

Graziers' Investment Company Limited
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17 October 2008

Dear Shareholder

We are pleased to send to you today a summary of activities and results for the year ended 30 June 2008, Notice of Meeting, Proxy Form and Explanatory Memorandum for the first Annual General Meeting ("AGM") of the newly named company Graziers' Investment Company Limited ("GIC"). This AGM is to be held on Wednesday 12 November 2008 at 9.30 am in Parkville.

This year at GIC has been a period of implementing substantial restructuring following the sale of the core business through the transfer of The Woolmark Company Pty Ltd ("TWC") to Australian Wool Innovation Limited ("AWI").

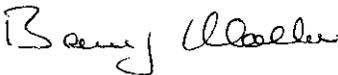
With the enclosed Notice of Meeting is an Explanatory Memorandum of the AGM, together with a Proxy Form to allow you to appoint a proxy to vote for you on the election of two directors. My term, together with Philip Attard, expires at this AGM and we are seeking re-election.

The current board has a strong mix of commercial, corporate, marketing and financial experience in many industries as well as a broad international perspective.

The directors believe it is in the best interests of the GIC Group that Philip and I are re-elected. If you cannot attend the meeting you are encouraged to send in a Proxy Form.

If you have any questions relating to the voting procedure or the AGM, please contact the shareholder information line on 1300 361 735 or visit the GIC website at www.graziersinvestco.com.au.

Yours faithfully



Barry Walker
Chairman
On behalf of fellow GIC directors
John Patten, Philip Attard and Ian Hilton

NOTICE OF ANNUAL GENERAL MEETING

Shareholders' attention is drawn to the proxy details accompanying this Notice of Meeting.

Notice is hereby given that the first Annual General Meeting of Graziers' Investment Company Limited (the "Company") will be held at the **Treacy Centre, 126 The Avenue, Parkville, Victoria on Wednesday, 12 November 2008 at 9.30 am for the following purposes:**

Ordinary Business

1. Financial Statements

To receive and consider the financial statements of the Company and of the Group for the year ended 30 June 2008 and the related reports of the directors and auditor.

2. Directors

To re-elect directors:

- (a) Barry Walker, who retires by rotation in accordance with the Company's Constitution and being eligible, offers himself for re-election.
- (b) Philip Attard, who retires by rotation in accordance with the Company's Constitution and being eligible, offers himself for re-election.

By Order of the Board
Dated 17 October 2008
Peter J J McKeown
Company Secretary

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. FINANCIAL STATEMENTS

The Corporations Act requires that the annual financial report, directors' report and auditor's report be considered at the Annual General Meeting ("AGM"). The Constitution of the Company under rule 11.1 requires that these reports are to be received and considered at the AGM. There is no requirement either in the Constitution or the Corporations Act for shareholders to approve the financial report, directors' report or the auditor's report. However shareholders will be given a reasonable opportunity at the AGM to ask questions and make comments on these reports and on the business, operations and management of the Company.

2. ELECTION OF DIRECTORS

Under rule 13.3 of the Company's Constitution the following directors are required to retire from office at the 2008 AGM. The directors are:

Barry Walker and Philip Attard

Barry Walker and Philip Attard have offered themselves for re-election and are eligible under paragraph 13.4(a) of the Company's Constitution. The requirement under paragraph 13.3(a) of the Company's Constitution of not less than one-third of directors retiring from office is satisfied by the retirements of Barry Walker and Philip Attard.

Details of the qualifications and experience of Barry Walker and Philip Attard are set out below:

Mr Barry Walker

Mr Barry Walker was elected to the board of the Company in November 2004 and elected as Chairman on 8 March 2006. During 2007/08 Mr Walker was also Chairman of The Woolmark Company Pty Ltd ("TWC") until its sale on 5 October 2007. He is also Chairman of GIC Holdings Pty Ltd and Andar Holdings Limited. Mr Walker is a director of the wool broking business Australian Wool Network Pty Ltd. He is a partner in a family grazier business running 15,000 merinos. He was a director of Australian Wool Testing Authority until 2001, a board member of the Australian Wool Research and Promotion Organisation and a director of TWC from 1995 to 1998. Mr Walker is a former Wool Council of Australia member representative and has held positions on the NSW Farmers Wool Committee and as a General Councillor. He has also held numerous agricultural, community and local government positions including Past President of the Australian Superfine Wool Growers' Association and Executive Committee member.

Mr Philip Attard

Mr Philip Attard is a Sydney based businessman who also owns and operates a superfine and ultrafine merino enterprise, Gostwyck, in the New England tablelands. Mr Attard has spent 33 years building successful and profitable businesses in the Information Technology world holding senior executive roles in sales, marketing, strategic planning and general management. He has worked with European, American and Australian companies in Australia and Asia. Mr Attard is now focusing his attention on the family businesses and has spent much of the past 4 years successfully developing grazing systems, pastures and merino quality. He is also Chairman of the Sheep Genetics Advisory Council.

To be successfully re-elected or elected as a director a candidate must receive more votes "For" than "Against".

SUMMARY OF ACTIVITIES AND RESULTS FOR 2007/2008

Sale of Core Business

In the first quarter of the year GIC focused on one over-riding issue – completion of the integration of TWC with AWI in a way which would best benefit our shareholders, Australian woolgrowers and protect TWC's key assets, specifically the iconic Woolmark brand.

We faced a series of significant impediments and legacy items which had to be overcome to allow integration to proceed. Most notable of these was the International Wool Secretariat Retirement Benefits Plan ("IWS Pension Plan").

Once negotiated, we received final clearance from the IWS Pension Plan Trustees and UK Pensions Regulator to proceed with the integration.

