

Managing Director's Quarterly Report



June 2006

Total Net Market Value of Assets

\$29,897,012 or 176c per share

Investment Performance

(These figures are unaudited)

	Quarter	One Year
Portfolio return over the period*	1.7%	34.7%
Change in All Ords. over Period	-1.0%	19.0%
Total return over the period (NAV & div)	0.0%	24.6%
Change in Bank Bill Index over the Period	1.4%	5.8%

* This return is before all fees, costs, taxes and dividends while the NAV return is after fees, costs and taxes paid. Past performance is no guide for future performance.

Asset Allocation

Financials	32.4%
Consumer Discretionary	21.0%
Materials	13.3%
Healthcare	9.0%
Industrials	8.5%
Other	8.2%
Consumer Staples	5.5%
Cash and Equivalent	2.1%

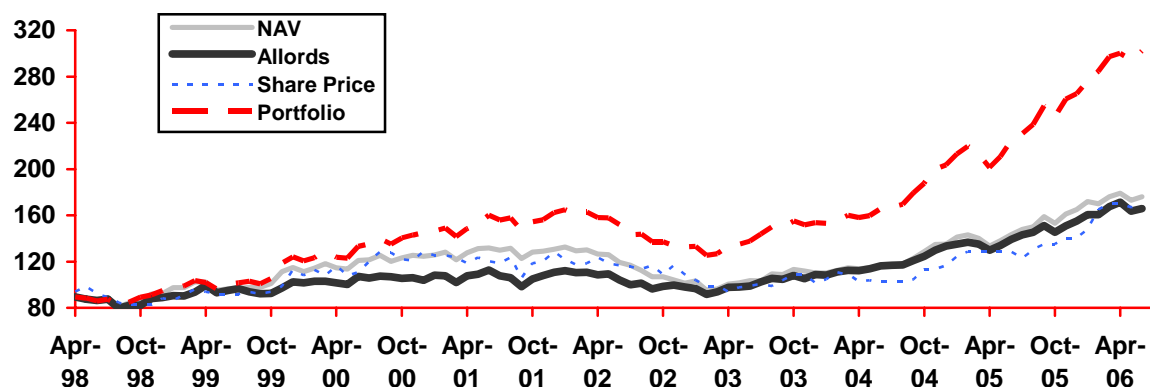
Five Major Investments

(As a % of the portfolio)

	Jun-06	Mar-06
Rio Tinto	6.4%	6.5%
Babcock & Brown	6.1%	5.3%
ANZ	5.5%	5.5%
Brambles	5.2%	5.8%
Woolworths	5.2%	5.1%
Total	28.4%	28.2%

Relative Performance History

(After adjusting for the rights issues)



Portfolio Performance

- The portfolio return (as shown in the chart and table is before all fees, costs, taxes and dividends) was 1.7% over the quarter and 34.7% for the twelve months to the end of June 2006. The return since April 1998 was 238.2%.
- The NAV was unchanged over the quarter as compared to the All Ordinaries Index which declined by 1.0%.
- The NAV per share of the portfolio has increased since April 1998 by 97.1%, while the total return including dividends is 132.0%. The All Ordinaries Index was up 85.6% since April 1998.
- At the current market value, the investments in the portfolio have a dividend yield of 3.1% substantially fully franked.

Investment Activity

- During the quarter under review, four new investments were added to the portfolio: Iress Market Technology, Primary Health Care, Wotif.com and Australis Aquaculture. We sold Oron and ASX from the portfolio.
- Amongst the best performing investments over the quarter were Seek, Babcock and Brown and Perpetual. The worst performing investment was Fantastic Furniture.

Market facts

- Even though the Australian market as measured by the All Ordinaries Index declined by 1.0% over the quarter it has increased by 19.0% over the past twelve months.
- By Comparison, the S&P 500 declined in US\$ by 1.9% during the quarter, increasing by 6.6% over the twelve months to the end of June 2006.

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