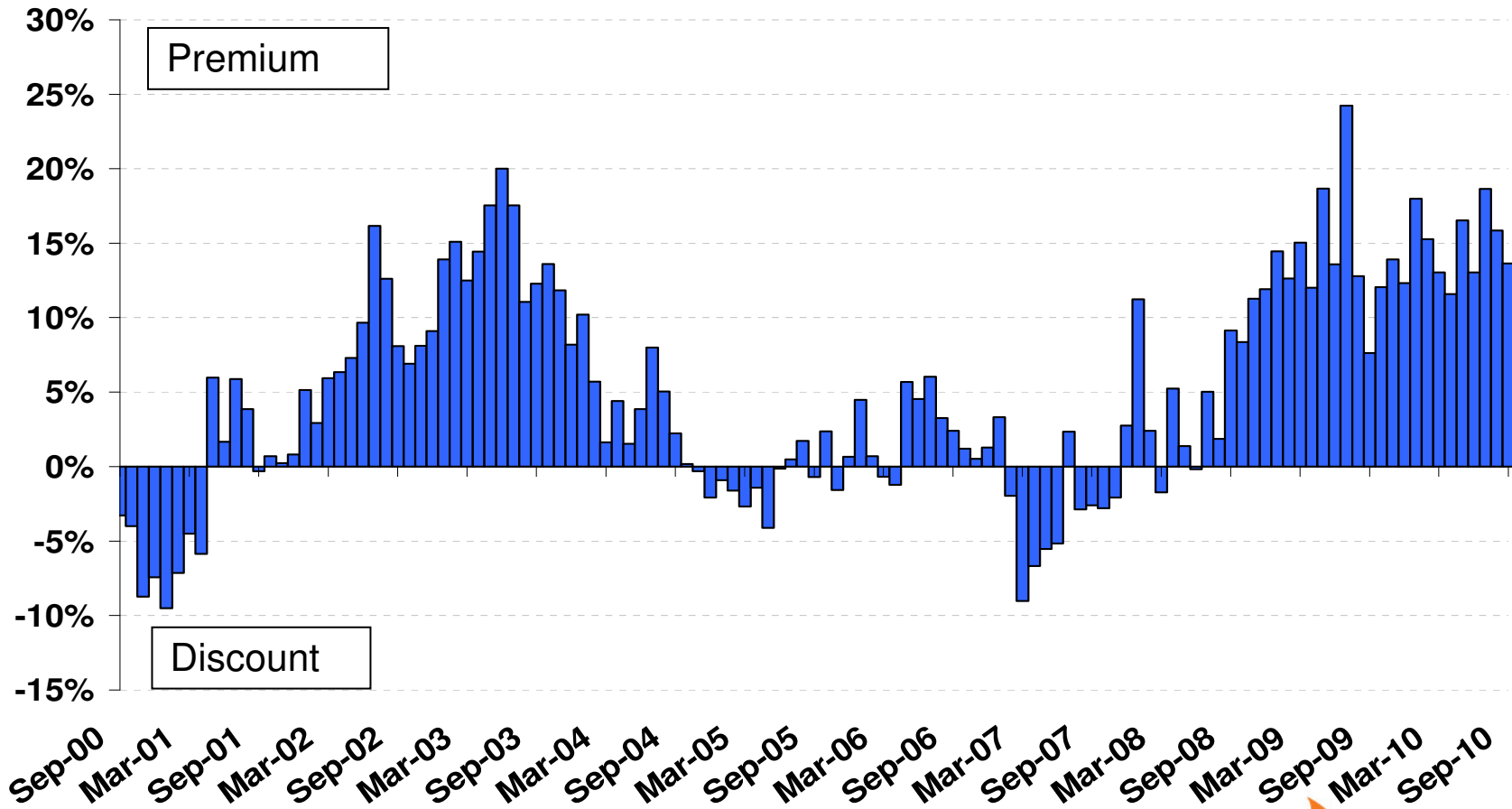
* After tax and expenses. Ignores benefits of franking and LIC tax credits

