



ANNUAL GENERAL MEETING

Thursday 8 November 2007

CHAIRMAN'S ADDRESS

Ladies and gentlemen, it is with great pleasure that I welcome you to the 10th Annual General Meeting of Hyperion Flagship Investments Ltd. I feel particularly privileged to be presiding over my first AGM as your Chairman.

Recent New Share Issue:

This year's AGM is quite a significant occasion. As an outcome of the recent new share issue, the number of shareholders has grown from 432 at this time last year to 1,322 as of yesterday. I take the opportunity to welcome our new shareholders to the company.

The issue of new shares undertaken in September last was very successful with 10,120,626 shares being issued to raise \$19,431,602 in additional capital for investment purposes. The prevailing market conditions were difficult and the board was quite pleased with the outcome in the circumstances.

The number of shares on issue now totals 27,385,185.

The efforts of our lead managers for the issue, Wilson HTM Ltd and Commonwealth Securities Limited, were very much appreciated and the increase in the spread of shareholdings achieved should be to the long term benefit of the company.

It has been a long held ambition of the board to expand the shareholder base to provide a platform for increased liquidity in the stock and a stronger market.

Share Price:

Since the issue, the share price has generally traded in a band around the issue price of \$1.92 in what have been fairly difficult market conditions.

The shares have traded at a high of \$2.12 during the past year.

The unaudited net asset backing of the company's shares was \$2.07 per share at the end of October.

Share Buy-Back Scheme:

The company has in place an on market share buy-back scheme whereby up to 10 per cent of the company's share capital can be bought back by the company.

The operations of the buy back scheme were suspended while the new share issue was being put in place but was reinstated in late October.

As of yesterday a total 48,807 shares had been acquired under the scheme which is due to expire on 3 June 2008.

The on-market buy back scheme has proved a very worthwhile addition to support for the share price.

Our Fund Manager:

Our fund manager, Hyperion Asset Management Ltd has again performed very well with excellent results for the 2006-07 year.

With rare exception, our fund manager has performed consistently well over a long period of time. While past performance provides no guarantee as to future performance, we are comforted by the fact that our fund manager is well regarded by asset consultants and the industry generally and has exceptional stability in the investment team as well as a tried and proven investment process.

Portfolio return for the 3 months ended 30 September 2007 was 5.3 per cent which was 1 per cent greater than the change in the All Ordinaries Index of 4.3 per cent over the same period.

Your Board:

Last year was one of significant change for your board with long-standing Chair Steve Wilson stepping down and Russell McCrory resigning after also being one of the initial directors of the company.

Justine Hickey replaced Russell and has been an excellent addition to the board.

Unfortunately, another long-standing director, Grace Grace, resigned on 15 October following her election to the Queensland Parliament as the Member for Brisbane Central. Grace joined the board in 2000 and has been a very enthusiastic and professional contributor.

Following Grace's resignation, steps have been put in place by the Nominations Committee of the board to identify a replacement for Grace. We hope to be in a position to make an announcement in the near future.

I would like to place on record our thanks to Grace for the contribution she has made to the success of the company.

In Summary:

It has been another outstanding year for the company and shareholders should feel well-pleased with the performance of their investment.

I commend to you the results for the financial year 2006-07.