This agreement **removed** a liability calculated at over £32m from GIC while ensuring that the IWS Pension Plan received a fair settlement. Pursuant to that agreement GIC agreed to pay \$13m to the IWS Pension Plan in three annual payments of \$9m, \$2m and \$2m. The first payment was made in June 2008 and the remaining payments will be made in March 2009 and March 2010 respectively.

The Trustees may also receive a further payment if Andar Holdings Limited and/or the Mumbai property are sold above a certain value. In broad terms the payment would be equal to 50% of the 'excess' of the net consideration received from the sale over the book value of each of those assets.

If either Andar Holdings Limited or the Mumbai property is not sold by 1 January 2010, a third party will be appointed to estimate the market value of these assets. The Trustees would then receive (in broad terms) 50% of the 'excess' of the net market value over the book value of each unsold asset.

Subject to these agreements and shareholder approval on the motion to sell the core businesses (which was forthcoming at the GIC General Meeting in August 2007), the then Australian Minister for Agriculture, Fisheries and Forestry, Mr Peter McGauran MP, agreed to give \$15m to AWI in order to purchase our key assets.

The following core businesses and key assets were transferred from GIC to AWI on 5 October 2007:

- A 100% interest in TWC;
- TWC's assets, including the Woolmark certification trade mark and associated brands and trademarks, the Woolfleece™ unregistered trade mark and associated brands, the Sportwool™ and Wooldscience™ technology businesses and trademarks and the Woolmark licensing business;
- The market intelligence business;
- The Optim™ technology business; and
- Other working assets of GIC, including stock and plant and equipment.

Also as part of the sale terms shareholders approved the name change of the Company at its Annual General Meeting in November 2007.

Financial Performance

2007/2008 was a challenging year for GIC and one of restructuring following the sale of the core businesses and key assets. Following the sale, the principal continuing operations of GIC are ANDAR and the obligations associated with the IWS Pension Plan outlined above.

The sale generated a net profit of \$6.826m to GIC, reflected as discontinued operations in the results below, whilst GIC's continuing operations resulted in an overall profit of \$2.852m, contributed in the main by the crystallisation of GIC's obligation to the IWS Pension Plan which provided a \$3m actuarial gain to the Company.

Overall the Company achieved a healthy profit of \$9.678m.

	2008	2007
	\$'000	\$'000
Revenue	15,413	12,425
Operating expenses	(16,276)	14,754
Loss before tax & legacy items	(863)	(2,329)
Tax	388	(505)
Loss before legacy items	(475)	(2,834)
Legacy – IWS Pension Plan costs		
Actuarial gain	3,067	5,774
Other actuarially determined costs	(389)	(584)
Exchange translation gain	649	975
Profit - Continuing operations	2,852	3,331
Profit/(loss) - discontinued operations	6,826	(285)
Profit for the year	9,678	3,046

ANDAR

ANDAR recovered and stabilised returning to a profit position due to improved performance in all divisions. This resulted in an overall net profit for the financial year of NZ\$1.375m.

Total group sales exceed NZ\$17m and the ANDAR New Zealand and Australian operations returned trading EBT profits totalling NZ\$802,000. Deferred tax assets were reinstated on to the Company's balance sheet, amounting to NZ\$601,000.

The New Zealand operation has stabilized through establishing a well respected local and national presence with engineering design outside the wool industry. Although diversification outside the wool industry has provided financial stability the core capability to service the agricultural sector has been retained. The Australian operation, ANDAR Tool & Press is experiencing constant growth in the West Melbourne area, especially from the new fabrication side of the business. Being a well-respected and innovative manufacturing company, it has seen the demand for its engineering services exceed actual supply.

Textile contracts remain light on the ground, however continuous effort has paid off with NZ\$2.5m of sales being achieved. The wool industry has still been under immense pressure with weak demand for wool fibres, excess capacity, combined with increased market prices and increased competition from other fibres.

The high New Zealand dollar, combined with increases in steel and commodity costs, has had a considerable influence on ANDAR's export markets significantly increasing the price of most new early stage wool processing equipment.

The highlight of the year for Textiles would have to be securing the sale for an ANDAR 1.2 metre Topmaster High Yield Wool Scour to Raymond Limited, India. This sale has had no impact on the results reported for the year ending 30 June 2008 with manufacturing commencing in July 2008 and delivery mid November 2008.

The Front Stores retail division finished with sales of just over NZ\$6m with an overall contribution of NZ\$500,000 which is a direct reflection of the increased market share they have gained as a result of continued hard work that has taken place within the Front Store branches.

The 2008/09 year ahead is formed around a solid sales platform across all ANDAR business units. With the Raymond's scour to manufacture, and increasing market presence in all the business divisions, the outlook is positive for the coming 12 months. Revenue streams are now very diverse and increasingly stable from a broad range of products across industry.

The Future

On 5 October 2007 GIC's key assets were transferred to AWI and they have now been incorporated into AWI's operations.

At its Annual General Meeting held last November shareholders approved the name change from Australian Wool Services Limited to Graziers' Investment Company Limited. Apart from the recovery and stability achieved at ANDAR, which realised a profit result for the financial year, the focus has been on ensuring post-completion activities associated with the sale of GIC's core business assets to AWI. Also the final regulatory approval necessary before implementing the compromise, achieved with the Trustees of the IWS Pension Plan, was secured during the financial year. This enabled the first payment to be made in June of this year. The final two payments will be made in March 2009 and March 2010 which will then see our support to be provided to the Plan terminated. Once this clean break is achieved it is expected that the directors of GIC will make a determination and recommendation to shareholders as to the future direction of GIC.