Annualised Portfolio Returns* to 30 Sept. 2010 – Adjusted for Franking Credits



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

Share Price Relative to Net Asset Backing*

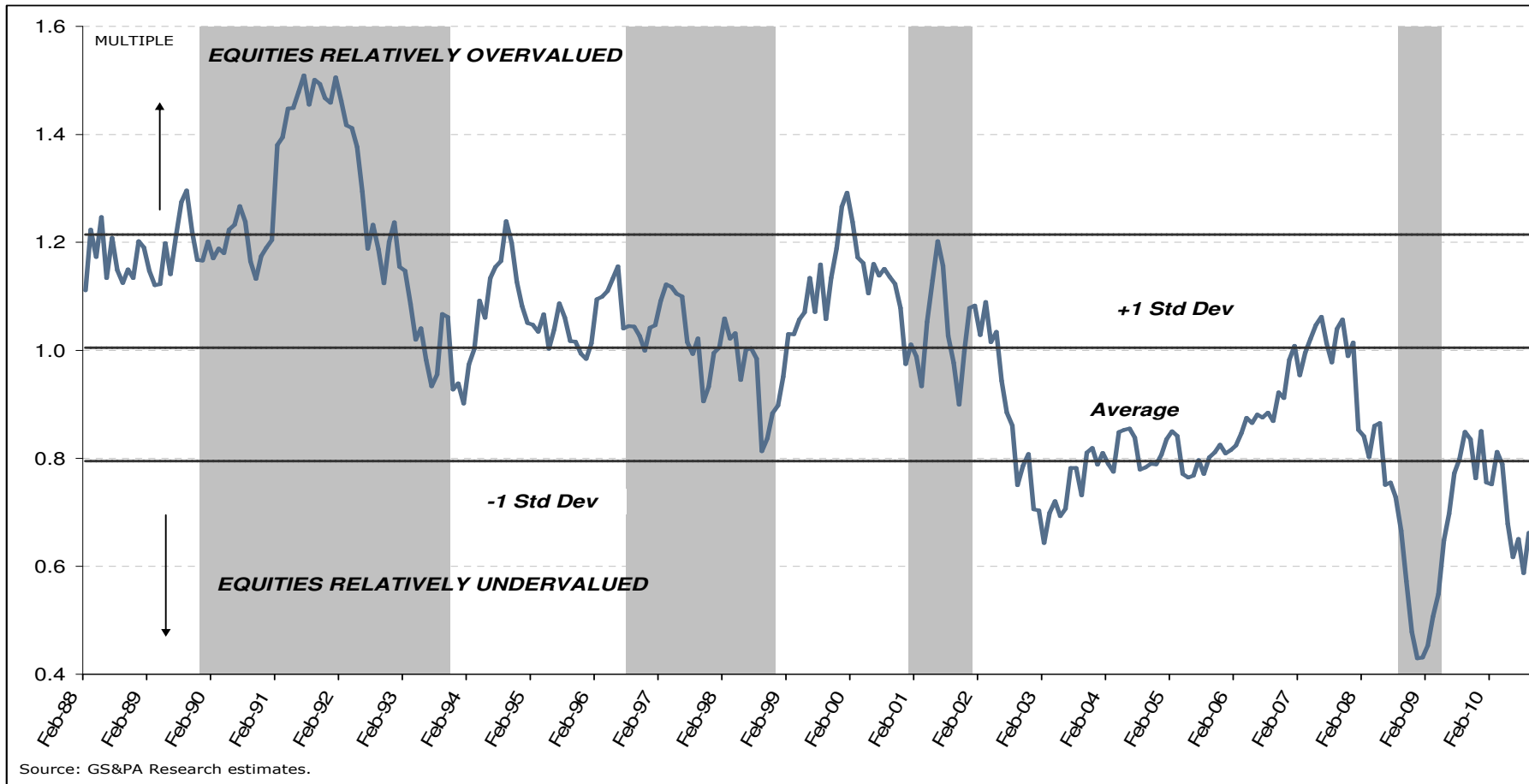


* Before provision for capital gains tax

Outlook

- Large disparity in outlook amongst economic forecasters
- China and emerging market growth vs. concerns about outlook for the US/Europe
- Australian economy strong, although prospect of higher interest rates, inflation and A\$ may dampen growth in sectors other than resources
- Option coverage likely to remain high. Continue to focus on high yield through buy/write activity and investing in companies with strong annuity type dividends

All Industrials – Valuation of Equities Relative to Bonds*



* Multiple of Bond Yield to Equity Earnings Yield



Djerriwarrh

AUSTRALIAN EQUITIES, ENHANCED YIELD

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